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**The EU in 2022:
General Report on the activities of the European Union
Published in accordance with Article 249(2) of the Treaty on the Functioning of the
European Union**

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The EU in 2022

GENERAL REPORT ON THE ACTIVITIES OF THE EUROPEAN UNION

Published in accordance with Article 249(2) of the Treaty on the Functioning of the European Union

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Ukrainians cross an improvised path along a destroyed bridge as residents continue to flee the city, Irpin, Ukraine, 8 March 2022.

Chapter 1: The EU's response to Russia's war of aggression against Ukraine

Introduction

In 2022, just as the global economy was beginning to bounce back from the COVID-19 pandemic, the world faced a new geopolitical crisis. On 24 February 2022, almost 8 years after the illegal annexation of Crimea and Sevastopol, Russia launched a war of aggression against Ukraine, unleashing devastation on its people, with the tragic toll in human lives and destruction continuing to mount. As well as creating an unprecedented humanitarian crisis, Russia's actions also triggered the worst energy crisis in Europe since the 1970s. This also led to a hike in food prices across the world, further exacerbating global food insecurity.

The European Union's response was united, determined and immediate. The 27 Member States and their partners around the world condemned the unprovoked and unjustified war of aggression, acting swiftly and forcefully to isolate Russia economically and thwart its ability to fund the war through hard-hitting sanctions.

Demonstrating its unwavering support for Ukraine, the EU stepped up its provision of political, humanitarian and financial support to the country. It also took the exceptional measure of activating, for the first time ever, the Temporary Protection Directive to provide immediate protection to the millions of Ukrainians who were forced to flee their homes.

At the same time, the EU mobilised all of its means to support Member States in their response to the consequences of Russia's war of aggression against Ukraine and the massive inflow of refugees to neighbouring countries.

Russia's war of aggression also triggered changes in the European security architecture. In March, the EU adopted the Strategic Compass to strengthen the EU's posture in security and defence by 2030 (see Chapter 8).

In addition, the European Commission set out a groundbreaking plan, REPowerEU, to help end the EU's dependency on Russian fossil fuels (see Chapter 2).

Following the historic decision of the European Council in June 2022, the EU granted the status of candidate country to Ukraine (see Chapter 8).

Solidarity with Ukraine

An immediate and united response

The EU reacted swiftly to Russia's war of aggression against Ukraine. With true solidarity between the EU and its Member States, the EU adopted in 2022 more than 200 measures in response to the invasion. Its response followed three tracks: to isolate Russia and hold it to account for the war of aggression, invasion and international humanitarian law violations, including war crimes; an unprecedented set of sanctions designed to impose severe consequences on Russia's economy and thwart its ability to continue its war of aggression; and wide-ranging support to Ukraine. The EU also stopped engaging with Russian authorities, while continuing to provide support to civil society, human rights defenders and independent media.

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In April, the world came together in solidarity to raise €9.1 billion for people fleeing the Russian invasion. This included €1 billion from the EU budget and another €1 billion from the European Bank for Reconstruction and Development. The Stand Up for Ukraine pledging event and campaign was launched by the European Commission and the Canadian government, in partnership with the international advocacy organisation Global Citizen, in answer to a call from Ukraine's President Volodymyr Zelenskyy. In recognition of the Polish people's generosity towards refugees, the pledging event was held in Warsaw, with the participation of Polish President Andrzej Duda.

From left to right: Andrzej Duda, President of Poland, Ursula von der Leyen, President of the European Commission, and Hugh Evans, Co-founder and CEO of Global Citizen, at the 'Stand Up For Ukraine' global pledging event, Belvedere Palace, Warsaw, Poland, 9 April 2022.

In a 'Team Europe' approach, the EU, its Member States and financial institutions, had by the end of 2022 together mobilised close to €50 billion in overall support for Ukraine, in a clear expression of EU's continued solidarity with the people of Ukraine.

This includes an unprecedented [support package](#) of up to €18 billion in the form of favourable loans, with the Commission – on behalf of the EU – borrowing the funds on international capital markets and paying them out in regular instalments in 2023. With this financial assistance, Ukraine will be able to address its pressing short-term funding needs and maintain essential state functions, ensure macroeconomic stability and restore critical infrastructure destroyed by Russia's war of aggression. The financial assistance will help Ukraine address its pressing short-term funding needs. This support would need to be matched by other international partners to ensure that the entirety of Ukraine's funding gap will be covered.

Overall support for Ukraine mobilised in 2022

€19.7 billion in financial assistance, budget support and humanitarian assistance, enabled by the EU budget and directly from EU Member States in grants, loans and guarantees

€18 billion package to support Ukraine's economy

€3.1 billion in military assistance under the European Peace Facility and around €7 billion directly by EU Member States*

*The EPF and direct Member States support are not part of the EU budget.

Key measures in 2022 to help Ukrainian businesses and people benefit from the EU Single Market

The EU–Ukraine solidarity lanes provided new logistics routes to connect Ukraine to global trading partners via rail, road and inland waterways. These have become a lifeline for the Ukrainian economy bringing back more than €15 billion in much-needed income to Ukrainian farmers and businesses and helping Ukraine export its goods, most importantly grain to ensure food security in developing countries (see Chapter 8). They also allowed Ukraine to import what it needed –, from humanitarian aid to animal feed and fertilisers.

The Supply Chain resilience platform and the EU-Ukraine Solidarity Lanes Business Matchmaking platform helped Ukrainian and European companies deal with disruptions in international supply chains and find solutions to the export of agricultural produce from Ukraine.

European Transport Corridors were extended to include Ukraine and Moldova to improve transport connections with the EU. Both countries will have access to the Connecting Europe Facility, which can be used to support cross-border projects to remove bottlenecks.

EU agreements with Ukraine and Moldova will also help make the cross-border transport of goods easier.

New rules ensured that all Ukrainian imports could enter the EU completely duty- and quota -free. Any trade restrictions imposed on Ukraine before the war, such as anti-dumping and safeguard measures, were suspended.

Common guidance enabled Member State authorities to ensure quick, fair and flexible recognition of professional qualifications for people fleeing Ukraine.

New rules allowed Ukrainians who have fled to the EU to continue using their Ukrainian driving licences in the EU and eased requirements for professional drivers.

Ukraine and Moldova were synchronised with the continental European electricity grid. Ukraine will also benefit from the EU common purchase of gas, liquefied natural gas and hydrogen (see Chapter 2).

EU and Ukrainian operators provided affordable or free calls and internet use to refugees, as well as free SIM cards with mobile services to Ukrainians in Europe.

The EU mobilised €25 million to increase Ukraine's cyber and digital resilience as part of the €330 million emergency package.

EU sanctions

Since March 2014, the EU has been progressively imposing sanctions against Russia, initially in response to the illegal annexation of Crimea and Sevastopol and the deliberate destabilisation of Ukraine.

On 23 February 2022, the EU added to the sanctions in response to Russia's formal recognition of the non-government-controlled areas of the Donetsk and Luhansk oblasts of Ukraine and the ordering of Russian armed forces into those areas. After 24 February, in response to Russia's war of aggression against Ukraine and its illegal annexation of four more Ukrainian territories after sham 'referenda', the EU issued further sanctions. A total of nine packages of restrictive measures were adopted by the end of 2022.

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Citizen support for the EU response to Russia's war of aggression against Ukraine

Measures taken by the EU as a response to Russia's war of aggression against Ukraine received robust support among citizens. For example, Europeans strongly approved of the provision of humanitarian support (88 %) and welcoming people fleeing the war (82 %). At the time of the survey, 7 out of 10 Europeans were in favour of imposing economic sanctions on the Russian government, as well as on companies and individuals (71 %), and sending financial support to Ukraine (70 %).

Source: Flash Eurobarometer 514, November 2022.

In addition to increasing the total number of Russian individuals and entities on the sanctions list to over 1 500, the EU adopted unprecedented measures covering a wide range of economic sectors, from trade, transport and technology to energy, defence and finance. This was done with the aim of imposing severe consequences on Russia for its actions and degrading its ability over time to continue its aggression. For example, the EU restricted the export of key technologies and goods to Russia and banned the import of goods that generate important revenue for Russia.

The EU also cut Russia's access to the EU's capital markets, for example by imposing asset freezes and financing bans on a number of Russian banks, excluding certain banks from the SWIFT network and limiting access to crucial financial market infrastructure. A ban imposed on transactions with the Central Bank of Russia means that it can no longer access the assets it has stored in central banks and private institutions in the EU.

The EU also banned state-owned Russian media from broadcasting in the EU, to counter the spread of misinformation and disinformation. In addition, the EU closed its airspace and EU ports to Russian aircraft and vessels, respectively, and imposed a ban on Russian road transport operators. Other measures included a ban on the seaborne import of crude oil from Russia, a global price cap on oil agreed with G7 partners and an import ban on all forms of Russian coal.

The sanctions imposed by the EU and countries across the world have started to weaken Russia's economic base, depriving Russia of critical technologies and markets and curtailing its ability to wage war. Russia's future economic growth is expected to be significantly slower than in other emerging markets, developing economies and advanced economies.

Financial measures

→ Ban on the provision of financial messaging services (notably SWIFT) for 10 Russian banks

→ Restrictions on Russia's access to the EU's capital and financial markets

→ Ban on transactions with the Russian Central Bank and Russian Regional Development Bank

→ Ban on the supply of euro-denominated banknotes to Russia

→ Ban on transactions with Russian state-owned entities

→ Ban on the provision of credit rating services to Russian entities

→ Ban on the provision of crypto wallets

Restrictions on media

Suspension of broadcasting in the EU of state-owned propaganda outlets:

→ Sputnik

→ Russia Today

→ RTR Planeta

→ Russia 24

→ TV Centre International

→ NTV/NTV Mir

→ Pervyi Kanal

→ Rossiya 1

→ REN TV

Diplomatic measures

Suspension of visa facilitation provisions for Russian diplomats and other Russian officials and business people.

None of the sanctions adopted by the EU against Russia targeted trade in agricultural and food products between Russia and non-EU countries, nor did they prevent the supply of medical equipment or medicines for the general population.

In parallel, the EU sanctions regime concerning Belarus was expanded in response to the country's involvement in Russia's war of aggression against Ukraine. This consists of an array of financial, economic and trade measures. The economic sanctions on Belarus covered about 60 % of all Belarusian exports to the EU. Since the sanctions took effect in March until the end of 2022, Belarusian exports to the EU decreased by 65% compared to the same period the year before. Four Belarusian banks were excluded from the SWIFT system.

The European Commission set up the Freeze and Seize Task Force to ensure the efficient implementation of EU sanctions against listed Russian and Belarusian individuals and companies and to explore the possible links between assets belonging to such people and criminal activities. By the end of 2022, the EU had frozen over €20 billion in Russian assets.

In November, the Council of the European Union agreed to extend the list of 'EU crimes' laid down under Article 83(1) of the Treaty on the Functioning of the European Union to include the violation of EU sanctions. Following the decision, the Commission proposed a directive on the definition of criminal offences and penalties for the violation of EU sanctions.

Fighting disinformation

In 2022, the EU continued its work on developing tools to impose political, economic and reputational costs on the perpetrators of harmful information manipulation and interference, including those who target elections and open media environments.

The work of the European External Action Service included monitoring, analysing and exposing the Russian government's information manipulation and disinformation via strengthened communication and the EUvsDisinfo website.

CH01-PH03

The EU extended direct support to Ukraine's strategic communication efforts and worked closely with international and like-minded partners, in particular the G7 and NATO, to push back on war propaganda.

The Commission's network against disinformation monitored and analysed false narratives and recommended actions and counter-narratives in weekly reports prepared by the Commission.

The EU works closely with online platforms and other relevant stakeholders to combat the spread of disinformation. Since 2018, the Code of Practice on Disinformation has served as a tool for relevant industry players to agree on self-regulatory standards to fight disinformation. In June 2022, 34 signatories (major online platforms, emerging and specialised ones, stakeholders in the advertising industry, fact checkers, and research and civil-society organisations) signed a strengthened version of the code. The revised code aims to cut financial incentives for those that spread disinformation, ensure political advertising transparency and empower the fact-checking community.

Dealing with the humanitarian crisis

Since the start of Russia's war of aggression, the humanitarian needs in Ukraine have risen to unprecedented levels. By the end of 2022, more than 13 million people in the country had received humanitarian assistance. Out of the total amount of support for Ukraine mentioned above, humanitarian support included €485 million allocated for humanitarian aid programmes supporting civilians affected by the armed conflict in Ukraine, and €38 million for Moldova, which was also hit hard by the war. EU humanitarian funding provided vital support, including access to basic goods and services, such as education, healthcare and food. A further €200 million was provided to support displaced people in Ukraine.

The EU's first priority was to protect Ukrainian civilians. Working with Ukrainian civil protection authorities, the Commission began the biggest and most complex operation under the EU Civil Protection Mechanism in its history to ensure the delivery of the most urgent non-monetary assistance to Ukraine and neighbouring countries, and the safe evacuation of those fleeing the armed conflict. By the end of the year, the value of the almost 78 000 tonnes of assistance provided by the EU Member States and non-EU countries contributing to the mechanism, combined with assistance coming from rescEU reserves, amounted to around half a billion euro.

CH01-PH04

Janez Lenarčič, European Commissioner for Crisis Management, in the middle, attending a medical evacuation operation at Rzeszów airport, Przemyśl, Poland, 10 June 2022.

CH01-PH05

The first rescEU medical evacuation plane enters into service to help transfer Ukrainian patients, Rzeszów, Poland, 22 March 2022.

The Commission, along with Member States and the World Health Organization Regional Office for Europe, set up triage hubs at the Ukraine border and in the most affected Member States to speed up relocation and medical transfers. European transport operators stepped in at the beginning of the war to offer refugees from Ukraine free transport to European countries.

The EU Civil Protection Mechanism coordinated medical evacuations of Ukrainian civilians and military patients in need of continued treatment or urgent medical assistance to countries in the EU and Norway. The Commission set up logistical hubs to channel European assistance and support humanitarian partners on the ground. Among these were medical hubs set up in Jasionka, Poland, *Iaşi,* Romania, and Košice, Slovakia to ensure the safe evacuation of patients and prepare for the reception of a large influx of patients in countries bordering the EU. The evacuation operations were supported by the new rescEU medical evacuation plane, financed by the EU and hosted by Norway. By the end of the year, more than 1 670 patients had been transferred to hospitals in 19 European countries.

In an exemplary demonstration of European solidarity with Ukraine and its people, all 27 Member States, along with North Macedonia, Norway and Türkiye, offered help to Ukraine under the EU Civil Protection Mechanism throughout the year. An additional stockpile of urgently needed items, such as medical equipment and temporary shelters, was established to centralise items donated by private companies.

CH01-INFO07

Life-saving assistance to Ukraine

30 countries offered their assistance

Over **77 500** tonnes of non-monetary assistance was donated

185 ambulances

125 fire engines

1 260 power generators

1 105 transformers

129 heavy machinery vehicles.

33 pontoon bridges and bailey bridges

Russia's war of aggression against Ukraine also put pressure on Member States' health systems, which provided healthcare to those displaced to the EU. Under an agreement with the EU, the International Federation of Red Cross and Red Crescent Societies was able to provide mental health and emotional support to people displaced in Ukraine, and in the EU and countries in the European Economic Area.

The European Medicines Agency and the Commission's Health Emergency Preparedness and Response Authority closely monitored supplies of important medicines and medical equipment, including paediatric vaccines and vaccines for other infectious diseases, to prevent possible supply chain issues. Additional support, in the form of wastewater surveillance for different pathogens, was also given to Member States hosting refugees. The Commission coordinated these actions with international partners such as the World Health Organization.

Russia's persistent and deliberate targeting of Ukraine's energy infrastructure seriously affected the country's energy system. The EU, together with its Member States and private companies, delivered several million euro worth of emergency energy equipment to Ukraine. In addition, €32 million was

collected to cover the most urgent needs via the Ukraine Energy Support Fund established by the Energy Community at the request of the Commission. In December, President von der Leyen announced that the EU would mobilise around €30 million to purchase up to 30 million energy saving lightbulbs for Ukraine.

Kadri Simson, European Commissioner for Energy (left), and Herman Haluschenko, Ukraine's Energy Minister, in the centre of Kyiv, Ukraine, 1 November 2022.

The EU also delivered more than €40 million of chemical, biological, radiological and nuclear threat countermeasures and equipment from rescEU reserves and allocated €13 million for the restoration of laboratories damaged by Russian occupiers at Chernobyl.

Welcoming those fleeing the armed conflict

In a historical first and with unprecedented speed, on 4 March the EU activated the Temporary Protection Directive to offer quick and effective help. Along with offering protection to those fleeing Russia's war of aggression, including giving them a clear legal status and a residence permit in an EU Member State, the EU also provided access to schooling, social welfare, jobs, medical care and housing.

The Commission set up the EU Solidarity Platform as a central hub to monitor needs and coordinate the operational response. The platform, which is also available in Ukrainian and Russian, enabled EU Member States to exchange essential information relating to the ensuing arrival of millions of displaced people in European countries. In March, the Commission presented a 10-point plan to strengthen European coordination on welcoming refugees.

The Commission also launched a communication campaign to inform refugees about their rights and about trustworthy sources of information when travelling to the EU. By the end of 2022, around 4.5 million people had officially been registered for temporary protection in EU Member States.

Education in times of conflict

Russia's war of aggression against Ukraine has taken a severe toll on its education system, affecting students, teachers and administration and education facilities, thousands of which sustained damage. With support from the European Union, Unicef provided education supplies and organised training for teachers on life-skills education and emotional support.

According to EU estimates, around one third of the refugees from Ukraine were school-age children. These children received the same rights and protection as children who are EU citizens. Around half a million Ukrainian children were integrated into school systems in 20 Member States at the start of the new school year in September.

500 000 Ukrainian children started the 2022/2023 school year in the EU.

Anastasiia Konovalova fled from Odesa, Ukraine, to Bucharest, Romania, where she now teaches primary school classes to Ukrainian children.

The Commission supported national education systems with a practical manual for the 2022/2023 school year, guidelines on the fast-track recognition of Ukrainian academic qualifications, peer learning, online platforms and flexible funding arrangements under the Erasmus+ programme, which supports education, training, youth and sport in Europe.

In June, the Commission invited Member States to review their requests for aid for the 2022/2023 school year under the EU school scheme to cater for displaced Ukrainian children. The scheme supports the distribution of fruit, vegetables, milk and certain milk products to schoolchildren from nursery to secondary school. As a result, a total of €2.9 million was redistributed to these countries.

The Commission also launched MSCA4Ukraine, funded under the Marie Skłodowska-Curie Actions, with a €25 million budget to support researchers fleeing the war. This enabled them to continue their work at academic and non-academic organisations in EU Member States and Horizon Europe-associated countries, while maintaining their connections to research and innovation communities in Ukraine.

In 2022, the EU allocated €100 million for the rehabilitation of damaged Ukrainian schools and donated €14 million for the purchase and transport of school buses for children in Ukraine. The Commission also organised a solidarity campaign calling on public and private entities to donate school buses for Ukraine. By December, 240 buses were on their way to Ukraine, channelled from the EU Member States via the EU Civil Protection Mechanism.
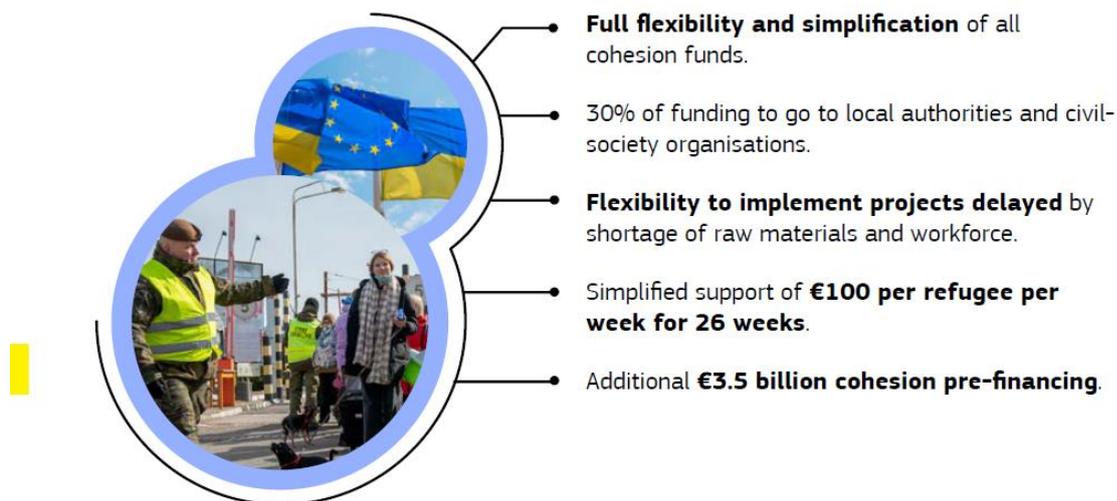
Driving Ukraine's future

Supporting EU Member States

The EU also acted with speed and solidarity to support Member States as they welcomed and found accommodation for those fleeing Ukraine, making €3.5 billion immediately available from the pandemic crisis instrument Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU). Member States and their regions were also able to redirect existing funding to provide basic material assistance, such as food and clothing, through the Cohesion's Action for Refugees in Europe (CARE) initiative. To further extend this support, in June the Commission presented the Flexible Assistance to Territories (FAST–CARE) proposal to help Member States in their provision of support to refugees.

CH01-INFO09

FAST-CARE: Cohesion Policy support to territories and partners receiving Ukrainian refugees

- **Full flexibility and simplification** of all cohesion funds.
- 30% of funding to go to local authorities and civil-society organisations.
- **Flexibility to implement projects delayed** by shortage of raw materials and workforce.
- Simplified support of **€100 per refugee per week for 26 weeks**.
- Additional **€3.5 billion cohesion pre-financing**.

In total, up to €17 billion is available under CARE for 2014–2020 (including REACT-EU mentioned above) and up to €17 billion under FAST-CARE for 2021–2027.

The 2014–2020 and 2021–2027 home affairs funds were also available to support EU Member States in welcoming those fleeing Ukraine. Furthermore, €400 million was made available to frontline Member States to help cover the costs of shelter, food and healthcare, and to support border management.

Nine Member States requested support through the EU's Technical Support Instrument to implement the Temporary Protection Directive. This included helping people fleeing Ukraine find jobs in the EU and adapting school curricula to the needs of Ukrainian pupils.

After suspending cooperation programmes with Russia and its ally Belarus, the EU transferred €26.2 million, initially envisaged for projects with these two countries, to strengthen the cooperation of Member States with Ukraine and Moldova.

The EU also introduced changes to the legal framework of 15 cross-border and transnational cooperation programmes disrupted by the Russian war of aggression. These changes were made to ensure that projects supporting Member States and benefiting Ukrainians and Moldovans could continue to be implemented. This included projects to support refugees.

Helping farmers and fishers

Actions to support EU farmers most affected by the war included an exceptional aid package of €500 million. EU farmers received increased support through rural development funds, which allowed Member States to pay affected farmers and agri-food businesses a one-off lump sum. In addition, the temporary relaxation of crop rotation rules for 2022/2023, which aims to maximise the production of cereals, is expected to put an estimated 1.5 million hectares back into production.

Russia's weaponisation of its energy exports worsened an already challenging situation for the fertiliser market, on the heels of the COVID-19 pandemic. The peak in gas prices led to an increase of around 149 % in the cost of nitrogen fertilisers in September 2022, compared with the year before. In response to this, the Commission presented a wide range of initiatives to ensure the availability and affordability of fertilisers in the EU and globally. Measures to support farmers included targeted financial help, such as specific support under the Temporary Crisis Framework for State aid, support for alternative fertiliser solutions, and the launch of a market observatory for fertilisers to enhance market transparency.

EU fishery and aquaculture operators were also severely affected due to the rising prices of energy and raw materials. To help the struggling sector, the EU activated the European Maritime, Fisheries and Aquaculture Fund to support operators and introduce specific crisis measures. These initiatives complement those available under the State aid Temporary Crisis Framework, which was adopted to help EU companies deal with high energy prices and other consequences of Russia's war of aggression against Ukraine (see Chapter 2 for more information).

Support in the investigation and prosecution of war crimes

The EU took a number of measures to make Russian decision-makers accountable for the gross violations of international human rights law and international humanitarian law in Ukraine.

In March, all EU Member States, together with other partner countries, decided to collectively refer the situation in Ukraine to the International Criminal Court. While continuing to support the work of the Court, the EU expressed readiness to work with the international community on setting up an ad hoc international tribunal or a 'hybrid' tribunal to investigate and prosecute Russia's crime of aggression.

By the end of 2022, Ukraine and 14 EU Member States had launched investigations into the international crimes committed in Ukraine by Russia. Some of these Member States are already working directly with Ukraine and the European Union Agency for Criminal Justice Cooperation (Eurojust) through the Joint Investigation Team, set up to collect evidence and investigate war crimes and crimes against humanity. Eurojust's mandate was strengthened in June 2022, giving it the ability to preserve, analyse and store evidence relating to international crimes.

CH01-PH09

Josep Borrell, High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission in charge of 'A Stronger Europe in the World' (first from right), and Ursula von der Leyen, President of the European Commission (second from right), paying tribute to the victims of the war in Ukraine, 8 April 2022.
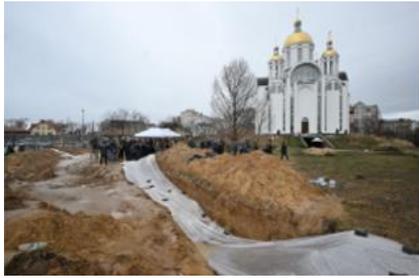
General view of a visit to a mass grave, Bucha, Ukraine, 8 April 2022.

Andriy Kostin, Ukrainian Prosecutor General (left), with Didier Reynders, European Commissioner for Justice, Borodyanka, Ukraine, 9 October 2022.

The EU also amended the mandate of the EU Advisory Mission for Civilian Security Sector Reform in Ukraine to enable it to also provide support to the Ukrainian authorities in the investigation and prosecution of any international crimes committed in the context of Russia's war of aggression against Ukraine.

The European Agency for Law Enforcement Cooperation (Europol) developed a dedicated taskforce to collect and analyse publicly available information in order to assist Ukraine and the International Criminal Court in monitoring online content.

In November 2022, the Commission presented different options to Member States to make sure that Russia pays for the atrocities committed during its unprovoked aggression against Ukraine. In the short term, the Commission proposed to create a new financial structure to manage frozen and immobilised public Russian assets, invest them and use the proceeds for Ukraine. In the longer term, once the sanctions are lifted, these funds could be used to ensure Russia's full compensation for the damages caused to Ukraine.

Reconstruction of Ukraine

Russia's war of aggression has already caused massive destruction to towns and communities in Ukraine, with the cost of reconstruction estimated by the World Bank to be up to €600 billion. A collective international effort will be required to support Ukraine as it rebuilds its country and its economy.

Regarding long-term reconstruction, on 25 October the Commission and the G7 Presidency jointly organised an International Expert Conference on the Recovery, Reconstruction and Modernisation of Ukraine in Berlin, Germany. Building on the discussions held in Lugano, Switzerland, on 4 and 5 July at the Ukraine Recovery Conference, the Berlin conference provided additional expert advice on the recovery process. The outcome of the conference will contribute to the development of an international coordination platform, as proposed by the Commission in May. In December, G7 leaders agreed to establish such a multi-agency Donor Coordination Platform, together with Ukraine and international partners and in close coordination with relevant international organisations and international financial institutions. The Platform will be key to help match needs and resources for Ukraine's repair, recovery and reconstruction efforts. It will be co-chaired by the EU, Ukraine and the US and will be assisted in its work by the technical Secretariat, with a Brussels office hosted by the Commission, and a Kyiv office hosted by the government of Ukraine.

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Ukraine joined LIFE, the EU funding instrument for the environment and climate action, in June. This means it can benefit from support to help restore its environment after the severe damage brought about by Russia's war of aggression against Ukraine – from pollution and the destruction of ecosystems to other long-term effects. In the short term, the LIFE programme can underpin Ukraine's reconstruction efforts through needs analysis and help to tackle soil and water decontamination, including through nature-based solutions. Ukraine is the second non-EU country to join the LIFE programme, after Iceland.

Chapter 2: Ensuring secure, affordable and sustainable energy

Introduction

Russia's war of aggression against Ukraine and its use of energy exports as a weapon threatened the security and affordability of the EU's energy supplies. The EU responded with initiatives aimed at phasing out its dependence on Russian fossil fuels, supporting citizens facing high energy bills and accelerating the EU's clean-energy transition.

Shortly after the invasion, the EU presented REPowerEU, a groundbreaking plan for saving energy, boosting renewable energy and diversifying Europe's energy supplies. The plan builds on the ambitious measures proposed in 2021 to help the EU meet is climate and environmental goals (see Chapter 3). It also complements earlier initiatives relating to energy security, supply and storage.

REPowerEU is partially backed by financial support from the NextGenerationEU instrument and the necessary legal measures to advance the transition to the new energy infrastructure and system that Europe needs. This will require massive scaling-up of renewables, along with faster electrification and the replacement of fossil-based heat and power in industry, buildings and the transport sector.

Over the course of 2022, the EU took a range of emergency measures to address the energy crisis and, for the first time in the field of energy, used the emergency intervention under [Article 122](#) of the Treaty on the Functioning of the European Union. This was done to ensure gas savings, speed up permit-granting procedures for renewable energy projects and trigger solidarity among Member States in the event of severe difficulties in energy supply.
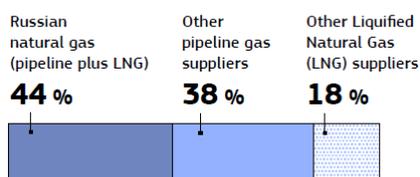
Energy security

Ending the EU's dependency on Russian fossil fuels

The Russian war of aggression against Ukraine has massively disrupted the world's energy system, causing hardship as a result of high energy prices and heightening energy security concerns. It also brought to the fore the EU's overdependence on fossil fuel imports from Russia, which accounted for 45 % of gas imports, 46 % of coal imports and 27 % of oil imports in 2021.
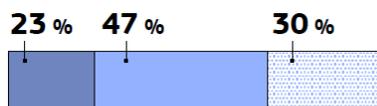
Within weeks of the invasion, the EU came forward with the REPowerEU Plan to end its dependency on Russian fossil fuels by accelerating the rollout of renewables, improving energy efficiency and energy savings, and diversifying energy supplies.

CH02-GR04

Diversifying the EU energy supplies

Russian natural gas (pipeline plus LNG)	Other pipeline gas suppliers	Other Liquified Natural Gas (LNG) suppliers
44 %	**38** %	**18** %

EU imports in 2021

23 %	**47** %	**30** %

EU imports in 2022

Source: European Network of Transmission System Operators for Gas

To find alternative energy supplies and avoid overdependence on a single supplier, the EU reached out to reliable international partners, securing record levels of liquefied natural gas (LNG) imports and alternative deliveries of pipeline gas. To this end, the EU signed a landmark deal with the United States in March, and further arrangements followed with Azerbaijan, Egypt and Israel.

CH02-VD02

REPowerEU: the Commission's plan to phase out Russian fossil fuels.

The EU policy efforts in 2022 have paid off. By the end of 2022, the EU had reduced its pipeline gas imports from Russia to 9 % and Norway had overtaken Russia as the EU's leading gas supplier.

Several energy infrastructure projects, known as [projects of common interest](#), facilitated the switch to LNG and its transport across Europe. Other projects that came online in 2022, such as the [Baltic Pipe](#) and the [Greece–Bulgaria Interconnector](#), were crucial in providing several Member States with an alternative to Russian gas. This was possible thanks to considerable EU investment in energy infrastructure in the past decade.

The Interconnector Greece–Bulgaria is a crucial project for the diversification of gas supply in south-eastern Europe. Inaugurated on 1 October 2022 in Sofia, Bulgaria, it is a key route to carry gas from the trans-Adriatic pipeline and Greece to Bulgaria and neighbouring countries. The project received €45 million from the European Energy Programme for Recovery and €39 million from structural funds under the Innovation and Competitiveness Operational Programme.

View of the lectern at the Gas Interconnector Greece–Bulgaria inauguration, Sofia, Bulgaria, 1 October 2022. From left to right: Teodora Georgieva, Executive Officer for ICGB, Stevo Pendarovski, President of North Macedonia, Ilham Aliyev, President of Azerbaijan, Ursula von der Leyen, President of the European Commission, Roumen Radev, President of Bulgaria, Kyriakos Mitsotakis, Prime Minister of Greece, Galab Donev, Prime Minister of Bulgaria, Aleksandar Vučić, President of Serbia, Nicolae-Ionel Ciucă, Prime Minister of Romania, and George Satlas, Executive Officer for ICGB.

The EU also entered into cooperation with Egypt, Japan, Kazakhstan and Namibia to accelerate the production of renewable hydrogen, which will play a key role in decarbonising sectors (e.g. long-distance transport) where the switch to alternative fuels might be unfeasible or more expensive. It also offers a potential future use for parts of the existing gas pipeline infrastructure to avoid lock-in effects.

Securing storage and tackling high costs

Russia's war of aggression against Ukraine and its weaponisation of its energy resources worsened an already tight supply situation on the energy market following the COVID-19 pandemic. The [Energy Prices Toolbox](#) adopted in October 2021 provided the Member States with guidance on how to deploy measures at the national level to tackle the impact of rising energy prices in line with Single Market rules. The toolbox was expanded in 2022 with the [Communication](#) on short-term market interventions and long-term improvements to the electricity market design and the REPowerEU Plan.

The EU aims to reduce electricity consumption to tackle high prices

| Reduction targets | **-10%** All hours | **-5%** Peak hours |

0%   50%   100%
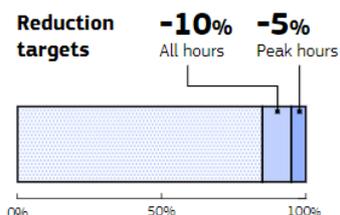
The EU also took immediate action to ensure that Europe could stay warm over the winter. This involved saving energy so more gas could be stored for the winter months. Member States agreed to reduce their gas demand by 15 % between 1 August 2022 and 31 March 2023, compared to their average consumption in the previous 5 years, through their own choice of measures. While the energy systems in each Member State differ greatly, requiring a variety of measures to be taken, coordinated moves at the EU level proved vital in reducing overall consumption across the EU in 2022.

EU gas storage

Share of total EU capacity

Over **95** %

100 %
80 %   EU goal
60 %
40 %
20 %
0 %

February   September   October   November
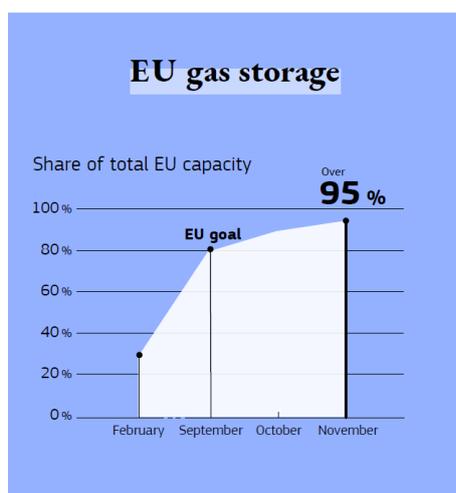
Gas storage plays an important role in guaranteeing the EU's security of supply, covering 25–30 % of gas consumed across the EU in a normal winter. The EU adopted new legislation in record time in June, requiring the EU's underground gas storage to be filled to at least 80 % of capacity by 1 November 2022 – and to 90 % at the same date in future years – to ensure supply for the coming winter. Thanks to a concerted effort by Member States, storage rates surpassed this to reach 95.5 % in November 2022.

A further emergency measure was to define a default solidarity agreement between neighbouring Member States in the event of supply shortages. This will ensure that European citizens can have continuous access to gas even during a crisis. At the same time, lowering energy demand remains

important in the context of reducing greenhouse gas emissions and preserving Europe's gas reserves for the years to come.

The EU also established an [EU Energy Purchase Platform](#) to facilitate the voluntary joint purchase of gas, LNG and hydrogen by Member States. The platform will also be open to Energy Community countries, such as Georgia, Moldova and Ukraine, and the Western Balkan countries.

To respond to the energy crisis, Cohesion Policy rules were amended to support affordable energy measures, allowing Member States the possibility to direct support to vulnerable families and small and medium-sized businesses particularly affected by the increase in energy prices.

The introduction of a State aid [Temporary Crisis Framework](#) enabled Member States to use the flexibility provided under State aid rules to support their economies without undermining the Single Market. This particularly concerns categories of aid to support Member States' efforts to address the issue of high energy prices, ensure the security of energy supply and facilitate the phasing out of fossil fuels. In 2022, the European Commission approved 182 national measures to help the Member States deal with the consequences of Russia's war of aggression against Ukraine, totalling an estimated €671.78 billion.

The [communication](#) on energy prices and the Council [regulation](#) on an emergency intervention to address high energy prices introduced further urgent measures, such as developing a new price benchmark to ensure stable and predictable pricing for LNG transactions. The Member States also agreed to collect the windfall profits of energy companies (fossil fuel and inframarginal technologies producers) to fund additional support for households and companies.

In addition, the EU adopted a [Market Correction Mechanism](#) to protect businesses and households from episodes of excessively high gas prices, which diverge from prices on other international markets.

Efficient use of energy

Saving energy

Saving energy is the quickest and easiest way to address the energy crisis and reduce bills. In addition to an immediate reduction in the consumption of gas and electricity, the Commission proposed to boost medium-term energy efficiency measures. This included an increase from 9 % to 13 % of the binding 2030 target for energy efficiency under the Fit for 55 package.

CH02-INFO13

Fit for 55 refers to the EU's target of reducing net greenhouse gas emissions by at least 55 % by 2030.

As one of the measures to achieve this, the EU needs to reduce its energy consumption. In 2021, the Commission proposed a new target of 9% savings (relative to 2020 consumption) by the end of the decade. As part of the REPowerEU plan, the proposed target was raised to at least 13 % savings by 2030.

Together with energy efficiency policies, initiatives from citizens and businesses to save energy have had a positive impact on prices, making the economy more resilient and accelerating the EU's clean-energy transition. Linked to this energy efficiency drive are the ongoing revision of the Energy Performance of Buildings Directive and the emphasis given to building renovation in Member States' recovery and resilience plans, for example through insulation and the installation of heat pumps.

CH02-VD03 CH02-INFO15

Spreading the word on energy savings

In 2022, the Commission renewed its long-standing partnership with the Union of European Football Associations, charting a roadmap for joint efforts until 2025 to harness football as a force for positive change in priority areas, such as climate action, equality for all and social inclusion.

The joint venture is part of the Union of European Football Associations' commitment to the European Climate Pact – an EU-wide initiative inviting people, communities and organisations to participate in climate action and build a greener Europe.
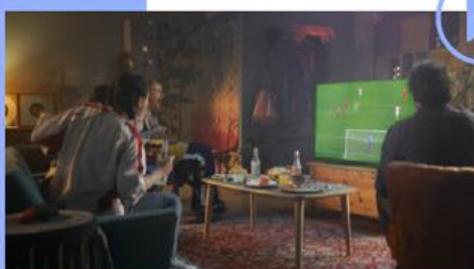
The TV ad 'Become a fan of energy saving too' aired during the men's and women's Union of European Football Associations Champions League, the Europa League and other major competitions, potentially reaching over 35 million viewers per match in the EU alone.

CH02-INFO14

How can citizens and businesses save energy?

By reducing heating temperatures / using less air conditioning

Turning down the heating by 1°C can save 10 billion cubic metres of gas within a year.

By switching off the lights

By driving more economically

By using household appliances more efficiently

By shifting to more public transport and active mobility

Digitalisation of the energy sector

The digitalisation of the energy sector will help the EU achieve its goal of climate neutrality by 2050, as set out in the European Green Deal (see Chapter 3). In 2022, the Commission presented an action plan for the system-wide digitalisation of the energy sector. It aims to make the market for digital energy services more sustainable, cybersecure, transparent and competitive. It will also ensure data privacy and sovereignty, and support investment in digital energy infrastructure.

The plan highlights how new technologies can help improve the efficient use of energy resources, facilitate the integration of renewables into the grid, and save costs for EU consumers and energy companies. It further aims to ensure that the digitalisation of the energy sector is fully part of the clean-energy transition, in addition to being consistent with the digital targets for 2030.

CH02-INFO16

Digitalisation will improve:

affordability, helping consumers increase control over energy use and bills;

sustainability, making the green and digital transitions work hand in hand;

resilience, strengthening the cybersecurity of energy networks.

Accelerating the production of green energy

Renewables

Renewables are at the heart of the EU's plans to phase out Russian fossil fuels and tackle the climate crisis. They are the cheapest and cleanest energy available, and can be produced domestically, reducing the need for energy imports. In 2022, as part of the REPowerEU package, the Commission proposed to increase the EU's 2030 target for renewables to 45 % of total energy consumption, compared to the target of 40 % envisaged under the Fit for 55 proposals.

Citizen support for the EU response to the energy crisis

A large majority of EU citizens are positive about recent EU initiatives to tackle the energy crisis. In particular, more than 8 in 10 EU citizens (82 %) agree that the EU should continue to take action to reduce its dependency on Russian fossil fuels. An overwhelming majority of respondents (83 %) think that Russia's war of aggression against Ukraine has made investing in renewable energy a more urgent need.

Source: Eurobarometer, December 2022

In precise terms, the aim is to bring the total renewable energy generation capacities to 1 236 gigawatts by 2030. This includes ambitions to stimulate the EU's production capacity of solar energy, wind energy, biomethane and renewable hydrogen.

The newly adopted EU Solar Energy Strategy will boost the roll-out of photovoltaic energy, bringing over 320 gigawatts of additional solar photovoltaic capacity online by 2025 (over twice today's level), and almost 600 gigawatts by 2030. These additional solar panels could replace 9 billion cubic metres of natural gas annually by 2027.

Citizens and installers can use the PVGIS Photovoltaic Geographical Information System tool (see Chapter 6) to see the potential of their roofs to generate solar energy. Meanwhile, Member States and regional authorities are actively using the Energy and Industry Geography Lab, a new online platform that helps identify suitable land and sea locations for new renewable energy plants while avoiding environmentally valuable areas. This contributes to the rapid deployment of energy from wind and solar sources.

REPowerEU builds on the 2020 EU Strategy on Hydrogen, which explores the potential for using renewable hydrogen to replace fossil-based hydrogen for transport and industrial processes, and to launch new industrial products, such as green fertilisers and steel. In 2022, the EU further increased the ambitions for renewable hydrogen by doubling the 2030 target to 20 million tonnes of renewable hydrogen. This includes 10 million tonnes of domestic production and another 10 million tonnes of imports.

It also set a target for biomethane production to 35 billion cubic metres by 2030. To achieve this ambitious target, a Biomethane Industrial Partnership was launched, which will promote collaboration between the Commission, EU Member States, industry representatives, feedstock producers, academia and non-governmental organisations.

To accelerate the roll-out of renewables and encourage more investments, the Commission adopted a recommendation on speeding up permit-granting procedures for renewable energy projects and a proposal to amend the Renewable Energy Directive. To address the energy crisis, a temporary emergency measure adopted in December will facilitate the granting of permits for some energy projects as of early 2023.

Financing REPowerEU

Thanks to the NextGenerationEU recovery plan, Member States are already implementing reforms and investments in their respective recovery and resilience plans to improve energy efficiency and boost the use of renewables. By financing energy-saving renovations, new wind turbines and solar parks and electric trains, for example, NextGenerationEU is helping to accelerate the recovery and the green and digital transitions. In December, political agreement was reached to include dedicated chapters in the Member States' existing recovery and resilience plans to channel investments to REPowerEU priorities and make the necessary reforms (see Chapter 6).
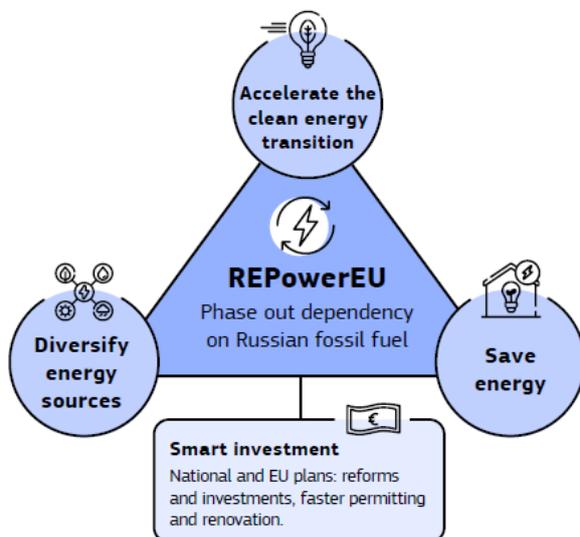
Chapter 3: Creating a greener, climate-neutral Europe

Introduction

The triple crisis of climate change, biodiversity loss and pollution is a pressing challenge that requires immediate action. The European Green Deal remains the EU's roadmap to tackle these pressing challenges.

On top of this, two historic world events – the COVID-19 pandemic and Russia's war of aggression against Ukraine – have only served to strengthen the EU's commitment to stay the course on the green transition and accelerate the pace of change.

The increasing intensity of extreme weather events in 2022 highlighted the need for further EU and international action to combat climate change, increase drought resilience and restore ecosystems. Other initiatives included stronger rules on pollutants, reducing the use of chemical pesticides, tackling packaging waste and building a more sustainable future.

Delivering on the European Green Deal

The EU's long-term growth strategy is to ensure Europe's climate neutrality by 2050. This target is enshrined in the European Climate Law, together with the legally binding commitment to reduce net greenhouse gas emissions by at least 55 % by 2030, compared to 1990 levels.
The European Green Deal is the EU's plan to make this happen. In 2022, the EU continued its bold action to achieve its climate goals.

CH03-INFO19

The EU's net domestic emissions in 2022 were 30 % lower than 1990 levels, and remain on track to achieve the target of − 55 % by 2030.

Source: 2022 climate action progress report.

A cornerstone of the EU's policy to combat climate change and its key tool for reducing greenhouse gas emissions cost-effectively is the EU Emissions Trading System (ETS) – a marketplace for participants to trade capped emissions allowances between themselves for maximum efficiency. In 2022, the Commission's proposal on the revision of the EU ETS was agreed by the European Parliament and the Council of the European Union. There was also political agreement on proposals concerning emissions and carbon removals from land use, land-use change and forestry, the creation of a social climate fund and on zero-emission cars and vans by 2035.

The EU is also working on increasing its transparency regarding the social and environmental impact of the activities of companies. The Corporate Sustainability Reporting Directive adopted in December will modernise and strengthen the rules concerning the type of information companies must report and imposed a reporting obligation on a broader set of large companies and listed small and medium-sized enterprises.

Acting globally for the planet

In 2022, the Intergovernmental Panel on Climate Change, the leading international body for assessment of climate change, released three reports confirming that the world is warming rapidly due to human influence, and set out trajectories for adaptation and mitigation. The EU continued to engage with international partners on how to enhance ambition by reinforcing sectoral targets, achieving economy-wide goals and submitting net-zero strategies.

EU diplomacy secured support for a legally binding global agreement to combat plastic pollution at the UN Environment Assembly in March. The plan is to conclude negotiations by 2024. The future agreement will aim to strengthen existing initiatives and agreements, especially at the design and

production phases of the plastics life cycle. It must bring together efforts from all stakeholders to achieve the overall goal of eliminating the leakage of plastic into the environment.

UN climate change and environmental conferences

In June 2022, at the conferences of the parties (COPs) to the Basel, Rotterdam, and Stockholm UN conventions – environmental agreements that share the common objective of protecting human health and the environment from hazardous chemicals and wastes – progress was made on the sound management of chemicals and waste. This included a milestone decision to control the global trade of electronic waste and prevent its uncontrolled dumping. The EU also proposed the development of global standards on the management of used tyres, a major source of microplastics. Renewed calls were made to eliminate polychlorinated biphenyls, chemicals widely present in old electrical equipment and used in oils, by 2025.

Ahead of the UN's annual climate change conference, COP27 in Sharm el-Sheikh, Egypt, the EU engaged in constructive negotiations to spur global climate action in line with the Paris Agreement temperature goal of maximum 1.5 °C global warming.

In Egypt, under the leadership of Executive Vice-President Frans Timmermans, the EU led the call at COP27 for all parties to take urgent action on cutting greenhouse gas emissions, but also on adapting to the inevitable consequences of climate change in the coming decades.

CH03-PH18

View of the lectern at the Global Methane Pledge Ministerial Meeting, Sharm el-Sheikh, Egypt, 17 November 2022. From left to right: Sameh Shoukry, Egyptian Minister for Foreign Affairs and COP27 President, Frans Timmermans, Executive Vice-President of the European Commission in charge of the European Green Deal, and John Kerry, US Special Envoy for Climate.

CH03-PH19
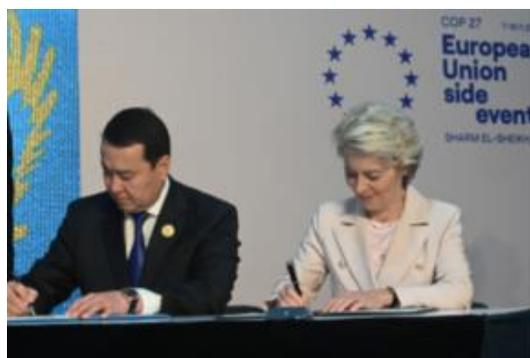
Alikhan Smailov, Prime Minister of the Republic of Kazakhstan (left), and Ursula von der Leyen, President of the European Commission, signing the EU–Kazakhstan Memorandum of Understanding on raw materials, batteries and renewable hydrogen, Sharm el-Sheikh, Egypt, 7 November 2022. See Chapter 2 for more information on renewable energy.

The conference adopted a [Mitigation Work Programme](#) to scale up ambition and implementation. Recognising the urgent need to ramp up global action and support the most vulnerable developing countries affected by climate change, the EU supported the establishment of a new fund to help avert, minimise and address loss and damage. This lays the foundations for greater solidarity between those in need and those in a position to help. The EU and the African Union announced an [initiative](#) with a 'Team Europe' approach to climate change adaptation and resilience in Africa, under the Global Gateway (see Chapter 8), mobilising €1 billion.

The event also saw the EU launch a [Forest Partnership](#) with five partner countries (Guyana, Mongolia, the Republic of Congo, Uganda and Zambia), and the announcement of an ambitious, long-term [Just Energy Transition Investment Plan](#) for South Africa. The EU concluded two important strategic partnerships on sustainable raw materials and renewable hydrogen, one with Namibia and the other with Kazakhstan, and stepped up cooperation with Egypt on the clean-energy transition, which included a strategic partnership on renewable hydrogen.

The 15th session of the UN Convention to Combat Desertification, held in May, led to the adoption of 38 decisions that highlight the role of sustainable land management in addressing multiple crises. The main outcome was a global pledge to boost drought resilience and invest in land restoration for future prosperity.

CH03-PH20

The EU strongly advocated for the role of ecosystems restoration, reforestation and nature-based solutions in the protection of land and soils and highlighted the critical link between protecting nature and addressing the impacts of droughts and climate change.

In 2022, the world also came together at the biggest biodiversity conference in a decade to agree on a new global biodiversity framework. The UN Biodiversity Conference (COP15), originally scheduled for 2020, took place in two parts due to the COVID-19 pandemic. The first part took place virtually in Kunming, China, from 11 to 15 October 2021, where parties reaffirmed their commitment to achieving the 2050 vision of 'Living in harmony with nature', adopting the [Kunming Declaration](#). During the second part of the conference, which took place in Montreal, Canada, from 7 to 19 December 2022, 196 countries met to reach a global agreement on the protection of nature and the planet, with long-term goals by 2050 and milestones for 2030. The EU, under the leadership of Commissioner Sinkevičius worked with all parties to conclude an ambitious global agreement to protect, restore, sustainably use and invest in biodiversity and ecosystems.

At the 19th meeting of the COP to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (the World Wildlife Conference), which took place in Panama City, Panama, from 14 to 25 November 2022, the EU actively contributed to achieving key outcomes allowing for

sustainable trade in more than 500 newly listed species. This is crucial for tackling global biodiversity loss, which threatens our health, food security and livelihoods.

Facts about biodiversity loss

One million species are at risk of extinction.

Humans have radically changed **three quarters of the earth's surface.**

75 % of the world's crops depend on pollinators.

Half of global global gross domestic product depends on nature.

70 % of cancer drugs are natural or inspired by nature.
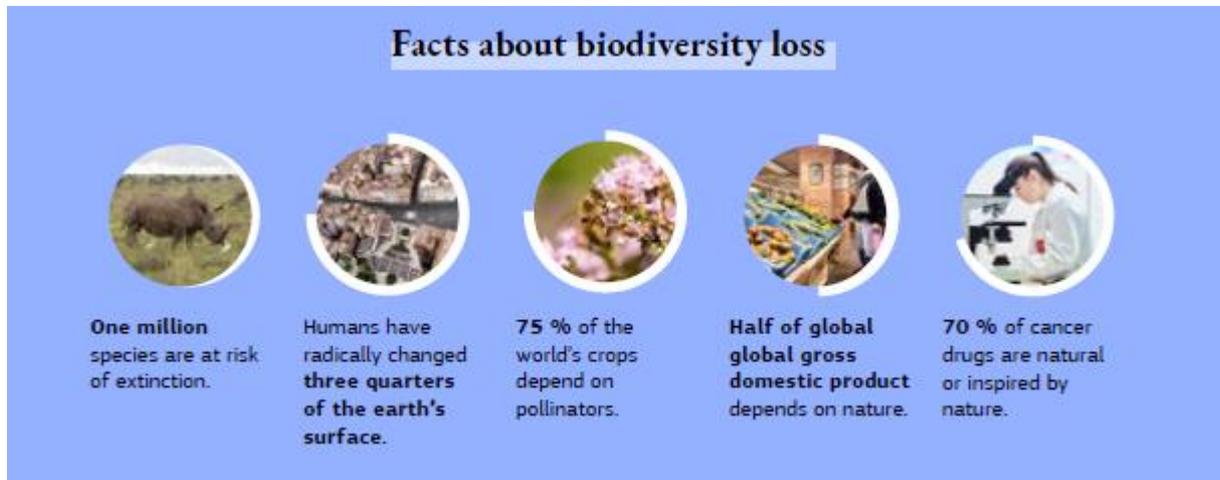
Protecting and restoring Europe's nature

Extreme weather

Europe experienced record levels of drought in 2022. As predicted by the European Drought Observatory, crop yields across the continent reduced significantly and energy production dropped due to reduced hydropower generation.

Aquatic life and barge transport suffered too, due to historically low water levels in large rivers. During the summer, high levels of drought were registered on 60 % of the EU's territory, resulting in the loss of crops and infrastructures to wildfires. Together with civil protection measures, this cost the EU over €2.4 billion.

High temperatures and a severe lack of rainfall affected almost all rivers across Europe, hampering energy production and river transport.

These extreme weather events can be avoided in the future by reducing greenhouse gas emissions and tackling the climate crisis. The EU's Fitfor55 package of proposals will increase ambitions and

targets in this area. Moreover, the EU Climate Adaptation Strategy will help improve the resilience of European citizens, farmers and companies to extreme weather.

According to the September 2022 map of the **Combined Drought Indicator**, **35 %** of EU territory was at Warning level and **25 %** at Alert level.

Watch: rainfall deficit

Warning: soil moisture deficit

Alert: vegetation stress following soil moisture and vegetation deficit

Full recovery to normal conditions

Temporary soil moisture recovery

Temporary vegetation recovery

↑
The European Drought Observatory registered high levels of drought over more than 60 % of EU territory.

Protecting forests and wildlife

A Polish firefighter is dispatched as part of the EU Civil Protection Mechanism to fight forest fires, Hostens, France, 14 August 2022. In total, more than 400 firefighters with more than 100 vehicles from Germany, Austria, Poland and Romania supported French first responders in answer to France's request for assistance.

Forest fires were also a serious problem in 2022, with a record of over 800 000 hectares burnt in Europe in 2022. Rescue teams used Copernicus' emergency mapping service, which uses satellite

imagery and other geospatial data, to help countries including Greece, Spain, France and Portugal, along with some non-EU countries, fight fires over the summer.

The European Forest Fire Information Service observed that the fire season stretched beyond the usual months of July, August and September, with many critical events happening later in the year. Even areas usually unaffected in the past – such as central and northern Europe – faced wildfires more regularly. Moreover, with 38 % of the burnt area in 2022 happening within Natura 2000 protected areas, intangible biodiversity losses left ecosystems more fragile. The EU Solidarity Fund, originally set up in 2002 to provide financial support to reconstruct areas affected by natural disasters, was mobilised again in 2022 in response to the damage left in the wake of wildfires across Europe.

Forests play a key role in protecting European ecosystems and biodiversity. They are also central in trapping carbon which would otherwise be released into the atmosphere and aggravate climate change. In a single year, wildfires led to estimated economic losses of over €2 billion, with more than 25 million tonnes of CO^2 emitted into the atmosphere. In September, in her State of the Union speech, Commission President Ursula von der Leyen announced a doubling of the EU's aerial firefighting capacities, to be made available for the next forest fire season.

In November, the European Commission proposed the first EU-wide voluntary framework to reliably certify high-quality carbon removals. If adopted, this tool will help fight against climate change and contribute to reaching the EU's climate, environmental and zero-pollution goals.

CH03-INFO21

EU certification of carbon removals

To reach the goal of being climate neutral by 2050, the EU needs to reduce has emissions to a minimum, but it is not possible to reduce them to zero. To balance out remaining emissions the EU will have to remove several hundred million tonnes of CO_2 from the atmosphere every year.

Types of carbon removals that could be certified under the proposed framework include:

Carbon farming, such as restoring forests, soils, and management of wetlands and peatlands

Permanent storage, such as bioenergy with carbon capture and storage, or direct air carbon capture and storage

Carbon storage in long-lasting products and materials such as wood-based construction

Thanks to the EU certification framework, more businesses, farmers, foresters and other stakeholders can access these new opportunities, as they will be able to apply for harmonised and reliable certification.

By the end of 2022, almost 9.5 million trees were planted in the EU as part of the 3 Billion Trees Pledge. The pledge is part of the EU Biodiversity Strategy for 2030 and the EU Forest Strategy for 2030, which committed the European Union to planting at least 3 billion additional trees in the EU by 2030, while respecting ecological principles.

The revised EU Action Plan against Wildlife Trafficking, which is also part of the Biodiversity Strategy, aims to ensure that EU action against wildlife trafficking comprehensively responds to the current

challenges. It builds on four priorities: addressing the drivers of wildlife trafficking, exploring new legal and policy tools, strengthening enforcement and fostering global cooperation.

Nature restoration

Restoring Europe's nature – from wetlands, rivers and forests to marine and urban environments and species – is a crucial and cost-effective investment in our economy, and in food security, combating climate change and increasing resilience. It also helps boost the health and well-being of EU citizens.

In June 2022, the Commission adopted a package of proposals to restore degraded ecosystems as a key step in avoiding ecosystem collapse and preventing the worst impacts of climate change and biodiversity loss. The Commission is also in the process of modernising legislation to ensure the availability of quality and diverse seeds and plant reproductive material to meet the objectives of sustainability, climate adaptation and biodiversity.
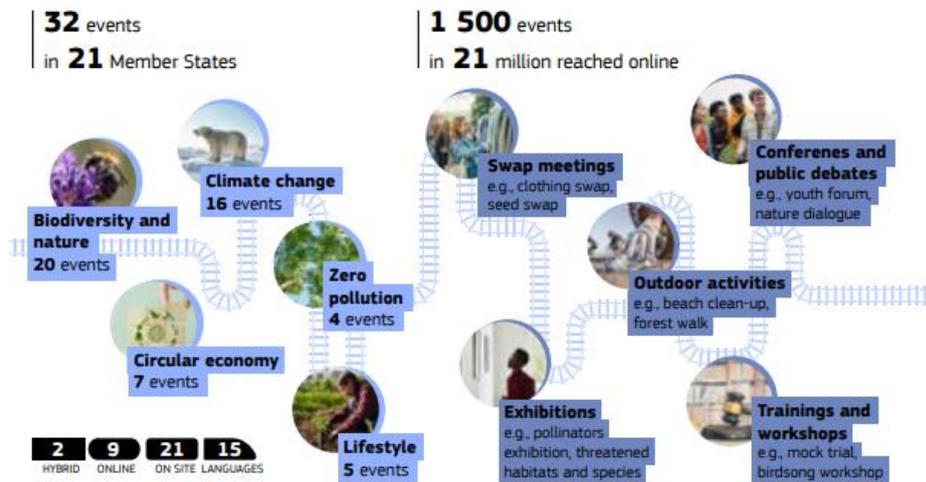
81 %
of habitats are in poor status.

Every €1
invested into nature restoration adds €8 to €38 in benefits.

1 in 3
bee and butterfly species are in decline.

#ForOurPlanet is a new EU campaign to rally global support for nature and climate action in the years to come.

On the Green Track

32 events
in **21** Member States

1 500 events
in **21** million reached online

Climate change
16 events

Biodiversity and nature
20 events

Zero pollution
4 events

Circular economy
7 events

Lifestyle
5 events

2 HYBRID **9** ONLINE **21** ON SITE **15** LANGUAGES

Swap meetings
e.g., clothing swap, seed swap

Conferenes and public debates
e.g., youth forum, nature dialogue

Outdoor activities
e.g., beach clean-up, forest walk

Exhibitions
e.g., pollinators exhibition, threatened habitats and species

Trainings and workshops
e.g., mock trial, birdsong workshop

Towards zero pollution

In line with the ambition to be free of harm from pollution by 2050, in October the Commission proposed stronger rules on ambient air, surface and groundwater pollutants, and the treatment of urban wastewater. Ultimately, these rules will improve public health, reducing premature deaths and long-term health costs.

Air quality

The proposed new rules will:

- set interim 2030 EU air quality standards that are more closely aligned with World Health Organization guidelines

- reduce deaths resulting from levels of the main pollutant PM2.5 above World Health Organization guidelines by more than 75% in ten years

- ensure that people suffering health damage from air pollution have the right to be compensated in the case of a violation of EU air quality rules and the right to be represented by non-governmental organisation through collective action for damage compensation

- cost less than 0.1% of GDP, at least 7 times lower than benefits to the economy and society

Water quality

The new proposals set:

- new and tightened standards for a series of harmful substances in surface and groundwater

- an obligation for Member States to take measures to reduce the presence of these pollutants

- a more cost-effective and fairer wastewater treatment line with the 'polluter pays' principle

- preventive measures for industry (using different or fewer industrial chemicals) and farmers (for example by using fewer or less harmful pesticides)

The proposals also respond to specific demands raised during the Conference on the Future of Europe (see Chapter 9), where citizens called for a drastic reduction in the use of chemical pesticides and fertilisers and the development of sustainable agriculture.

In addition to that, the EU and the Mediterranean states successfully submitted a proposal to the International Maritime Organization to designate a sulphur emission control area in the Mediterranean Sea. The aim is to improve air and water quality by reducing sulphur-related pollutants from shipping.

The proposal for a [regulation on the sustainable use of plant protection products](#) introduces measures to reduce the environmental footprint of the EU's food system and help mitigate the economic losses already incurred due to climate change and biodiversity loss. It aims for a 50 % reduction in the use of chemical and more hazardous pesticides by 2030, and more environmentally friendly pest control methods. There will be a ban on all pesticides in urban green areas, including public parks or gardens, playgrounds, schools, recreation or sports grounds, public paths and protected areas, in accordance with Natura 2000.

Reducing transport and industrial emissions

In 2022, the EU also kicked off the [Renewable and Low-Carbon Fuels Value Chain Industrial Alliance](#), a new initiative aimed at boosting the production and supply of renewable and low-carbon fuels in aviation and waterborne transport. The work of the alliance will be important in securing the necessary alternative fuels for hard-to-decarbonise sectors, such as aviation and maritime. Further progress was also made on developing rules for the use of alternative fuels in these sectors. If successfully adopted in 2023, they will set a clear path for the decarbonisation of these sectors.

The Commission's [proposal](#) to modernise the [Industrial Emissions Directive](#) will significantly reduce harmful emissions coming from industrial installations and Europe's largest livestock farms, while providing long-term investment certainty, encouraging innovation and increasing Europe's energy and resource independence. The revision builds on the existing directive, covering some 50 000 large agro-industrial installations in Europe. They must comply with emissions levels by applying the best available techniques determined by industry, national and EU experts, and civil society. The new rules include more effective granting of permits and targeted support for innovation for frontrunners and for the industry's circular economy investments. This will strengthen the links between decreasing pollution and decarbonisation and increase transparency and public participation in the permit process.

The European Commission also presented a [proposal for new emission standards](#) in November. These new Euro 7 standards aim to ensure that cars, vans, lorries and buses are much cleaner, especially in cities where air-pollution problems are most significant, and for a much longer period of time than under current rules. The proposal tackles emissions from tailpipes, brakes and tyres. It also contributes to achieving the new stricter air-quality standards.
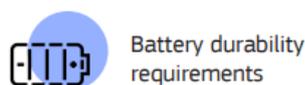
What's new in the Euro 7 regulation?

For all cars, vans, trucks and buses

Limits for emissions from brakers

Rules on microplastic pollution from tyres

Vehicles need to comply with emissions rules for longer period

More effective emissions tests

Digital monitoring of compliance

Better market surveillance tests

For internal combustion engine vehicles

Fuel- and technology-neutral emission limits

Regulating additional pollutants

On-road tests with broader range of driving conditions

For electric and plugin hybrid vehicles

Battery durability requirements

In addition, the European Pollutant Release and Transfer Register will be transformed into an EU Industrial Emissions Portal where citizens can find out about polluting activities in their immediate surroundings.

Boosting organic farming and quality food

Sustainable agriculture and reducing pesticide use is crucial to guarantee long-term food security. In 2021, Member States submitted their plans to reform the Common Agricultural Policy following Commission recommendations. In August 2022, the Commission formally approved these Common Agricultural Policy Strategic Plans, which outline each Member State's intended use of direct payments and economic interventions to support rural development. The new legislation, which is due to come into effect in 2023, will pave the way for a fairer, greener and more efficient agricultural policy. It will seek to ensure a sustainable future for European farmers, provide more targeted support to smaller farms and allow greater flexibility for EU Member States to adapt measures to local conditions.

The inaugural EU Organic Awards ceremony took place in Brussels, Belgium, on EU Organic Day in September 2022. The eight winners – from Belgium, Germany, Spain, France, Croatia, Italy, Austria and Sweden – all represent the growth and innovation of the European organic sector, and its contribution to reducing agriculture's impact on the climate and the environment.

In March, the Commission adopted a [proposal](#) to strengthen the system for the protection of geographical indications, including agricultural products, wine and spirit drinks names. The geographical indications system protects the names of specific products in order to promote the unique qualities, characteristics or reputation linked to their geographical origin, as well as the traditional expertise associated with their production.

Sustainable living

Cities and citizens have a key role to play in creating a green and sustainable Europe. The EU aims to support people-powered projects and local authorities in co-designing this new world through financial support and environmental initiatives.

In 2022, [100 mayors](#) across the EU signed the [Green City Accord](#), committing their cities to addressing five areas of environmental management: air, water, nature and biodiversity, circular economy and waste, and noise. This EU initiative aims to make cities cleaner, greener and healthier.

First [announced](#) in 2020, the [New European Bauhaus](#) (NEB) initiative brings citizens, experts, businesses and institutions together to reimagine sustainable living in Europe and beyond. In addition to creating a platform for experimentation and connection, the initiative supports positive change by also providing beautiful, sustainable and inclusive projects with access to EU funding.

To support urban innovation and cities' capabilities and knowledge to build a sustainable future, the [European Urban Initiative](#) was set up under the European Regional Development Fund. The first call for proposals, published in October, made €50 million of EU funding available to support innovative NEB projects in EU cities. Cities were invited to present project ideas on the circular economy and carbon neutrality, the preservation of cultural heritage, the adaptation of buildings for affordable housing solutions and the regeneration of urban spaces in line with the NEB values of sustainability, inclusiveness and aesthetics.

The winners of the 2022 NEB prizes were announced at the [first Festival of the New European Bauhaus](#), held in June, which brought people from all over the EU together to celebrate and share grassroots and creative approaches to the green transition. Projects from 15 different Member States were awarded prizes.

To highlight the innovative spirit of younger people, the NEB prizes dedicate the 'Rising Star' award to projects developed by people under 30. To complement the 2022 European Year of Youth, 'A New European Bauhaus' was the focus for DiscoverEU, a yearly initiative that helps 18-year-olds travel across Europe for free. In this context, a New European Bauhaus route was developed for participants to follow.

Together with the Education for Climate Coalition, the EU announced a call for the transformation of places of learning, to create a network to transform learning spaces across society.

CH03-VD06

The FOLK concept project from Poland aims to revive traditional rural architecture and preserve the treasures of Polish cultural heritage.

CH03-VD05

Gardens of the Future, a project from Cyprus transforming an abandoned area in the politically divided capital, Nicosia, into a community garden, won the public vote.

In response to the armed conflict in Ukraine, NEB experts are analysing emergency housing needs and designing sustainable housing in preparation for post-war reconstruction (see Chapter 1).

Sustainable and smart mobility

The European Commission officially launched the Alliance for Zero-Emission Aviation, a voluntary European initiative between private and public stakeholders to prepare hydrogen-powered and electric aircraft for commercial use. With an estimated 26 000 zero-emission aircraft by 2050, the alliance will deliver on the commitment to align the sector with the EU's climate ambition.

CH03-INFO26

Helping the public sector go green

The European Commission's Technical Support Instrument funded a multi-country project to strengthen the public sector's long-term sustainability and minimise its impact on the environment. This project also aims to promote the efficiency, accountability and transparency of public policies.

So far, 23 Member States' public administrations have exchanged knowledge and best practices on ways to reduce the impact of budget expenditure on the climate, such as buying services and goods with a lower environmental impact, promoting green mobility, and sustainable business travel practices.

To ensure that cars and other vehicles are safer, while also laying down a framework for automated vehicles, the EU's Vehicle General Safety Regulation came into force in 2022. The first of its kind in the world, the framework protects consumers and will also boost innovation and improve the competitiveness of Europe's car industry.

Under the 2021–2027 Connecting Europe Facility, the EU's funding instrument supporting the Green Deal, the European Commission is investing in a wide range of transport infrastructure projects across the EU. These aim to improve cross-border infrastructure and promote new technologies. Examples include the Lyon–Turin tunnel, the Fehmarn Belt fixed link and the Rail Baltica project.

To make Europe's transport infrastructure fit for both civil and defence use, the Commission adopted an Action Plan on Military Mobility and brought forward the grants process for projects that support military mobility. Other projects will help put in place infrastructure for projected increases in energy-efficient and zero-emission mobility.

In total, €25.8 billion in grants is available under the Connecting Europe Facility to co-fund Trans-European Transport Network projects in EU Member States.

Following the 2021 European Year of Rail, the EU started implementing its new Action Plan to Boost Long-distance and Cross-border Passenger Rail. The Commission has invited railway undertakings, infrastructure managers and national authorities to propose cross-border pilot services that address the remaining obstacles to cross-border rail. The transition to sustainable transport, part of the comprehensive Green Deal package, will make sure that the EU's communities and economy can thrive in a healthy and safe environment, far beyond 2050.

CH03-GR10

Cross-border passenger rail needs a boost
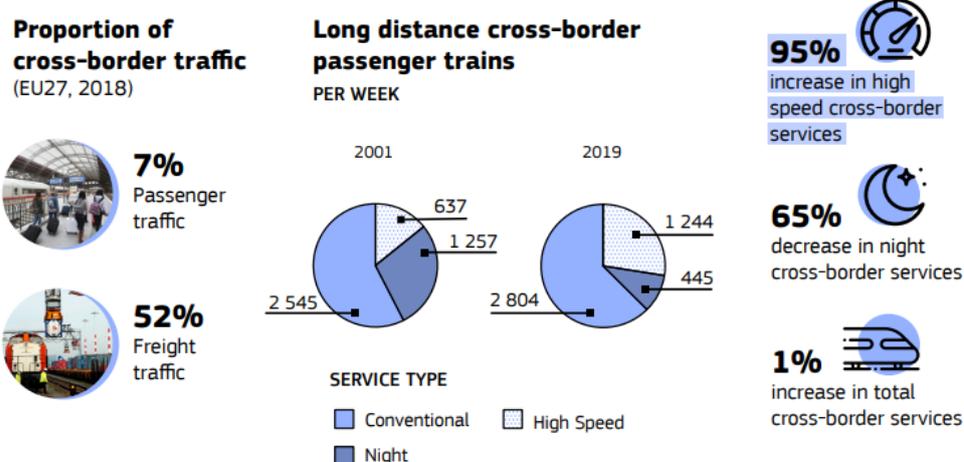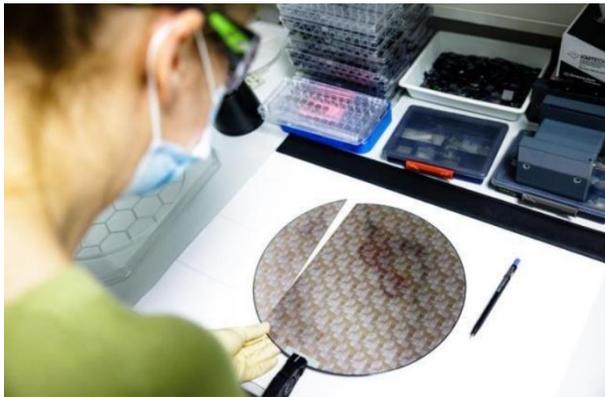
Proportion of cross-border traffic (EU27, 2018)

7% Passenger traffic

52% Freight traffic

Long distance cross-border passenger trains PER WEEK

2001
637
1 257
2 545

2019
1 244
445
2 804

SERVICE TYPE
- Conventional
- Night
- High Speed

95% increase in high speed cross-border services

65% decrease in night cross-border services

1% increase in total cross-border services

Chapter 4: A Europe fit for the digital age

Introduction

Closely interconnected with the EU's goal of climate neutrality is the EU's vision of leading Europe into the digital era. Its 10-year plan, also known as the Digital Decade, includes targets for the digitalisation of public services and businesses, setting up digital infrastructures such as 5G and supercomputers and ensuring that EU citizens are equipped with the necessary skills to navigate the digital environment with confidence. The Digital Decade Policy Programme 2030, adopted by the EU in 2022, will ensure that these targets are reached by Member States.

The EU's Digital Decade will be an era of pioneering transitions towards a safer and more sustainable world. To this end, in 2022 the EU took action to update cybersecurity rules, recognise digital rights and increase the accountability of digital service providers, while putting in place the necessary digital infrastructure and supporting the development of digital skills. It also proposed new rules for fairer data access and made progress in regulating the digitalisation of different sectors.

Digitalisation for citizens

A human-centric approach to digitalisation is at the heart of the EU's Digital Decade. This means that individuals' rights and freedoms must be respected online in the same way as they are offline. In 2022, the EU adopted the [Declaration on Digital Rights and Principles for the Digital Decade](), which sets out clear reference points to ensure that people are protected and empowered when they interact with new technologies.

PEOPLE AT THE CENTRE
Digital technologies should protect people's rights, support democracy, and ensure that all digital players act responsibly and safely. The EU promotes these values across the world.

SUSTAINABILITY
Digital devices should support sustainability and the green transition. People need to know about the environmental impact and energy consumption of their devices.

SOLIDARITY AND INCLUSION
Technology should unite people, not divide them. Everyone should have access to the internet, to digital skills, to digital public services, and to fair working conditions.

Digital rights and principles

SAFETY AND SECURITY
The digital environment should be safe and secure. All users, from childhood to old age, should be empowered and protected.

FREEDOM OF CHOICE
People should benefit from a fair online environment, be safe from illegal and harmful content, and be empowered when they interact with new and evolving technologies like artificial intelligence.

PARTICIPATION
Citizens should be able to engage in the democratic process at all levels and have control over their own data.

Cybersecurity and resilience

As Europeans spend more time online and society becomes increasingly interconnected, cyber threats are becoming more common and potentially more dangerous. Russia's war of aggression against Ukraine also poses a unique threat to Europe's cyberdefence.

In 2022, the EU updated legislation on measures to achieve a high level of common cybersecurity in all Member States. Published in December 2022, the new rules, known as the [NIS2 Directive](), replaced the previous Network and Information Security (NIS) Directive on 16 January 2023. To help increase the overall level of cybersecurity in Europe, the new rules expand the list of critical entities and sectors that need to take risk-management measures.

Expanded scope: more sectors and services as essential or important entities

Providers of public electronic communications networks or services

Digital services (such as social networking services platforms and data centre services

Wastewater and waste management

Space

Manufacturing of certain critical products (such as pharmaceuticals, medical devices and chemicals)

Postal and courier services

Food

Public administration

Critical infrastructure, such as undersea cables and pipelines for transport and communication, are often closely linked to many different digital services and therefore need to be protected. The sabotage of the Nord Stream gas pipelines and other incidents have made it clear that the resilience of the EU's critical infrastructure is under threat. Recently agreed legislation will soon provide the EU with an updated and comprehensive legal framework to strengthen both the physical and cyber resilience of critical infrastructure.

In light of the rapidly evolving threat landscape, the European Commission proposed to strengthen the capacity of early warning and response to disruptions of critical infrastructure through the Union Civil Protection Mechanism. The proposal also calls for strengthened cooperation with key partners and neighbouring countries on the resilience of critical infrastructure.

In terms of digital products that we use in our daily lives, in September 2022 the Commission presented a proposal for a new Cyber Resilience Act. Many products, such as baby monitors, smart devices or voice-activated speakers, currently have a low level of cybersecurity, resulting in widespread vulnerabilities and inconsistent provision of security updates to address these issues. Moreover, it is often difficult for users of these products to find out whether specific products are secure against cyber threats. The new proposal will ensure that manufacturers improve the security of their products and the transparency of security properties.

The Digital Services Act and the Digital Markets Act

Online platforms are another key element of today's digital world. They allow people to communicate, get information and shop online. At the same time, they can also pose risks relating to illegal or harmful content and unfair market practices. That is why the EU has introduced the Digital Services Act and the Digital Markets Act, which both entered into force in November 2022.

The Digital Services Act will set an unprecedented new standard for the accountability of online platforms and search engines regarding illegal and harmful content. When it becomes applicable for very large online platforms and very large online search engines for the first time around autumn 2023, and for all other platforms in February 2024, it will provide better protection for internet users and their fundamental rights online. Providers will benefit from a single set of internal market rules and smaller platforms will be able to scale up more easily.

Related to this, the Digital Markets Act rules, which will apply from 2 May 2023, will curb unfair practices of large online platforms, referred to as gatekeepers. Gatekeepers will all have been designated by 6 September 2023 and must comply with the obligations laid down in the Act by 6 March 2024 at the latest. The Act contains a list of dos and don'ts that gatekeepers will have to comply with; for example, it will no longer be possible for gatekeepers to rank their own products more favourably than similar third-party products offered on the gatekeeper's platform.

CH04-INFO28

Gatekeepers

Gatekeepers are digital platforms with:
→ over **45 million** active end users each month;
→ a turnover of **€7.5 billion** or more in the last 3 financial years.

Gatekeepers will not be allowed to:
→ over-promote their own products;
→ limit payment possibilities to their own payment method;
→ reuse personal data collected during one service for the purpose of another service;
→ impose unfair conditions on business users;

→ pre-install certain software applications;
→ restrict business users of platforms;
→ use certain bundling practices (e.g. selling different items as a package).

Companies that do not comply with the new obligations may risk fines of up to 10% of their worldwide turnover or up to 20% in case of repeat offence.

Short-term rental platform regulation

To protect tourists, the Commission also proposed to make data about short-stay rental bookings and accommodation more transparent, in particular when it comes to requesting ownership information, address details and business registration numbers. This will enable city authorities to work alongside booking platforms to shut down unauthorised listings and protect consumers from booking illegal accommodation.

Another decade of roaming

Thanks to the new and improved roaming regulation that came into force in July 2022, citizens can 'roam like at home' for at least another 10 years and get better mobile speeds when travelling abroad. They can also receive information on services that are subject to extra costs, have better protection from unexpected charges when phones automatically connect to satellite networks, and receive information on alternative ways to reach emergency services abroad in the EU.

Common charger

Thanks to new rules, EU consumers will soon be able to use the same charging solution for all their electronic devices and opt out of buying extra chargers with each new device. By the end of 2024, all mobile phones, tablets and cameras sold in the EU will have to be equipped with a USB Type-C charging port. From spring 2026, the obligation will extend to laptops. This will enable consumers to reduce electronic waste.

CH04-GR12
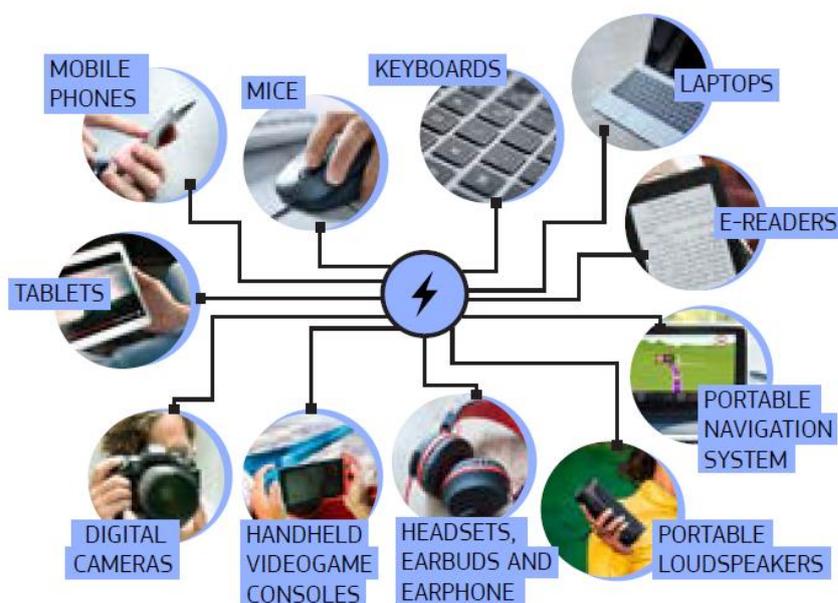
Digital for industry

Connectivity

Increased connectivity boosts the quality of life and the economy; it is also becoming more important for sustainable living. However, there is still a digital divide between urban, rural and remote areas. EU Member States have committed to invest around €130 billion from the Recovery and Resilience Facility (RRF) in measures contributing to the digital transformation, including connectivity measures. This figure corresponds to 26 % of the total amount of funds requested by Member States under the RRF by the end of 2022 and goes well beyond the 20 % minimum

requirement for digital expenditure established by the RRF rules (see Chapter 6 for more on the recovery and resilience plans).

In total, the 27 national recovery and resilience plans include connectivity measures worth around €16.5 billion. The aim is to roll out digital network infrastructure over the next 4 years, including in rural and remote regions, to enable them to thrive, and to boost innovation and sustainability. The EU will also leverage investments in connectivity through the new European Regional Development Fund, the European Agricultural Fund for Rural Development, InvestEU and European Investment Bank loans.

In 2022, the Commission also launched the first calls for proposals under the Connecting Europe Facility (CEF Digital) programme to improve the EU's connectivity infrastructure. The Commission will co-fund initiatives to equip Europe's main transport routes and local communities with 5G connectivity, to deploy or upgrade essential networks that support advanced technologies and lay the groundwork for the set-up of operational digital platforms for transport and energy infrastructure across the EU.

Digital Europe Programme

With a budget of €7.5 billion from 2021 to 2027, the Digital Europe Programme is the first EU funding programme which focuses on bringing digital technology to public administrations, businesses and citizens.

In 2022, several calls for proposals were launched. These included funding opportunities for projects on data spaces, blockchain infrastructures, advanced digital skills training courses, artificial intelligence (AI) and activities to improve cybersecurity cooperation between the Member States and the Commission.

Further calls were launched in relation to national high-performance computing centres, the deployment of advanced national quantum communication infrastructure systems and networks, and European digital innovation hubs.

CH04-PH31

Margrethe Vestager, Executive Vice-President of the European Commission in charge of 'A Europe Fit for the Digital Age', and European Commissioner for Competition, at the Institut africain de cybersécurité, Dakar, Senegal, 11 February 2022.

The European Chips Act: bolstering Europe's competitiveness

Chips and semiconductors are the building blocks of all electronic products, from smart devices to space and defence systems. They play a central role in today's economies and our daily lives. The recent global chips shortage has disrupted supply chains, caused product shortages ranging from cars to medical devices, and in some cases even forced factories to close.

To prevent such disruptions in the future, the EU proposed the European Chips Act, which will help build up the EU's semiconductor ecosystem by tackling several strategic objectives. One of these is to strengthen the EU's research and technological leadership, which will reinforce its capacity to innovate in the design, manufacturing and packaging of advanced chips. At the same time, the European Chips Act also aims to address skills shortages in advanced manufacturing, so that the EU remains an attractive place for the world's top talent in this important field.

CH04-PH32

An operator handling a 300mm silicon wafer in a clean room, Grenoble, France, 4 February 2022.

Progress on the European Strategy for Data

Data – especially industrial data – help fuel the digital economy, but the full potential of this data is still largely untapped. The Data Act, proposed in 2022, includes new rules on who can use and access data generated in the EU across all economic sectors.

CH04-GR13

The European Strategy for data at a glance

The 2020 **European Strategy for Data** aims to make the EU a leader in a data-driven society.

The 2020 **Data Governance Act** facilitates data sharing across sectors and between Member States.

The 2022 **Data Act** clarifies who can create value from data.

Ten **European common data spaces**, ranging from industry to mobility, and from the European Green Deal to energy and health.

Benefits of the Data Act

Consumers and businesses generate data by using products and services. With the Data Act, they will benefit from the following.

> **Cheaper prices** for aftermarket services and reparation of their **connected objects**.
> → *A factory robot breaks down.*

TODAY	TOMORROW
Only the manufacturer can access the data, leaving the company with no alternative but to call them for repairs.	The user could request that a repair service that might be cheaper also gets access to the data.

> **New opportunities** to use services relying on access to this data.
> → *A farmer has equipment from different manufacturers (tractor, automatic irrigation system).*

They cannot outsource the data analytics of their equipment, the data is locked in with each manufacturer.	They could receive customised advice from a company gathering data from each piece of equipment.

> **Better access** to data collected or produced by a device.
> → *A bar owner wants to serve better coffee and the coffee machine company wants to improve its product.*

The company can access the data produced by the machine in order to design the next generation of coffee-makers, but the bar owner cannot access any information.	The Data Act stipulates that both parties can access all data collected by the machine.

In addition, the 'GreenData4All' initiative will help deliver on Europe's green and digital transformation by updating the EU's rules on environmental geospatial data and on public access to environmental information. The aim is to make data more readily available for innovation and evidence-based decisions.

Digitalisation of healthcare in the EU

Health data provide valuable insight to healthcare service providers and researchers. The COVID-19 pandemic accelerated the development and adoption of digital health products and services, with telehealth becoming commonplace. What's more, it has shown that up-to-date, reliable and FAIR (findable, accessible, interoperable and reusable) health data are key to providing efficient care in times of crisis and in developing effective treatment.

The European Health Data Space, proposed in May 2022, is the first common data space in a specific area to emerge from the EU Strategy for Data and is an integral part of building a European Health Union. It places the interests and rights of the individual at its centre.

The objective is to ensure that individuals in the EU have increased control over their electronic health data and are able to share their electronic health records with a doctor of their choice, even in a different Member State. It will also ensure a legal framework consisting of trusted EU and Member State governance mechanisms and a secure processing environment. This will allow researchers, innovators, policymakers and regulators at the EU and national levels to access relevant electronic health data to promote better diagnosis, treatment and well-being of natural persons, and lead to better and well-informed policies. It also aims to contribute to a genuine single market for digital health products and services by harmonising rules, thereby boosting efficiency in the healthcare system.

Space

The European Space Programme provides valuable data and services that offer solutions to fight climate change, bring socioeconomic benefits to citizens, enable digital innovation and address emerging connectivity needs. In November 2022, the EU and its Member States reached a political agreement to launch the 2023–2027 Secure Connectivity Programme with a budget of €2.4 billion. The programme will deploy a satellite constellation for the EU, called IRIS[2] (Infrastructure for Resilience, Interconnectivity and Security by Satellite), with the help of a new space-based secure connectivity system. This state-of-the-art system will provide reliable, cost-effective and ultra-secure connectivity to governments, businesses and citizens across Europe and beyond. It will complement and rely on the EU's existing systems, such as Copernicus, Galileo, the European Union Governmental Satellite Communications programme and the European quantum communication infrastructure.

Such a system also requires robust space surveillance and tracking to help protect space-based infrastructure. Active since 2016, the EU space surveillance and tracking system now monitors 310 EU satellites, avoiding collisions in space. To cope with the exponential increase in the number of satellites and amount of debris in orbit, in 2022 the EU adopted a joint communication on an EU approach to safe space traffic management.
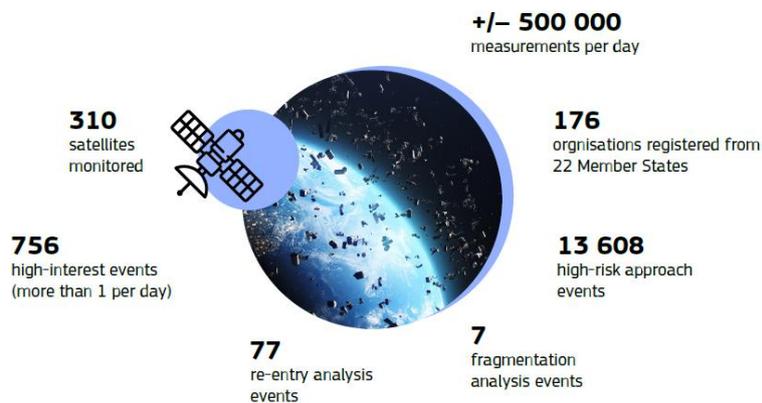
As part of the European Year of Youth, the European Commission launched a naming competition, open to young European and African students to select the name of the new EU space-based connectivity system. The winning name – 'IRIS²' – was submitted by two students.

EU SPACE SURVEILLANCE AND TRACKING
2022 facts and figures

+/– 500 000
measurements per day

310
satellites monitored

176
orgnisations registered from 22 Member States

756
high-interest events (more than 1 per day)

13 608
high-risk approach events

77
re-entry analysis events

7
fragmentation analysis events

Space also plays an important role in terms of defence. In line with the Action Plan on Synergies between Civil, Defence and Space Industries, the EU's roadmap on critical technologies for security and defence informs citizens and stakeholders about the latest initiatives on technology and its links to security and defence. It sets out the aim to reduce the EU's strategic dependencies relating to critical technologies and value chains for security and defence.

Drone Strategy 2.0

As announced in the Sustainable and Smart Mobility Strategy in November, the EU launched its Drone Strategy 2.0. The strategy sets out 19 measures for a safe and sustainable drone ecosystem by 2030. These include common rules for airworthiness, training requirements for pilots, supporting research and innovation, and defining criteria for a voluntary cybersecurity approved drone label. The aim is also to expand the use of drones for the transport of passengers and cargo, surveying critical infrastructure, monitoring oil spills, and security and defence, while strengthening social acceptance by addressing concerns about noise, safety and privacy.

Digital education

Digital education and digital skills

For citizens to benefit from the transition, they must have the skills that will help them thrive in the digital world. The 2022 Digital Economy and Society Index revealed that only 54 % of European citizens between the ages of 16 and 74 have basic digital skills, while the Digital Decade target is 80 % by 2030. This demonstrates the urgent need for more action to build Europeans' digital skill sets. The Digital Skills and Jobs Platform, launched this year, aims to bridge this gap.

The EU equipped 10 000 girls across Europe with digital and entrepreneurial skills through the Girls Go Circular initiative.

In March 2022, the EU hosted the first Digital Education Stakeholder Forum.

The 10th edition of the EU Code Week took place from 8 to 23 October 2022, with 75 070 activities in 77 countries.

The EU also worked with Member States to identify the challenges in providing high-quality digital education and skills to all. The outcome of these discussions will feed into the Digital Education Action Plan. In 2022, the EU continued to provide guidelines for teachers and educators on disinformation and the ethical use of AI and data in teaching, both of which are important elements of digital literacy. Following the development of the European digital education hub, a community where educators can share best practices was formed in June 2022.

Supercomputers and artificial intelligence

Supercomputers

A world-class supercomputer ecosystem in Europe is essential for promoting scientific excellence and industrial strength. A network of supercomputers would also ensure the EU's technological sovereignty, meaning that it would have ownership of its important digital technologies.

In June 2022, the European High Performance Computing Joint Undertaking (EuroHPC JU) – a legal entity that allows participating countries to pool resources to set up supercomputers – inaugurated the supercomputer LUMI in Kajaani, Finland. This was followed in November 2022 by the inauguration of the supercomputer Leonardo in Bologna, Italy. LUMI and Leonardo are the two fastest supercomputers in Europe and rank third and fourth fastest in the world, respectively.

Their computing power complements the EuroHPC JU's existing supercomputers: Discoverer in Bulgaria, Karolina in Czechia, MeluXina in Luxembourg and Vega in Slovenia. Two more EuroHPC supercomputers are currently being set up: MareNostrum5 in Barcelona, Spain, and Deucalion in Portugal.

In 2022, it was announced that Europe's first exascale supercomputer, Jupiter, will be hosted in the Jülich Supercomputing Centre in Germany. Exascale capability represents a major technological milestone for the EU and greatly promotes European scientific excellence. This will benefit complementary technologies, such as quantum computing, digital twins and big data.

In October 2022, six sites across the EU were selected to host and operate the first quantum computers: Czechia, Germany, Spain, France, Italy and Poland. Quantum computers are able to perform calculations that are too complex for standard computers.

CH04-PH34

LUMI supercomputer.

Artificial Intelligence

AI is one of the most important emerging technologies: it is already at the core of many of the tools we use daily, such as social media algorithms, and will enable new technologies like autonomous vehicles.

In 2022, the European Parliament and the Council of the European Union continued negotiations on the proposed Artificial Intelligence Act, which aims to introduce a common regulatory framework for AI. The Commission and the Government of Spain presented a pilot of the first regulatory sandbox on AI, allowing businesses to explore the effects of the framework's rules on certain AI projects in a controlled environment. This will help ensure the implementation of the legislation within 2 years. The tests began in October 2022 and results will be published in the second half of 2023.

Barbara Mazzolai, researcher at the Italian Institute of Technology, working on the 'I-Wood', 'I-Seed' and 'GrowBot' projects of Bioinspired Soft Robotics Laboratory of the Center for Convergent Technologies, Italian Institute of Technology, Genoa, Italy, 14 June 2022.

Bert-2, the four-legged robotic system from the Institute of Robotics and Mechatronics, located near Munich, Germany, 8 June 2022. The focus of the institute is on the development of a wide array of robots that can enable humans to interact more safely and efficiently with their surrounding environments.

Digital finance

The Digital Operational Resilience Act

2022 marked an important milestone regarding the digital finance package: the Digital Operational Resilience Act was published on 14 December 2022 and entered into force on 16 January 2023. The financial sector is becoming more reliant on software and digitalisation, and as such, information communication technologies (ICT) risks are on the rise. The new legislation will ensure that financial firms can withstand ICT-related threats. Banks, stock exchanges, clearing houses and other financial firms will have to respect strict standards to prevent and limit the impact of ICT-related incidents. The agreement also introduces an oversight framework on service providers that provide critical services, such as cloud computing, to financial institutions.
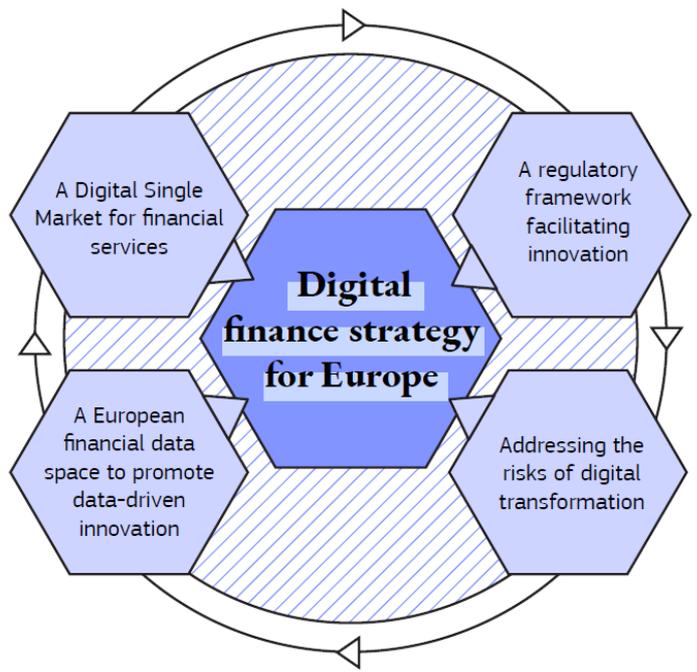
Regulation on crypto assets

The EU is among the first major jurisdictions in the world to design a comprehensive regulatory framework for rules on crypto assets, namely the proposed regulation on markets in crypto assets. The new rules will provide a clear legal framework for crypto assets that are not already regulated by other EU financial legislation, thereby protecting consumers, market integrity and financial stability.

For 'stablecoins', namely cryptocurrencies that are less volatile than classic cryptocurrencies, the agreement sets out strict requirements on establishment, authorisation and reserve management, including EU supervision for significant 'stablecoins' that are systemically important. Crypto asset service providers will also need to be authorised in the EU, and as a result, will be able to provide their services throughout the EU.

In addition, co-legislators agreed on the proposal to amend the Transfer of Funds Regulation. The agreement provides for an obligation for all crypto service providers involved in crypto transfers to collect data on the originators and beneficiaries of the crypto-asset transfers they operate, and make them available to the competent authorities in charge of the fight against money laundering and terrorism financing. These new rules will significantly enhance the monitoring and traceability of crypto-asset transfers and ensure compliance with the relevant measures called for in the Financial Action Task Force Recommendations.

Citizens taking part in a demonstration in support of Ukraine, Brussels, Belgium, 8 March 2022.

Chapter 5: Protecting people and freedoms

Introduction

While EU citizens are from diverse backgrounds, they share the same set of values on which the EU was founded (Article 2 of the Treaty on European Union). These are: respect for human dignity and human rights, freedom, democracy, equality and the rule of law, as set out in the EU's treaties and the Charter of Fundamental Rights of the European Union.

In 2022, the EU continued to deal with the ongoing pandemic and support vaccination campaigns in the EU and beyond. It also advanced its work to ensure that the EU is prepared for future health threats, acted to protect freedom of movement, freedom of speech and children's rights, and assisted people fleeing Russia's war of aggression against Ukraine.

Better health

COVID-19

The COVID-19 pandemic is not over, new variants continue to emerge and vaccination remains crucial to mitigate the harmful effects of the virus.

In 2022, the EU's vaccine strategy continued to prove successful. In total, since the start of the pandemic, 966 099 169 doses have been administered to Europeans. However, evolving COVID-19 variants call for adapted vaccines. In 2022, the EU authorised adapted vaccines to be used in a new booster programme to prevent a rise in cases. It also published the *COVID-19 Therapeutics Innovation Booster* report, which provides guidance on developing new treatments for COVID-19.

CH05-PH38

A caregiver in a vaccination centre, Valletta, Malta, 27 January 2022.

In addition to ongoing vaccination campaigns, the EU is tackling the long-term effects of COVID-19 infection, such as long Covid. The European Commission is funding large cohort studies that follow populations from around the world over a long period of time. Research projects funded under Horizon 2020 and Horizon Europe are also looking into instances of long-term conditions that appear following a COVID-19 infection.

Together with its Member States, the EU is building a strong European Health Union to better protect the health of EU citizens, prevent and prepare for future pandemics, and improve Europe's overall health systems. To achieve this, a better legal framework was needed. The new Cross-Border Health Threats Regulation, adopted in 2022, will provide the EU with a comprehensive legal framework to govern coordinated action on preparedness, surveillance, risk assessment, and early warning and response measures.

The European Commission's new service, the Health Emergency Preparedness and Response Authority (HERA) is another important component of a robust health union. HERA contributes to the development, production, procurement, stockpiling and distribution of medical countermeasures in the event of a health emergency.

In 2022, the EU increased the authority of an existing health agency. The European Medicines Agency can now monitor the health sector and take action to prevent medicine shortages and

57

facilitate faster approvals of medicines to end a public health crisis. The [European Centre for Disease Prevention and Control](#) has also received more authority to support the EU and its Member States in the prevention and control of communicable disease threats.

The [EU Digital COVID Certificate](#) – an important tool during the height of the pandemic – was extended for another year and will continue to apply until 30 June 2023. This extension will allow people to use their certificates to travel across the EU if the epidemiological situation worsens and travel restrictions are reintroduced.

To improve access to vaccines in lower-income countries, the EU, with its Member States and financing institutions, contributed over €5 billion through the ['COVID-19 Vaccine Global Access' initiative](#) (see Chapter 8 for more information on donations to help vaccination efforts outside the EU).

Global health strategy

An ambitious global health strategy is crucial in a world where diseases know no borders. Such a strategy must account for the fact that health is a global common good and plays an important part in human well-being, societal stability and sustainable development.

Therefore, the [EU Global Health Strategy](#), adopted in November, is rooted in equity, solidarity and human rights and focuses on improving partnerships with other regions to ensure a better response to global health threats. Health threats, such as antimicrobial resistance and pathogens that could trigger a pandemic, are becoming increasingly complex and play out in a changing geopolitical context. Climate change, biodiversity changes and pollution will especially impact the health of more vulnerable people and countries. The strategy therefore follows 'One Health' principles, recognising that human, animal and environmental health are all closely connected.

Looking ahead to 2030, the challenges are significant. Many countries have fallen behind on the [2030 Sustainable Development Health Goals](#). The EU's health strategy will therefore take a comprehensive approach and address three essential priorities: strengthening health systems, advancing universal health coverage, and fighting current and future health threats.

The EU will continue to have a leadership role in global health in collaboration with the World Health Organization, and build trusted international partnerships via the Global Gateway (see Chapter 8). Digitalisation and research will be the key enablers of this strategy (see Chapter 4 for more information on the digitalisation of healthcare).

Europe's Beating Cancer Plan

Adopted in 2021, [Europe's Beating Cancer Plan](#) signals the EU's renewed commitment to cancer prevention and providing equal access to cancer diagnosis and treatment. It is another important building block of the European Health Union. The plan not only sets out to deliver concrete improvements for patients, but also aims to provide extra support for cancer survivors and healthcare professionals across Europe. The actions under this plan are supported by a budget of €4 billion – under programmes such as [EU4Health](#) and the Horizon Europe [Mission on Cancer](#) – earmarked for research and initiatives that address cancer. Examples include the development of an [inter-speciality cancer training programme](#) and a network for young cancer survivors.

In December 2022, the Council of the European Union [adopted](#) a proposal for a new approach to cancer screening to ensure that 90 % of the EU's population who qualify for breast, cervical and

colorectal cancer screenings have access to them by 2025. The scope of screening has been extended to include three new areas: prostate, lung and gastric cancer.

A new approach to cancer screening

Extended targeting

Breast
Colorectal
Cervical

Gradual introduction

Lung
Gastric
Prostate
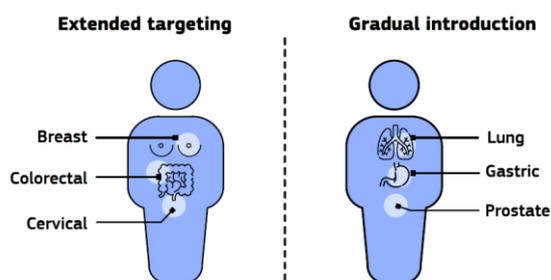
Updated proposal to the EU Council recommendation as part of the EU cancer screening scheme.

Another significant development regarding cancer-related rules in 2022 was the proposed amendment to the Asbestos at Work Directive. Asbestos, a highly dangerous, cancer-causing substance, is still present in many European buildings and is responsible for many avoidable deaths in the EU. Workers may be exposed to this substance during building renovations or demolitions. With the amendments, the EU will lower the level of asbestos that a person may be exposed to in the workplace and introduce more sensitive and accurate asbestos-measuring methods.

Stella Kyriakides, European Commissioner for Health and Food Safety (second from left), visiting a cancer centre for young people, Ghent, Belgium, 12 July 2022.

2022 also saw the launch of the European Cancer Inequalities Registry, an ongoing task for the EU Network of Comprehensive Cancer Centres, and a series of joint actions where the EU supported national authorities in running initiatives such as a human papillomavirus vaccination programme for both girls and boys.

The Pharmaceutical Strategy for Europe

The Pharmaceutical Strategy for Europe, adopted in 2020, is an ambitious roadmap that aims to bolster innovation in the pharmaceutical industry, make medicines more accessible and affordable

and address unmet medical needs, such as getting medicines to children and patients with rare diseases.

As a first step towards achieving these aims, the EU adopted the Regulation on Health Technology Assessment. In addition, the EU's pharmaceutical framework was evaluated in 2022, with a revision planned for early 2023. The changes that the EU intends to make will speed up access to quality, safe and affordable medicines in all Member States. They will address shortages and help Member States reap the benefits of the medicine technologies of the future, while also establishing the EU as a global leader in innovation.

CH05-PH41

Margaritis Schinas, Vice-President of the European Commission in charge of 'Promoting our European Way of Life' (left), during the opening of a research and development centre, Thessaloniki, Greece, 15 July 2022.

In July 2022, the Commission also adopted the proposal for a regulation on standards of quality and safety for substances of human origin (like blood, tissues and cells) intended for human application. The new regulation updates current legislation with higher safety and quality standards for the cross-border circulation of these critical health products. Donors, along with recipients, are better protected, while cross-border standards allow for more solidarity between Member States.

In spring 2022, the Commission developed measures with the Member States and public health stakeholders to tackle the rising burden of non-communicable diseases, including mental health. The 'Healthier Together' Non-communicable Diseases Initiative allocated more than €156 million to initiatives in 2022.

CH05-INFO31

The five strands of the Healthier Together Initiative

1 Health determinant for health promotion and disease prevention

2 Diabetes

3 Cardiovascular diseases

4 Chronic respiratory diseases

5 Mental health and neurological disorders
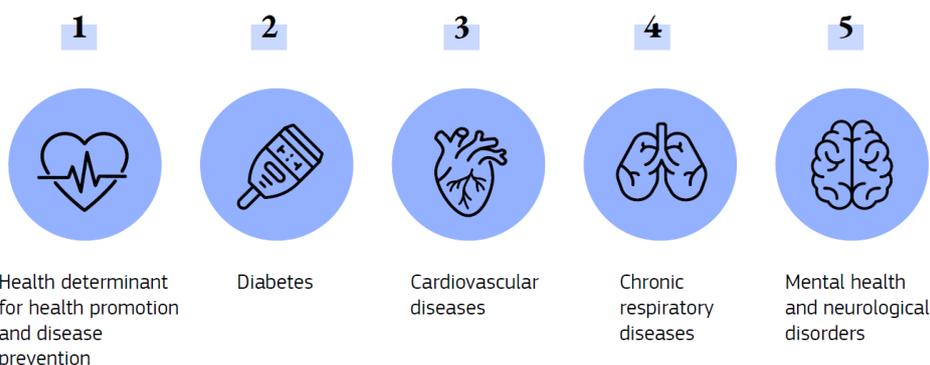
Strengthening our democracy

Media freedom and pluralism

[Media freedom and pluralism](#) are essential pillars of democratic systems based on the rule of law: the media's independence must be protected at the EU level.

To safeguard media freedom and pluralism in the EU, the [European Media Freedom Act](#) was proposed in 2022. The Commission launched a public consultation in September 2022 to collect views on the most important issues affecting the functioning of the EU's media market, including different types of int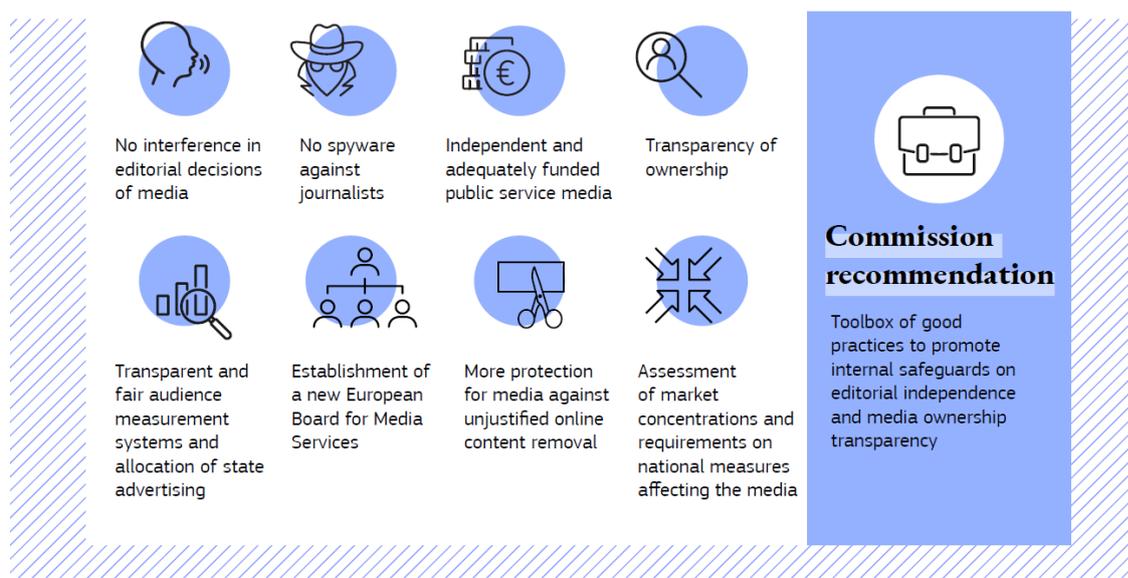erference in media and economic trends. The initiative stems from the [European Democracy Action Plan](#), which proposes a set of measures promoting democratic participation to fight disinformation and support free and independent media.

CH05-INFO32

European Media Freedom Act

No interference in editorial decisions of media

No spyware against journalists

Independent and adequately funded public service media

Transparency of ownership

Transparent and fair audience measurement systems and allocation of state advertising

Establishment of a new European Board for Media Services

More protection for media against unjustified online content removal

Assessment of market concentrations and requirements on national measures affecting the media

Commission recommendation

Toolbox of good practices to promote internal safeguards on editorial independence and media ownership transparency

In addition, in April 2022, the Commission proposed a [directive and adopted a recommendation](#) to improve the protection of journalists and human rights defenders against manifestly unfounded or abusive court proceedings. Strategic lawsuits against public participation are a form of legal threat or abusive litigation and pose a serious threat to democracy and fundamental rights, such as freedom of expression and information. In December, the Commission also adopted a legislative proposal aimed at [strengthening the role and independence of equality bodies](#). The proposed directives will set minimum binding standards regarding the mandate, independence, effectiveness, resources and powers of equality bodies.
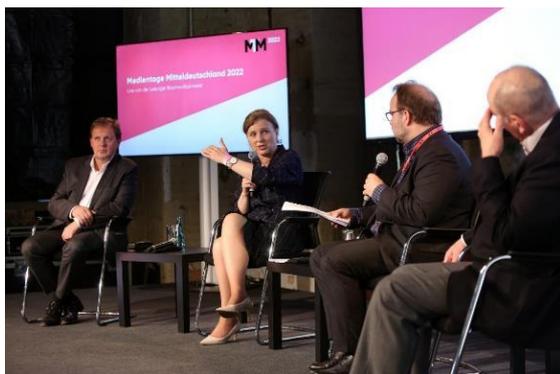
## *Protecting and empowering children*

Strengthening our democracy also means empowering its youngest members: 1 in 5 people in the EU are children (people under the age of 18) and have the right to be heard and included in the democratic life of EU societies. To empower children as active citizens, the EU launched the EU Children's Participation Platform in September 2022. Co-designed with children and young people, its function will be to connect existing child participation mechanisms at the local, national and EU levels, and involve children in the decision-making processes at the EU level. The platform is a response to one of the outcomes of the Conference on the Future of Europe (see Chapter 9), namely strengthening democratic participation in the EU.

18.2%
of the EU's population are children

30.2 %
of the world's population are children.
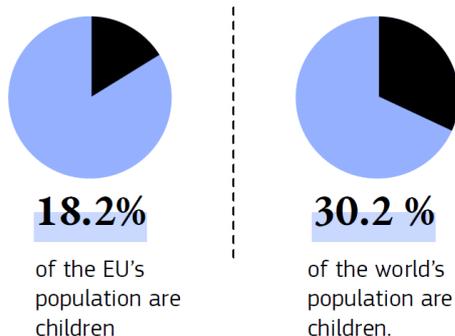
Source: Eurostat.

The EU also created space for children to become active participants in society, notably by developing child-friendly versions of EU documents and by adopting a new strategy for a better internet for kids that will help ensure that children are protected, respected and empowered online. Rules proposed in 2022 will also make online service providers responsible for detecting, reporting and removing child sexual abuse material distributed via their platforms.

On a more fundamental level, the Commission launched the EU Network for Children's Rights to monitor the implementation of the EU Strategy on the Rights of the Child and to discuss the next steps with Member States and groups concerned. On a global level, the Youth Action Plan (for young

people aged 15–29) was adopted in October 2022, giving young people the opportunity to communicate with their peers worldwide and build a better future.

The EU is also making justice systems more child-friendly through the funding of initiatives such as the Barnahus project. This technical support project was designed to help Member States protect child victims and witnesses of violence. 'Barnahus' (children's house) is a haven where law enforcement, justice systems, child protective services, and mental and physical health practitioners work together on cases of suspected child abuse. The projects also contribute to improving the skills of professionals working together on cases of child sexual abuse and to increasing awareness of the issue. Owing to its success, the Barnahus model is being rolled out in Ireland, Spain, Finland and other EU Member States.

The Commission also adopted a proposal to strengthen the rights of families in cross-border situations. Member States have varying national laws on parenthood, and families in cross-border situations sometimes have to start administrative or even judicial proceedings to have the parenthood of one parent recognised. These are costly, time-consuming and can have uncertain results. Thanks to the proposal, parenthood established in one Member State will be recognised in all the other Member States, without any special procedure. This protects the fundamental rights of children, provides legal certainty for families, and reduces the legal costs and burdens for the families.

In light of Russia's war of aggression against Ukraine, the Council focused on protecting the rights of children in emergencies.

Migration and asylum

Russia's unprovoked war of aggression against Ukraine triggered the largest forced displacement of people in Europe since the Second World War. This happened against a background of increased irregular migration via routes across the Mediterranean and the Western Balkans, and the Belarusian regime's use of migrants for political purposes.

The EU quickly activated the Temporary Protection Directive to welcome displaced people and created a solidarity platform to coordinate their reception in the Member States (see Chapter 1). The EU Migration Preparedness and Crisis Management Mechanism Network, which gathers and disseminates information on the latest developments, strengthened the EU's collective response

CH05-PH45

Ylva Johansson, European Commissioner for Home Affairs (second from left), on a visit to Chisinau, Moldova, to discuss the challenges in supporting those fleeing the war in Ukraine, 12 May 2022.

The EU continued to improve on the long-term management of migration through the negotiation and implementation of the New Pact on Migration and Asylum. In particular, the Council signalled its

readiness to start negotiations on proposals to help Member States monitor the paths of asylum seekers in the EU more effectively.

In June 2022, Member States made a declaration of solidarity to help five Mediterranean countries (Greece, Spain, Italy, Cyprus and Malta) deal with migrant arrivals. The declaration launched a Voluntary Solidarity Mechanism, which saw 13 participating states pledge to receive more than 8 000 asylum seekers and beneficiaries of international protection, while a few other countries have indicated their interest in making financial contributions to projects proposed by the benefitting states, based on their needs in migration management.

In November and December 2022, the Commission presented action plans on the central Mediterranean and the Western Balkans routes, respectively. These proposed action plans presented operational measures to address the immediate and ongoing challenges along these migratory routes.

The implementation of the renewed EU Action Plan against Migrant Smuggling (2021–2025) continued throughout 2022, including the launch of the first Anti-Smuggling Operational Partnerships with Morocco and Niger in July. In addition, December 2022 saw the launch of two Team Europe initiatives focused on addressing migrant smuggling and irregular immigration via the Atlantic / western Mediterranean and central Mediterranean migratory routes.

Based on the first EU Strategy on Voluntary Return and Reintegration from April 2021, the structures and tools were put in place to ensure that voluntary return and reintegration are streamlined in the EU's common system for return. Moreover, the strategic position of Return Coordinator was filled in 2022. The Return Coordinator will link the different strands of the EU's return policy and foster cooperation between Member States to make the return process seamless. The High-Level Network for Return, the Schengen-associated countries and the European Border and Coast Guard Agency will all support this work.

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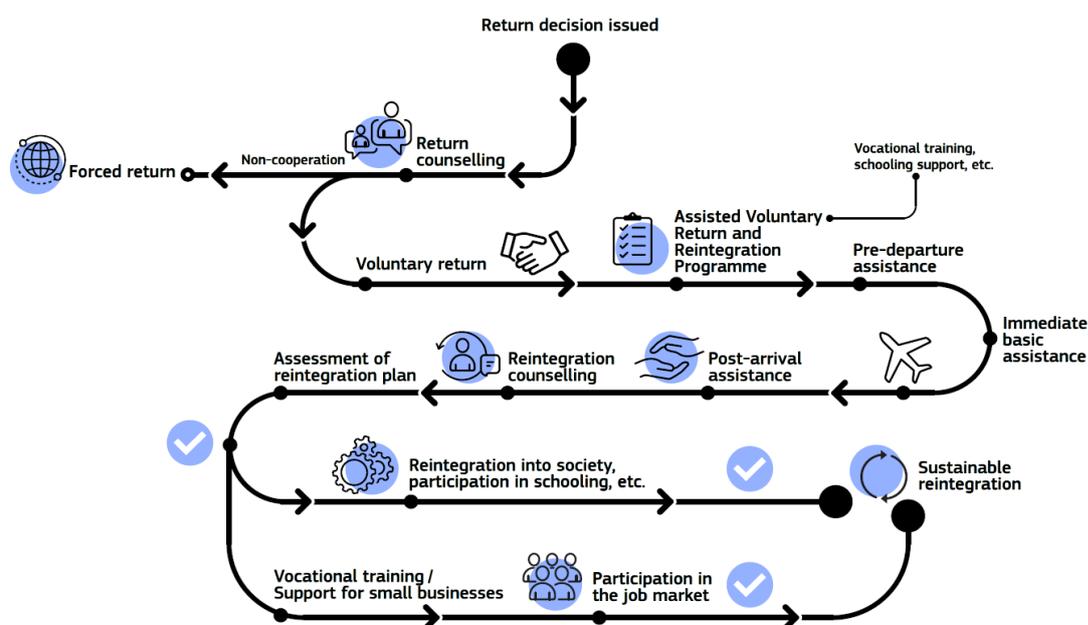
The EU is also working on implementing a more ambitious and sustainable legal migration policy to attract new skills and talent to the EU. The Skills and Talents package – adopted in 2022 – will

simplify application procedures for non-EU country nationals who wish to work in the EU and match skilled workers with the needs of employers in the EU. This will benefit the EU's economy, strengthen cooperation with non-EU countries and improve overall migration management. The new policy is additionally set to facilitate the integration of those fleeing Russia's war of aggression against Ukraine into the EU's labour market, under the 'EU Talent Pool' pilot, launched in October 2022.

The Schengen area

The EU's free-movement zone, the Schengen area, is central to European integration and growth. The recent pandemic has shown that disruptions to the flow of people and goods come at a cost. To better monitor the Schengen project, the Commission published the first annual State of Schengen Report in 2022, setting out what the EU and Member States can do to keep it functioning well.

The recently revised Schengen Evaluation and Monitoring Mechanism, effective since 1 October 2022, provides further guidance on assessing how well Member States follow the Schengen rules. Moreover, the Council reached a general approach on the amendment of the Schengen Borders Code in 2022, advancing negotiations on how best to deal with border controls during challenges such as health threats and the instrumentalisation of migration.

CH05-GR18

The Schengen area in 2022

425.6 million people
26 countries

1.5 million people reside in one Schengen state and work in another

3.5 million people cross between Schengen states every day

Source: ESTAT

The Schengen information system – an information-sharing system used for both security and border management in Europe – was renewed in 2022 and offers new types of alerts and enhanced information exchange for border control and law enforcement authorities.

The Commission also proposed the digitalisation of the Schengen visa application procedure for smarter and more effective border control. New information systems, such as the Entry/Exit System, which will assist with identity and document fraud, and the European Travel Information and Authorisation System, which will pre-screen non-EU travellers who don't require a visa to visit the Schengen area, help close existing security information gaps and avoid delays at the external borders for travellers.

In 2022, the [EU decided](#) that Croatia had fulfilled the necessary conditions to join the Schengen area as of 1 January 2023. Although already partly bound by Schengen rules, Croatia will now enjoy the full benefits of being part of the largest free-movement area in the world. In addition, the Commission evaluated Bulgaria and Romania as being ready to join the Schengen area. Finally, the EU proposed to suspend the visa exemption for nationals of Vanuatu due to risks linked to its citizenship programme.

Protecting citizens

In 2022, the EU took comprehensive steps to protect its citizens and fight against criminal threats, such as the [recommendation](#) for increased police cooperation and information sharing between Member States' police and law enforcement authorities. The EU also amended the [Europol Regulation](#) to allow the European Union Agency for Law Enforcement Cooperation to provide more extensive support to EU Member States. It came into force in 2022 and will help to tackle organised crime and terrorism.

The EU is also adapting and responding to new forms of criminal threats through several measures, such as [new rules](#) that oblige online service providers to remove terrorist content within 1 hour after receiving a removal order from national authorities. A revision of the Anti-trafficking Directive will align legislation with the [EU Strategy on Combatting Trafficking in Human Beings](#) (2021–2025). The EU additionally adopted the [Action Plan against Trafficking in Cultural Goods](#).

A proposed expansion of the mandate of the [European Monitoring Centre for Drugs and Drug Addiction](#) will allow it to better respond to the challenges concerning illegal drugs.

To ensure that crime, and particularly organised crime, does not pay, a [proposal](#) was put forward to expand the reach of the national asset recovery offices to trace, recover and confiscate more criminal assets. The new proposal also seeks to expand the list of crimes for which assets can be confiscated.

A ship unloads cargo onto a busy port dock, Lower Saxony, Germany.

Chapter 6: Strengthening the economy

Introduction

In 2022, the EU's recovery plan NextGenerationEU continued to deliver on the ground, financing important measures to boost the resilience of the economy and society and to accelerate the green and digital transitions.

After a strong first half of the year, the EU's growth started to slow down and inflation started to rise as one of the consequences of Russia's war of aggression against Ukraine. Despite the challenges, the labour market continued to perform strongly.

With the economic outlook uncertain due to risks related to future gas supplies, the EU accelerated its transition to clean energy to end its dependency on Russian fossil fuels. At the same time, the EU continued its work to strengthen the resilience of the Single Market and support industry and businesses on the path to climate neutrality.

Europe's economic growth

Trends

The EU economy entered a challenging phase in the second half of 2022. The shocks unleashed by Russia's war of aggression against Ukraine hit the EU economy both directly and indirectly, setting it on a path of lower growth and higher inflation. The rapid increase in energy and food commodity prices eroded the purchasing power of households across the EU.

While Russia's war of aggression against Ukraine has had a serious effect on certain sectors of the EU economy, the labour market continued to perform strongly, benefiting from short-time work schemes supported by the SURE initiative (Support to mitigate Unemployment Risks in an Emergency). Unemployment reached record-low levels of 6.2 % in 2022.

Overall, the EU economy is set to continue expanding, but at a significantly slower pace than previously expected. The forecasts for economic activity and inflation remain heavily dependent on the evolution of the war and its impacts on the supply of gas to Europe.

In this context, the swift implementation of the €723.8 billion Recovery and Resilience Facility at the heart of the NextGenerationEU recovery plan remains the priority, as it provides Europe with exactly what it needs today.

A new chapter for national recovery and resilience plans

As the key instrument at the heart of NextGenerationEU, the Recovery and Resilience Facility is designed to mitigate the economic and social impact of the coronavirus pandemic. It aims to make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions.

It does so by supporting the implementation of crucial investment and reform measures outlined in Member States' recovery and resilience plans. This includes a wide range of measures, from reducing the carbon footprint of public transport in Portugal and modernising healthcare services in Slovakia, to the digitalisation of public services in Estonia. The European Commission estimates that the total stimulus from NextGenerationEU could boost the EU's economic growth by up to 1.5 % by 2027 and help create up to 1.5 million new jobs.

RECOVERY AND RESILIENCE FACILITY
€723.8 billion

◇ €338.0 billion in grants   ● €385.8 billion in loans

POWER UP
Clean technologies and renewables

RENOVATE
Energy efficiency of buildings

RECHARGE AND REFUEL
Sustainable transport and charging stations

CONNECT
Roll-out of rapid broadband services

MODERNISE
Digitalisation of public administration

SCALE UP
Data cloud and sustainable processors

RESKILL AND UPSKILL
Education and training to support digital skills

NextGenerationEU
€806.9
billion

NEXTGENERATIONEU CONTRIBUTION TO OTHER PROGRAMMES
€83.1 billion

REACT-EU
€50.6 billion

JUST TRANSITION FUND
€10.9 billion

RURAL DEVELOPMENT
€8.1 billion

INVESTEU
€6.1 billion

HORIZON EUROPE
€5.4 billion

RESCEU
€2.0 billion

How does the Recovery and Resilience Facility work?

To finance NextGenerationEU, the Commission, on behalf of the EU, borrows on the capital markets.

To benefit from the support, Member States submit their recovery plans to the Commission. Each plan sets out the reforms and investments to be implemented by the end of 2026 and Member States can receive financing up to a previously agreed allocation. To receive regular payment the Member States must fulfil agreed milestones and targets towards achieving the necessary reforms and investments.

Repayment of EU borrowing allocated to NextGenerationEU will start as of 2028 and will take place up to 2058. The loans will be repaid by the borrowing Member States, while the grants will be repaid by the EU budget..

By the end of 2022, a total of €138.8 billion had been paid out to Member States under the Recovery and Resilience Facility (€74.35 billion of this in 2022), both as pre-financing and following the achievement of certain milestones and targets by EU Member States.
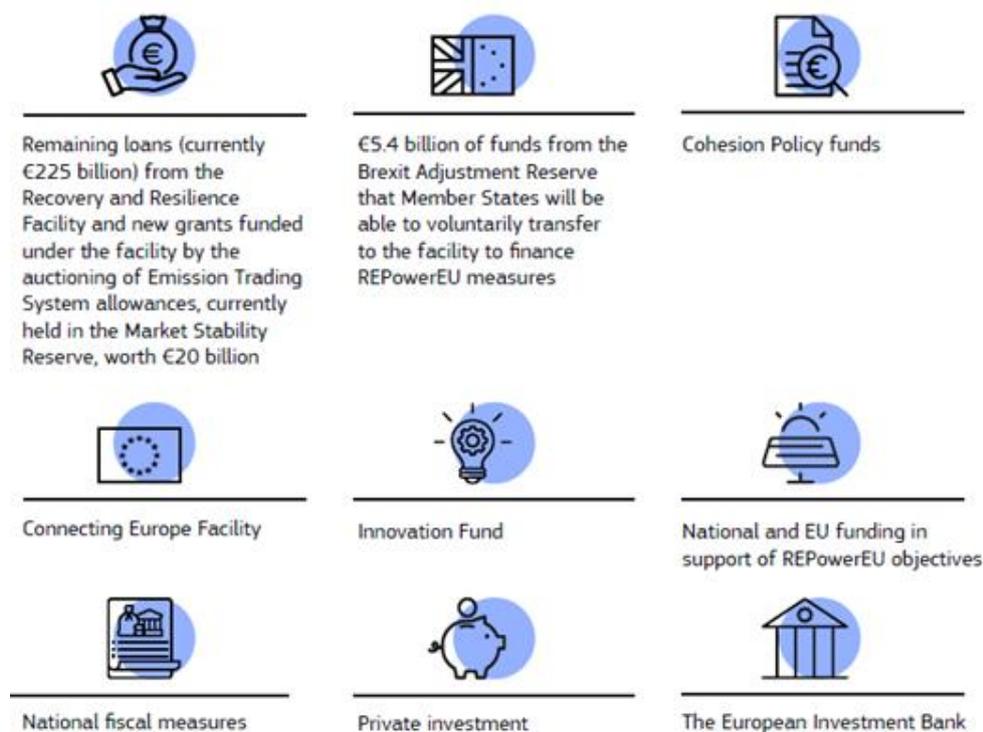
In addition, several billion euro have been allocated, distributed or paid out to Member States under a number of other EU budget programmes that benefit for its NextGenerationEU financing. This follows successful capital market operations, under which the Commission has raised the funds via the issuance of long-term EU bonds. By the end of 2022, the Commission had raised nearly €170 billion from capital markets under its NextGenerationEU programme. The Commission will continue its borrowing operations in 2023, through a unified funding approach that brings together all of its issuances under a single EU-Bond label.

A report published in July confirms that major headway has been made in the implementation of the Recovery and Resilience Facility and that the ambitious reform and investment agenda of Member States is well on track. By December, all 27 recovery and resilience plans had been approved and Member States had committed more than €200 billion to climate expenditure and €130 billion to digital spending. These sums amount to more than 40 % and 26 %, respectively, out of the total amount of funds requested by Member States under the RRF by the end of 2022, well over the targets of 37 % and 20 % established by the regulation.

The facility is also at the heart of the REPowerEU Plan, the EU's response to the socioeconomic hardships and global energy market disruption caused by Russia's war of aggression against Ukraine. It supports the coordinated planning and financing of relevant infrastructure, energy projects and reforms in order to give the EU a more reliable, affordable and sustainable energy supply by improving the energy mix and moving away from Russian fossil fuels (see Chapter 2). In December, a political agreement was reached to include dedicated chapters in Member States' existing recovery and resilience plans to support REPowerEU priorities.

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Sources of financing REPowerEU

Remaining loans (currently €225 billion) from the Recovery and Resilience Facility and new grants funded under the facility by the auctioning of Emission Trading System allowances, currently held in the Market Stability Reserve, worth €20 billion

€5.4 billion of funds from the Brexit Adjustment Reserve that Member States will be able to voluntarily transfer to the facility to finance REPowerEU measures

Cohesion Policy funds

Connecting Europe Facility

Innovation Fund

National and EU funding in support of REPowerEU objectives

National fiscal measures

Private investment

The European Investment Bank

As a performance-based instrument, payments under the facility are dependent on Member States fulfilling the milestones and targets for the investments and reforms included in their respective recovery and resilience plans. This set-up has proved to help accelerate reforms in some Member States, ensuring effective delivery. Member States' monitoring and control systems – a precondition for the approval of the recovery and resilience plans – have also created a sense of national ownership that is crucial to the success of difficult reforms.

The recovery and resilience scoreboard website gives a transparent overview of how the implementation of the Recovery and Resilience Facility and the national plans are progressing.

The Commission is helping Member States implement their recovery and resilience plans through the Technical Support Instrument – the EU programme that provides tailor-made technical expertise to design and implement reforms. The Commission has responded to the requests of 19 Member States for support. In addition, 17 Member States are receiving technical support to implement the REPowerEU Plan.

An economic governance framework fit for the challenges ahead

Following an open and rich public debate, the Commission published orientations for a simpler and more effective economic governance framework. The Commission proposals seek to promote greater national ownership and better enforcement of fiscal and economic policies, while allowing for reform and investment, and reducing high public debt ratios in a realistic, gradual and sustained manner. In this way, the reformed framework should help build the green, digital and resilient economy of the future, while ensuring the sustainability of public finances in all Member States.

From left to right: Andrej Plenković, Prime Minister of Croatia, Ursula von der Leyen, President of the European Commission, Christine Lagarde, President of the European Central Bank, and Paschal Donohoe, President of the Eurogroup, during the European Council, 23–24 June 2022, Brussels, Belgium.

Croatia prepares to introduce the euro

In July, the EU adopted the final legal acts required to enable Croatia to introduce the euro on 1 January 2023. It followed a period of intensive preparation and substantial efforts made by Croatia to meet all the necessary requirements. The preparations for the changeover were complemented by a comprehensive communication campaign lead by the Croatian authorities. The Commission and the European Central Bank contributed to these efforts.

With Croatia, 20 EU Member States and 347 million EU citizens share the EU's common currency. The euro will deliver practical benefits to Croatian citizens and businesses. It will make travelling and living abroad easier, boost the transparency and competitiveness of markets and facilitate trade. Euro notes and coins will also become a tangible symbol for all Croatians of the freedom, convenience and opportunity that the EU makes possible.

Enhancing Europe's economic, social and territorial cohesion

The EU's regional policy, also known as cohesion policy, aims to correct inequalities between regions. It delivers on the EU's political priorities, especially economic, social and territorial cohesion, and the green and digital transitions.

In 2022, the Commission adopted the 2021–2027 partnership agreements on EU funds with all the Member States. These are key instruments in every financing period as they set out the strategies of each country regarding the investment of 2021–2027 funding for EU regions. The launch of the agreements was followed by the adoption of 380 national, regional and thematic cohesion-policy programmes, including territorial just transition plans and 80 cross-border programmes that operationalise the strategies in specific initiatives on the ground.

Elisa Ferreira, European Commissioner for Cohesion and Reforms, at the signing ceremony of the Partnership Agreement on European funds, Zagreb, Croatia, 29 September 2022.

CH06-GR20

Together

for the largest cross-border programme 2021–2027	for cooperation in north-western Europe, the Atlantic area and the Arctic area 2021–2027	for a just transition: targeted investments in Karlovarský, Ústecký and Moravskoslezský, Czechia
Interreg España–Portugal	Interreg	
EU BUDGET **€320 million**	EU BUDGET **€467 million**	EU BUDGET **€1.64 billion**
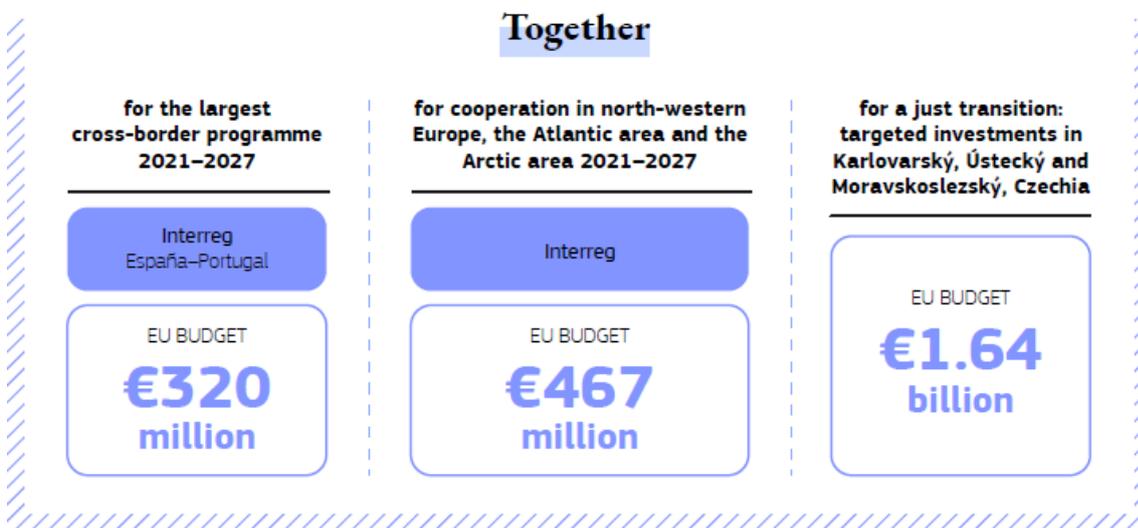
Ensuring a just transition

The Just Transition Mechanism, a key tool to ensure that the transition towards a climate-neutral economy happens in a fair way, leaving no one behind, has already started to deliver on its promise to mobilise up to €55 billion in investment by 2029. Some 67 of the expected 70 territorial just transition plans have been adopted, in 26 Member States.

A new rare-earth magnet factory in Ida-Virumaa, Estonia, was the first project to secure financing from the Just Transition Fund. Other coal and carbon-fuel intensive regions are also selecting the first investments under the fund.

Support for just transition regions increased through the Just Transition Platform, which offers tailored support and the exchange of information and best practices on the platform's portal and at the biannual conferences.

In February, the Commission published the eighth cohesion report, which assesses the state of EU regions across multiple policy areas, including the economy, energy, transport, innovation, demography and society. The report found that thanks to cohesion-policy investment, most less-developed regions are catching up and that the gap between them and wealthier areas of the EU is

reducing. At the same time, some challenging developments need policy attention, such as economic stagnation in some areas, a widening innovation divide and demographic ageing.

New tools for finding out about EU-funded projects

In 2022, the Commission launched Kohesio, a new public database including more than 1.5 million projects funded by cohesion policy from 2014–2020. The platform, which will be updated frequently, allows any user to access information about EU-funded projects and beneficiaries in a transparent and simple way. Citizens can use Kohesio to find out about EU investment on the ground in their region.

A new database on the 2021–2027 programming period was also launched, where all information on cohesion policy investments can be found.

Putting people first – a renewed strategy for the outermost regions

To foster cohesion within the EU, in 2022, the Commission adopted a modernised and revamped strategy of engagement and support for the EU's outermost regions. The nine overseas territories – the Canary Islands (Spain), French Guiana, Guadeloupe, Martinique, Mayotte, Réunion and Saint Martin (France), and the Azores and Madeira (Portugal) – continue to face a set of distinct structural conditions, both challenges and advantages, which require tailor-made solutions. The new strategy puts people first by proposing concrete measures to improve the living conditions of their 5 million inhabitants. It will do this by supporting the green and digital transitions and building on their unique assets, such as their young population, extensive maritime zones, unique biodiversity and research potential. The strategy will deliver specific assistance, ensuring that the outermost regions can fully benefit from EU policies and reap their potential.

The strategy was put in motion with two dedicated instruments of assistance being launched in 2022: a €1 million small-grants scheme for young people to carry out local projects in areas of their choice and a €1 million project to support blue sustainable tourism. In addition, the strategy announced the creation of a new advisory tool designed specifically for the outermost regions, an on-demand instrument to help develop, refine and implement regional development strategies for the outermost territories.

Crisis-proofing the Single Market

For almost 30 years, the Single Market has been the EU's most important asset, offering certainty, scale and a global springboard for its companies, along with a wide availability of quality products and services for consumers.

However, recent crises have challenged the normal functioning of the Single Market, particularly in the early days of the COVID-19 pandemic, when businesses and citizens suffered from entry restrictions, disruptions to supply chains and a lack of predictability concerning rules. More recently, the impact of Russia's war of aggression against Ukraine has shown how quickly some supply chains can disintegrate, risking shortages of certain goods and services in Europe and forcing businesses to look for new markets.

As a result, the Commission has proposed a new framework to protect the functioning of the Single Market in times of crisis. The Single Market Emergency Instrument will help ensure that goods, services and people can continue to move freely on the Single Market, safeguard the smooth-running of supply chains, and guarantee the availability of and access to critical goods and services.

CH06-INFO37

The Single Market Emergency Initiative
– crisis management framework

Advisory group

Coordinates and advises the Commission.

Contingency planning

This framework applies when there is no crisis and the Single Market functions normally.

Single Market vigilance

Activated by a Commission decision when an event requires vigilance measures.

Single Market emergency

Activated by a Council decision if a crisis leads the Single Market to be severely affected.

Tourism was one of the sectors hardest hit by the pandemic, and the first to benefit from a new initiative to accelerate the green and digital transitions across EU industry. In line with the 2021 update to the EU Industrial Strategy, in February 2022, the Commission published the Transition Pathway for Tourism – a plan jointly created with industry and civil society detailing key initiatives, targets and conditions to achieve the twin transformations and the long-term resilience of the sector.

Following a call for the EU's tourism community to share their concrete measures and targets, more than 250 pledges were published during 2022. These include initiatives by public authorities and destination management organisations to establish and follow strategies for environmentally, economically and socially sustainable tourism, to enable tourism service providers to work with online booking tools and to share information on their offers digitally. The private sector is also actively engaged, with several large companies making concrete commitments to reduce their carbon footprint, water use and waste generation. In addition, both small and large private stakeholders have set targets on providing sustainable tourism options.

In addition to looking within its borders to strengthen the resilience of the European economy, the EU is also addressing areas where it faces dependencies on non-EU countries. In February 2022, the Commission issued a second in-depth analysis focusing on five strategic areas: rare earths and magnesium, chemicals, solar panels, cybersecurity and information technology software.

Building on the findings, the Commission has followed up with several initiatives, including launching the European Solar Photovoltaic Industry Alliance. This aims to boost Europe's capacity to produce solar and photovoltaic technologies to 30 gigawatts annually by 2025 across each segment of the photovoltaic value chain. Reaching this objective would deliver €60 billion of new gross domestic product per year in Europe and the creation of more than 400 000 new jobs.

Standards are the silent foundation of the Single Market and global competitiveness. From Wi-Fi frequencies, to connected toys or ski bindings, they are an invisible but fundamental part of people's daily lives. As part of the new Standardisation Strategy, the Commission put forward new rules that lay out a more strategic approach to standards and enshrine democratic values in technology applications. The new strategy will benefit businesses and consumers by ensuring the interoperability of products and services, reducing costs, improving safety and fostering innovation.

The new standardisation strategy will support EU industry on the path to the green and digital transitions.

New standards should define **hydrogen** quality and technical interoperability to allow industries to decarbonise by using hydrogen.

Raw materials used in **batteries** – powering electric cars and a range of other electronic devices – should be mined in line with strong environmental and labour standards.

Chips needed to enable smart watches and other **connected devices** require strong protection against cyber threats.

In 2022, the Commission also presented revised rules to ensure design legislation takes into account new digital aspects of products and make it easier, cheaper and more predictable to protect industrial designs across the EU.

While the EU has specific geographical indication protection for wines, spirit drinks and other agricultural products and foodstuffs, there is currently no such protection for craft and industrial goods. New rules proposed by the Commission will similarly enable producers to protect products such as Murano glass, Donegal tweed, Limoges porcelain, Solingen cutlery and Boleslawiec pottery and act against fakes in Europe and beyond. They will also make it easier for consumers to recognise the quality of such products.

Fair competition

Quality products at fair prices were needed more than ever in a difficult year for Europeans. Among the strongest tools the European Commission can use to protect consumers and sustain the economy are its antitrust, merger and State-aid decisions that keep competition vibrant and fair in the Single Market.

One example of how the EU's competition-control system can defend people's interests was a September ruling of the Court of Justice of the European Union, largely confirming a decision the Commission had taken against Google and setting the fine to more than €4 billion. The prohibition of
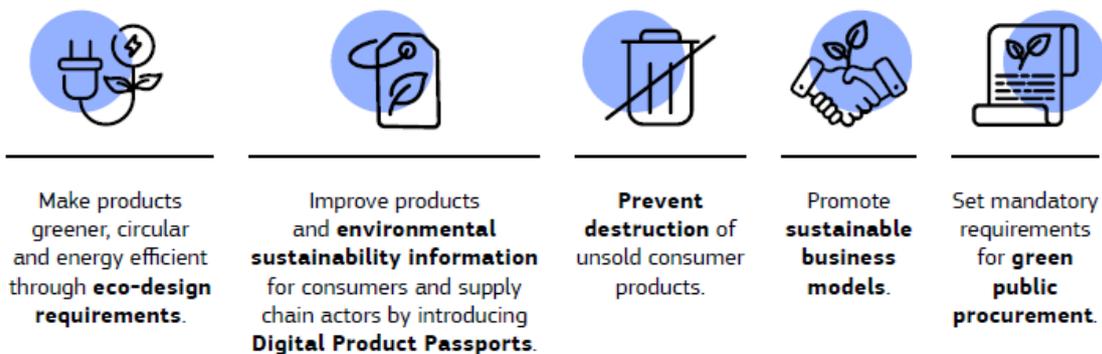
Illumina's acquisition of Grail, a deal that would have reduced the choice of early cancer-detection tests, is another decision that shows how competition policy can support innovation. The Commission banned the deal when Illumina failed to offer remedies that would have allayed its concerns.

Sustainable production and consumption

Our current 'take-make-replace' economic model depletes our resources, pollutes our environment, damages biodiversity and drives climate change. It also makes Europe dependent on resources from elsewhere. With this in mind, and as part of the Circular Economy Action Plan, the Commission proposed a package of proposals in March 2022 to make sustainable products the norm in the EU.

CH06-INFO39

Key actions for circular and sustainable products

Make products greener, circular and energy efficient through **eco-design requirements**.

Improve products and **environmental sustainability information** for consumers and supply chain actors by introducing **Digital Product Passports**.

Prevent destruction of unsold consumer products.

Promote **sustainable business models**.

Set mandatory requirements for **green public procurement**.

The proposals build on the success of the existing EU ecodesign rules, which have brought about remarkable reductions in the EU's energy consumption and significant savings for consumers. Last year alone, existing ecodesign requirements saved consumers €120 billion.

The proposal for a regulation on ecodesign for sustainable products addresses product design, which determines up to 80 % of a product's life cycle environmental impact. It extends the existing ecodesign framework, establishing requirements to improve the circularity, energy performance and other environmental sustainability aspects of products.

The package also included a new strategy to make textiles more durable, repairable, reusable and recyclable. It aims to tackle fast fashion, textile waste and the destruction of unsold textiles, and ensure that their production takes place in full respect of social rights.

New rules proposed by the Commission will ensure that consumers can make informed and environmentally friendly choices when buying products. Whether it is a mobile phone or a kitchen appliance, consumers will be better informed about how long the product is made to last and if it can be repaired. The new rules will also ban 'greenwashing' and practices misleading consumers about the durability of a product.

When drafting the proposal, the Commission consulted over 12 000 consumers, along with companies, consumer experts and national authorities. Verifying the reliability of environmental claims was seen as the biggest obstacle to engaging in the green transition.

CH06-INFO40

> **Around half of consumers consulted said they would be willing to pay extra for a product that lasts longer without the need for repairs.**
>
> Source: Preparatory study to gather evidence on ways to empower consumers to play an active role in the green transition.

The proposed revision of the Construction Products Regulation will strengthen and modernise rules that have been in place since 2011. It will create a harmonised framework to assess and communicate the environmental and climate performance of construction products.

CH06-INFO41
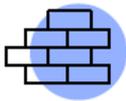
Construction products

produce 30 % of the EU's annual waste generation.

Buildings

produce 40 % of the EU's energy consumption.

Construction and construction work

produces 9.4 % of the total domestic carbon footprint.

Cement, steel, aluminium and plastics

produce 15 % of the EU's carbon emissions.

In a second circular-economy package, presented in November, the Commission proposed new EU-wide rules to tackle packaging, a growing source of waste and consumer frustration. For consumers, the new rules will ensure the availability of reusable packaging options, get rid of unnecessary packaging, limit overpackaging and provide clear labels to support correct recycling. The package also included an initiative bringing clarity to consumers and industry on bio-based, compostable and

biodegradable plastics, setting out for which applications such plastics are truly environmentally beneficial and how they should be designed, disposed of and recycled.

Companies play a key role in building a sustainable economy and society. In February, the Commission presented a proposal for a directive on corporate sustainability due diligence. The proposal aims to promote sustainable and responsible corporate behaviour throughout global value chains. Companies will have to anchor human rights and environmental considerations in their business activities and corporate governance.

Accelerating sustainable investments

A great deal of private investment is needed for the EU to achieve its goal of climate neutrality by 2050. Sustainable finance is about reorientating investment towards environmentally friendly economic activities and is at the heart of the green and digital transitions. The EU is already a global leader in setting environmental, social and governance standards in financial markets and has created a first-of-its-kind classification system for sustainable activities in the EU (known as the EU taxonomy).

In 2022 the Commission updated the rules with the inclusion of specific transitional activities involving gas and nuclear technologies in line with the EU's climate and environmental objectives, which become applicable from 2023.

CH06-INFO42

Which gas-related activities are included?

- Electricity generation from gaseous fossil fuels

- High-efficiency cogeneration of heat/cooling and power from gaseous fossil fuels

- Production of heat/cooling from gaseous fossil fuels in an efficient district heating and cooling system

Which nuclear-related activities are included?

- Research, development and deployment of advanced technologies ('Generation IV') that minimise waste and improve safety standards

- New nuclear plant projects with existing technologies for the generation of electricity or heat ('Generation III+') (until 2045)

- Upgrades and modifications of existing nuclear plants for lifetime extension purposes (until 2040)

Fair, simple and modern taxation and customs

The EU's long-term tax agenda for a fair and sustainable business environment sets out targeted measures intended to promote investment and entrepreneurship.

In December, the European Commission put forward a comprehensive package on value added tax (VAT) in the digital age to make it work better for businesses in the modern economy. The package will also make our VAT system more resilient to fraud, by harnessing the potential of digitalisation.

The key measures proposed include the introduction of a single VAT registration across the EU, a move to real-time digital reporting for cross-border businesses, and updated VAT rules for passenger transport and accommodation platforms. The measures will make the EU's VAT system better suited for today's globalised, digitalised business environment and stronger in the fight against fraud.

The Commission also proposed new tax transparency measures for all service providers that facilitate transactions in crypto assets for EU customers (see also Chapter 3). Currently, crypto-asset users make significant profits, which fall under the radar of national tax authorities. This leads to important revenue losses for public budgets. The Commission has proposed that all crypto-asset service providers, irrespective of their size or location, must report the transactions of clients residing in the EU. The proposal also extends existing reporting and information-exchange requirements to cover e-money and rulings given to individuals with a high net worth.

In December, the Member States also reached unanimous agreement on the forthcoming directive on ensuring a global minimum level of taxation for multinational groups in the European Union. Thanks to this historic agreement, the EU will be a front runner in applying the global tax reform agreement drawn up in 2021 by the Organisation for Economic Co-operation and Development. The directive includes a common set of rules on how to calculate the 15 % effective minimum tax rate, so that this is properly and consistently applied across the EU. The minimum tax rate of 15 % has been agreed at the global level by 137 countries. Once implemented, the directive will bring fairness, transparency and stability to the international corporate tax framework. Member States must implement the new rules by 31 December 2023.

In 2022, the Commission also launched a reflection process on the future of taxation, taking into account current challenges and future megatrends. This cumulated in a high-level Tax Symposium in November, where ministers, heads of international organisations, stakeholders and academics debated key issues around the future tax mix.
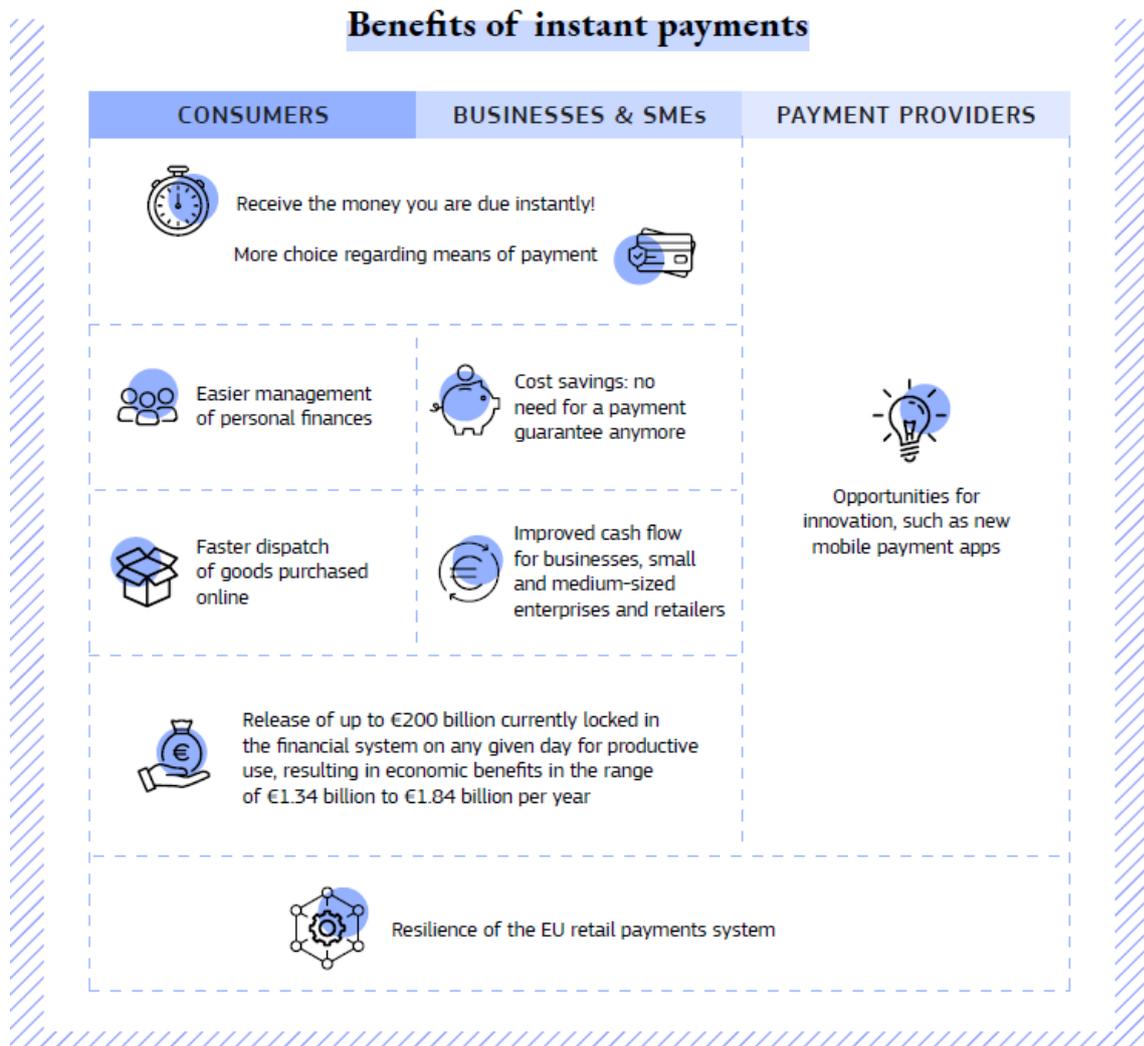
CH06-PH50

Paolo Gentiloni, European Commissioner for Economy, at the 2022 Tax Symposium, Brussels, Belgium, 28 November 2022.

Stronger financial markets

Consumer finance: accelerating the roll-out of instant payments

Instant payments allow people to transfer money at any time of any day within 10 seconds, significantly increasing the speed of transactions and convenience for people, for example, when paying bills or receiving urgent transfers (such as in the case of a medical emergency). They also help to improve cash flow and generate cost savings for businesses, especially for small and medium-sized businesses, including retailers. In October, the Commission presented a legislative proposal to make instant payments in euro available to all citizens and businesses holding a bank account in the EU and in countries in the European Economic Area.

CH06-GR21

Benefits of instant payments

CONSUMERS	BUSINESSES & SMEs	PAYMENT PROVIDERS
Receive the money you are due instantly! More choice regarding means of payment		
Easier management of personal finances	Cost savings: no need for a payment guarantee anymore	Opportunities for innovation, such as new mobile payment apps
Faster dispatch of goods purchased online	Improved cash flow for businesses, small and medium-sized enterprises and retailers	

Release of up to €200 billion currently locked in the financial system on any given day for productive use, resulting in economic benefits in the range of €1.34 billion to €1.84 billion per year

Resilience of the EU retail payments system

Towards a more efficient and resilient Capital Markets Union

The Capital Markets Union is the EU's long-term plan to deepen the Single Market for capital. The aim is to get money – investments and savings – flowing easily across the EU so that it can benefit consumers, investors and companies, regardless of where they are located.

To advance this plan, in 2022 the Commission put forward two packages of proposals. In March, the Commission proposed changes to the Central Securities Depositories Regulation to make settlement in EU financial markets safer and more efficient. Settlement refers to the delivery of securities to a buyer in exchange for the delivery of cash to a seller. It can take up to two business days to settle a transaction, which can result in both credit and legal risks during that period. Ensuring that these transactions are settled in a safe and efficient manner is therefore essential to the EU's financial system. The proposal aims to provide more proportionate and effective rules to reduce compliance costs and regulatory burdens for central securities depositories, facilitate their ability to offer a broader range of services across borders and improve their cross-border supervision.

The second package of proposals targets three key areas: strengthening the EU's clearing system, harmonising insolvency rules across Member States and reducing the burden for companies when it comes to listing on stock exchanges.

A safe, robust and competitive clearing system

Central clearing allows smoother trading in capital markets and is key for EU's financial stability. When trades are cleared centrally, a provider of clearing services, known as a central counterparty (CCP), acts as an intermediary and guarantees performance of the contracts between buyers and sellers. This increases transparency and reduces risks in financial markets.

The EU needs to modernise its clearing system so it can react more swiftly to changing market and economic circumstances. It also needs to reinforce its domestic clearing capacity to reduce the risks stemming from over reliance on CCPs outside the EU.

The proposed measures will allow EU CCPs to expand their services more easily to meet demand. This will improve the attractiveness of the EU market by helping increase competition and providing users of clearing services with more choice.

To ensure the EU's financial stability and its capacity to act autonomously, the new rules will require certain market participants to clear at least a portion of their contracts with EU CCPs.

Harmonised corporate insolvency rules

The different insolvency regimes across Member States are one of the biggest barriers between national markets, with investors often having to consider different sets of rules in each Member State when assessing investment opportunities.

The proposed measures aim to harmonise certain insolvency rules to foster cross-border investment across the Single Market, lower the cost of capital for companies, and ultimately contribute to the achievement of the Capital Markets Union. Overall, the benefits of the proposal are expected to exceed €10 billion annually.

A new Listing Act

Companies today face significant requirements when listing on public markets. The new proposal aims to alleviate the administrative burden for companies of all sizes, but in particular of smaller companies, so that they can access funding more easily by listing on stock exchanges.

The measures will further contribute to the deepening of the Capital Markets Union by cutting unnecessary red tape and costs for companies, while ensuring a high level of investor protection and market integrity. This will encourage companies to get and remain listed on the EU capital markets. Easier access to public markets will allow companies to better diversify and complement available sources of funding and provide wider investment opportunities for EU investors.

Chapter 7: Building a fair and social Europe

Introduction

In 2022, the EU continued to work towards a climate-neutral, green, fair and social Europe, advancing several initiatives previously launched by the European Commission. Despite the external challenges the EU has faced, the commitment to improving education, social rights and working conditions for everyone living in Europe remains a priority; this includes making sure that minimum wages are adequate and improving the quality and affordability of long-term care.

The second European Anti-racism Summit brought EU leaders and grassroots organisations together to consolidate work on equality and non-discrimination. Bringing wider attention to issues of equality culminated in the announcement of the winners of the first European Capitals of Inclusion and Diversity Awards. The inaugural European Employment and Social Rights Forum took place, with discussions focusing on how to achieve a fair and inclusive green transition.

A fair economy for the green and digital transitions

To make sure the transition to a climate-neutral economy and continent is fair for everyone, the EU's social policies must be aligned with its green and digital priorities. These include active support for employment opportunities, equal access to quality and inclusive education, training and lifelong learning, along with investment in social protection for the most vulnerable and reducing poverty.

CH07-INFO44

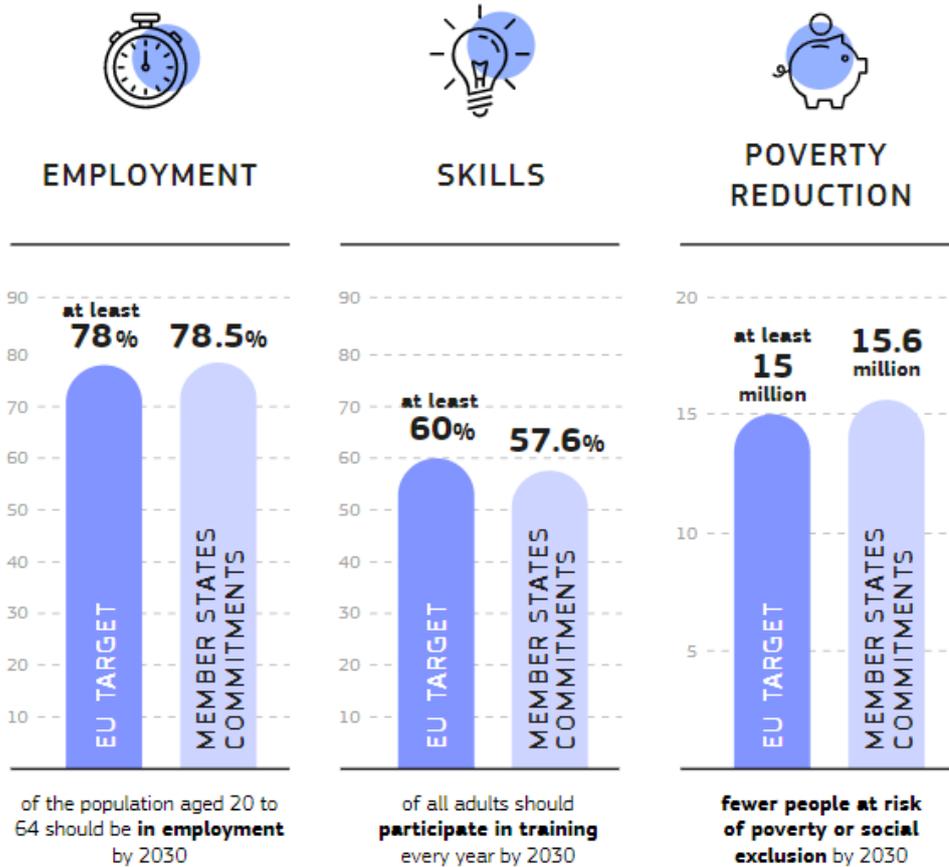## How does the European Commission fight discrimination and promote diversity?

→ With legislation, strategies and action plans such as:

- the 2020–2025 EU Anti-racism Action Plan;
- the 2020–2025 LGBTIQ Equality Strategy;
- the 2020–2025 Gender Equality Strategy;
- the 2021–2030 EU Roma Strategic Framework for Equality, Inclusion and Participation;
- the 2021–2030 Strategy on the Rights of Persons with Disabilities;
- the European Capitals of Inclusion and Diversity Award;
- the European Diversity Month;
- the European Pillar of Social Rights Action Plan.

→ Working with EU Member States.

→ Providing funding through the Citizens, Equality, Rights and Values Programme, the European Social Fund and the European Social Fund Plus.

Supporting voluntary initiatives like the European Diversity Charters.

In 2022, Member States presented their national 2030 social targets to deliver on the European Pillar of Social Rights Action Plan. Combined, their commitments set the EU firmly on the path to achieving or even exceeding the EU headline targets for employment, skills and poverty reduction.

CH07-GR22

85

Three EU social targets for 2030: all Member States on board

EMPLOYMENT

90
at least
78% **78.5**%
80
70
60
50
40
30
20
10

EU TARGET
MEMBER STATES COMMITMENTS

of the population aged 20 to 64 should be **in employment** by 2030

SKILLS

90
80
70 at least
60% **57.6**%
60
50
40
30
20
10

EU TARGET
MEMBER STATES COMMITMENTS

of all adults should **participate in training** every year by 2030

POVERTY REDUCTION

20
at least **15.6**
15 million
million
15
10
5

EU TARGET
MEMBER STATES COMMITMENTS

fewer people at risk of poverty or social exclusion by 2030

A central proposal included under the Fit for 55 legislative package on climate neutrality (see Chapter 2) was the creation of a Social Climate Fund to support economically disadvantaged households, small businesses and microenterprises, and transport users by addressing the impact of carbon pricing on citizens.

CH07-INFO45

One year after the EU adopted the Long term Vision for Rural Areas, over a thousand organisations – at European, national, regional and local level –came together in the 2022 Rural Pact to forge stronger cooperation between public authorities across different policy areas and boost the sustainability and socio-economic vitality of rural areas.
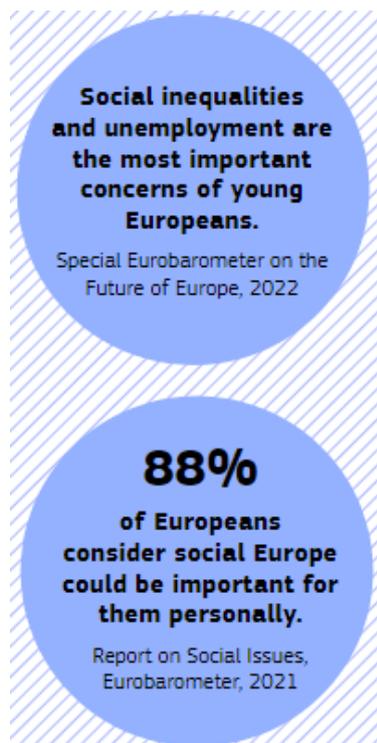
Support for workers

The European Parliament and the EU Member States reached a political agreement on the directive on [adequate minimum wages](#), which establishes a framework to make sure national minimum wages are fit for purpose – providing a decent quality of life for workers. The new rules will promote collective bargaining on the setting of wages and enhance the effective access of workers to minimum-wage protection in the EU.

In addition to that, the [Directive on transparent and predictable working conditions in the European Union](#) came into effect, guaranteeing workers across Europe more stability and allowing them to receive timely and more complete information about the essential aspects of their job, such as their place of work and remuneration.

Helping younger people into work

As part of the 2022 European Year of Youth, the [ALMA initiative](#) (aim, learn, master, achieve) was launched to help young, disadvantaged people (aged 18–30 years) access the labour market across EU borders.

CH07-INFO47

Social inequalities and unemployment are the most important concerns of young Europeans.

Special Eurobarometer on the Future of Europe, 2022

88%
of Europeans consider social Europe could be important for them personally.

Report on Social Issues, Eurobarometer, 2021

ALMA offers participants a supervised stay abroad for a period of 2–6 months in another EU Member State, followed by intensive training and job-matching assistance on their return. Coaching and counselling are involved at every step. Funded under the [European Social Fund Plus](#), it will complement existing programmes like [Erasmus+](#) or the [European Solidarity Corps](#) by catering to a group of young people not covered by these programmes.
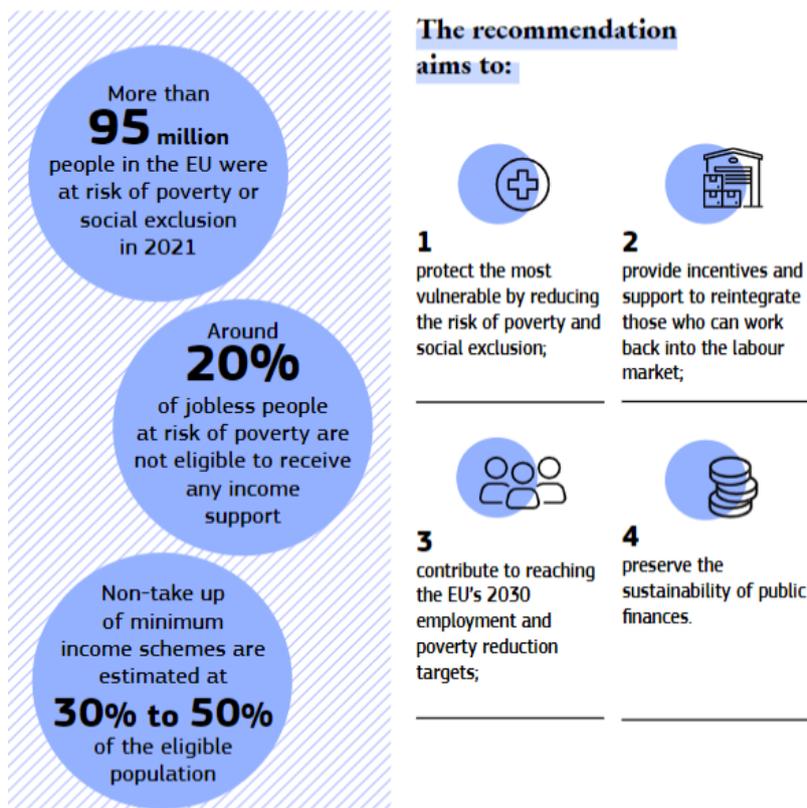
Support for people in need

An adequate minimum income (cash benefits that act as a social safety net, different from minimum wage) helps ensure that everybody can pay their bills and live a life in dignity. This is particularly important in times of economic downturns, as it helps to cushion drops in household income for people most in need and contributes to sustainable and inclusive growth. While minimum income schemes exist in all Member States, their adequacy, reach and effectiveness in supporting people vary significantly.

More than **95** million people in the EU were at risk of poverty or social exclusion in 2021

Around **20%** of jobless people at risk of poverty are not eligible to receive any income support

Non-take up of minimum income schemes are estimated at **30% to 50%** of the eligible population

The recommendation aims to:

1 protect the most vulnerable by reducing the risk of poverty and social exclusion;

2 provide incentives and support to reintegrate those who can work back into the labour market;

3 contribute to reaching the EU's 2030 employment and poverty reduction targets;

4 preserve the sustainability of public finances.

In 2022, the Commission presented a proposal for a Council of the European Union recommendation on adequate minimum income to support Member States in modernising their minimum income schemes and making them more effective in lifting people out of poverty, while promoting the labour market integration of those who can work.

A European Year of Youth

To highlight how the green and digital transitions offer opportunities for young people and to bring a youth perspective to EU policies, European Commission President Ursula von der Leyen declared 2022 to be the official European Year of Youth.

Focusing on issues close to young people's hearts, such as climate change and the environment, employment and mental health, an immersive 'Voice your Vision' platform was launched to provide a way for young people to record their messages on the policy areas addressed by the Year of Youth and make their voices heard.

To boost active participation and engagement, a series of Youth Policy Dialogues were launched, allowing young people to debate with members of the College of Commissioners, while Youth Talks placed young people at centre stage in order to spread new ideas and inspire their peers to play an important role in the process of change.

The European Youth Portal displayed all the opportunities linked to the Year of Youth. It included a section with stories by young journalists, and a youth policy section covering initiatives directly benefiting young people. The European Youth Portal activities map offered over 8 500 activities taking place across Europe and beyond.

Education, skills and lifelong learning

In 2022, Member States reinforced their cooperation under the new strategic framework of the European Education Area and mobilised significant EU funding for the education and training sector. Conceived in 2017, the European Education Area initiative helps Member States work together to build more resilient and inclusive education and training systems. The 2022 progress report on achieving the European Education Area by 2050 takes stock of the implementation of the European Education Area initiatives, policy reforms and progress towards EU-level targets.

In the field of equality, equity, inclusion and gender equality, the Council adopted recommendations on the mobility of young volunteers across the EU, to make volunteering more accessible to those with fewer opportunities. The Council adopted additional recommendations on pathways to school success to reduce early school leaving.

The EU also wanted to empower universities to provide better and more inclusive education and research, with two important milestones in 2022: the communication on a European strategy for universities and the Council recommendation on building bridges for effective European higher education cooperation. The objective was to develop a genuinely European dimension in the higher education sector, built on shared values. Excellence and inclusion are distinctive features of European higher education. Following a call from EU leaders to the Council, the Commission and Member States to strengthen partnerships among universities, the European Universities Initiative now counts 44 alliances involving 340 higher education institutions in 31 countries.

Together with the Member States and stakeholders, the 2022 Council recommendation on a European approach to micro-credentials for lifelong learning and employability will help fill the skills gap by ensuring that EU citizens can take advantage of personalised learning and career pathways throughout their lifetime.

In 2022, the first 11 Erasmus+ teacher academies were launched, consisting of 182 organisations from 23 countries, who will receive a total of €15 million over 3 years to provide teachers with learning opportunities and mobility. Green and digital education are also key in completing the European Education Area.

CH07-PH91

Mariya Gabriel, European Commissioner for Innovation, Research, Culture, Education and Youth, at the Erasmus+ 35th Anniversary, Brussels, Belgium, 14 December 2022.

Further afield, the EU participated in the UN Transforming Education Summit, sending a strong political signal on the need to speed up efforts to reach the UN Sustainable Development Goal 4 on quality education. President von der Leyen was announced as one of five global champions, and the EU led calls to increase global funding for education.

In 2022, the EU and Member States made sure learners of all ages would be able to access the knowledge and skills to live more sustainably and cope with a changing labour market in the digital

era. The [Council recommendation on learning for the green transition and sustainable development](#) and the [European Sustainability Competence Framework,](#) along with the ongoing [structured dialogue on digital education and skills](#), address the EU's growing skills needs for the green and digital transitions.

Making sure Europe's workforce is equipped with the rights skills is therefore necessary to shift to a modern, resource-efficient and competitive economy. In June, the Council adopted a [recommendation to support working-age adults' training needs](#). The recommendation proposes the establishment of 'individual learning accounts' by Member States to improve access to training and keep workers in employment. The aim is to increase the number of people engaged in training each year.

The Council also adopted a [recommendation on ensuring a fair transition towards climate neutrality](#), inviting Member States to adopt measures that address the employment and social aspects of climate, energy and environmental policies. These measures include a comprehensive policy package on quality, affordable and inclusive education, training and lifelong learning, and equal opportunities.

The [European Skills Agenda](#)'s [Pact for Skills](#) aims to bring public and private organisations together by facilitating the creation of large-scale skills partnerships and encouraging them to make concrete commitments to upskilling and reskilling adults. In 2022, the pact reached [1 000 members](#) committing to concrete training offers for workers across Europe, gathering pledges to help train 6 million people. In addition, the Erasmus+ programme and other EU programmes provide significant funding for EU-level initiatives and education and training reforms at the national and local levels.

In October, the Commission [adopted a proposal](#) designating 2023 the European Year of Skills. Together with the European Parliament, Member States, and public and private actors, this will revitalise lifelong learning in the EU, helping people get the right skills for quality jobs and allowing companies to address their skill shortages. To further harness the full potential of the European workforce, there will be an added focus on women, young people, and those not in education, employment or training.
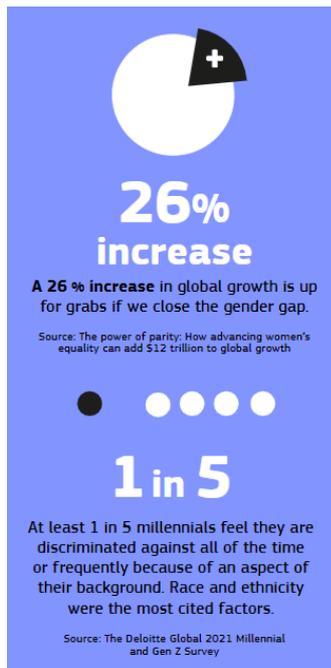
Stepping up measures for a union of equality

In 2022, the European Commission continued to implement its broad range of equality strategies, touching on gender (including equal pay), anti-racism, anti-Semitism, discrimination against Roma people, the LGBTIQ community and disability rights.

Gender equality

The Commission's [*2022 Report on Gender Equality in the EU*](#) takes stock of the main initiatives to promote equality between women and men in the past 12 months in the key areas of the [Gender Equality Strategy 2020–2025](#).

CH07-GR23

26%
increase

A 26 % increase in global growth is up for grabs if we close the gender gap.

Source: The power of parity: How advancing women's equality can add $12 trillion to global growth

1 in 5

At least 1 in 5 millennials feel they are discriminated against all of the time or frequently because of an aspect of their background. Race and ethnicity were the most cited factors.

Source: The Deloitte Global 2021 Millennial and Gen Z Survey

June 2022 marked a historic agreement on gender balance in EU companies with the Gender Balance on Boards Directive followed by a full endorsement from the European Parliament. EU companies listed on the EU stock exchanges are obliged to achieve a 40 % share of the underrepresented sex among non-executive directors and 33 % among all directors. The directive also imposes clear and transparent appointment procedures.

In December, the Parliament and the Council reached a political agreement on pay transparency measures, following a proposal by the Commission in 2021. The new rules will provide more transparency and effective enforcement of the principle of equal pay between women and men, and improve access to justice for victims of pay discrimination.

CH07-INFO49

Investing in women and girls in the EU and around the world

NextGenerationEU

→ Gender equality is now a key element of the new EU budget, NextGenerationEU and funding for the EU's external action.

→ Over **100 different initiatives on gender equality** feature in Member States' Recovery and Resilience Plans.

→ **€1.55 billion allocated over 2021–2027** under the EU's Citizens, Equality, Rights and Values Programme.

→ **€500 million** allocated under the global EU–UN Spotlight Initiative.

→ **85 % of initiatives** under the Neighbourhood, Development and International Cooperation Instrument will promote gender equality.

Combating gender-based violence

On International Women's Day in March 2022, the Commission proposed EU-wide rules to combat violence against women and domestic violence. The proposed directive would criminalise rape based on lack of consent, female genital mutilation and cyber violence, which includes the non-consensual sharing of intimate images, cyberstalking, cyberharassment and cyber incitement to violence or hatred.

The proposed rules strengthen victims' access to justice and encourage Member States to implement a one-stop-shop mechanism, meaning that all support and protection services would be located in the same place.

The rules also state that victims should be able to claim compensation in the course of criminal proceedings. The proposal calls for adequate and specialised protection and support, such as free-of-charge helplines and rape crisis centres, and it provides targeted support for groups that have specific needs or are at risk, including women fleeing armed conflict.

An EU that cares

Everyone has the right to affordable care services: from early childcare and education to long-term home care and community-based services. Participation in early childhood education has a positive impact on a child's development and helps reduce the risk of social exclusion and poverty throughout their lifetime. Long-term care empowers people who, because of old age, illness or disability, depend on help for daily activities, to maintain their autonomy and live with dignity. However, for many people these services are still not affordable, available or accessible.

In 2022, the European Commission adopted the European Care Strategy. The strategy contributes to the well-being of care recipients, gender equality and social fairness. This ambitious plan aims to reinforce access to affordable, high-quality, long-term care and revises the targets on early

childhood education and care set by the Council in Barcelona, Spain, as envisaged under the European Pillar of Social Rights Action Plan.

Investing in care is important to attract and retain talent in the care sector, which is often characterised by difficult working conditions and low wages, and to address labour shortages and fulfil the sector's economic and job-creation potential. This investment will also improve women's participation in the labour market. Since women still bear the main brunt of care responsibilities, with 90 % of the formal care workforce made up of women, and 7.7 million women out of employment because of care responsibilities, an efficient care sector could offset continuing gender inequalities like gender pay and pension gaps.
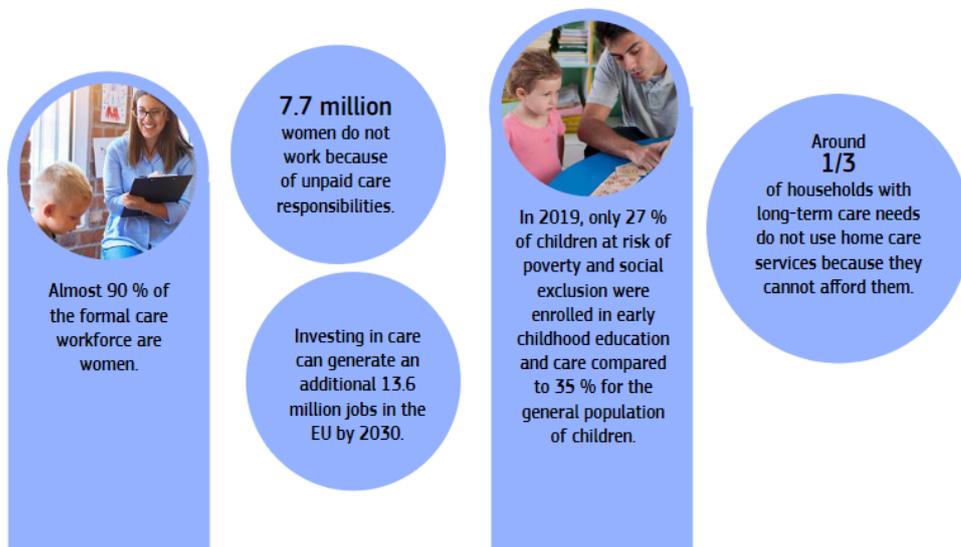
To address these issues, the Commission is proposing concrete measures to support Member States in increasing access to high-quality and affordable care services, while improving working conditions and the work–life balance for carers.

As of August 2022, all Member States were obliged to start applying the new EU rules on work–life balance.

Implementing the LGBTIQ Equality Strategy 2020–2025

The EU issued new *Guidelines for strategies and action plans to enhance LGBTIQ equality*, which help Member States implement measures to ensure equality for their LGBTIQ communities. The guidelines include the setting of clear targets for promoting equality while focusing on the most vulnerable members of the LGBTIQ community and ensuring their protection through effective legal pathways.

CH07-INFO50

Almost 90 % of the formal care workforce are women.

7.7 million women do not work because of unpaid care responsibilities.

Investing in care can generate an additional 13.6 million jobs in the EU by 2030.

In 2019, only 27 % of children at risk of poverty and social exclusion were enrolled in early childhood education and care compared to 35 % for the general population of children.

Around 1/3 of households with long-term care needs do not use home care services because they cannot afford them.

The Commission also adopted a proposal to harmonise the recognition of parenthood across Member States, protecting the fundamental rights of children and providing legal certainty for the families (see Chapter 5).

CH07-PH56

Strategy for the Rights of Persons with Disabilities 2021–2030

Persons with disabilities have the right to full participation in all areas of life, as does everyone else. Despite progress in some areas, many obstacles remain. Only half of persons with disabilities are employed compared to 3 in 4 persons without disabilities. In 2021, 29.7 % of the EU population aged 16 or older with a disability (activity limitation) was at risk of poverty or social exclusion, while the figure for those with no disability was only 18.8 %.

In 2022, the Commission published a monitoring framework where people can track the progress being made on each of the 64 actions of the Strategy on the Rights of Persons with Disabilities 2021–2030. Two flagship initiatives of the strategy have already been delivered: the establishment of the Disability Platform, where EU Member States, civil society and institutions work together on making the goals of the strategy a reality, and the renewal of the Human Resources Strategy for the European Commission, with measures to promote diversity and the inclusion of persons with disabilities.

The Disability Employment Package, aiming to improve the labour market outcomes of persons with disabilities, was launched in September. The package will help develop national policies that involve persons with disabilities in the green and digital transitions.

CH07-INFO51

The EU's Disability platform provides another setting that enables relevant stakeholders to share experiences and good practices, learn from each other and collaborate

On the European Day of Persons with Disabilities Conference, organised by the European Commission and the European Disability Forum, Vice-President for Values and Transparency, Věra Jourová, and Commissioner for Equality, Helena Dalli, presented the 2023 Access City Awards, recognising cities that have made efforts to improve accessibility and the participation of persons with disabilities. Skellefteå, Sweden, won for its innovative approach and long-term commitment to improved accessibility in public spaces and transport infrastructure.

A truly anti-racist European Union

As part of the measures under the EU Anti-racism Action Plan, the Commission held the second European Anti-racism Summit together with EU institutions, Member States, civil society, equality bodies and grassroots organisations in March 2022. Since the launch of the action plan, Member States have been asked to develop national plans against racism. The summit was an opportunity to discuss the progress made in their implementation, in particular the common guiding principles to support the preparation and implementation of national action plans against racism.

The Commission also worked with Member States on an assessment report of their national [Roma strategic frameworks](#) as a follow up to the new EU Roma Strategic Framework for Equality, Inclusion and Participation, analysing the commitments made by the Member States and providing guidance for any improvement needed.

The EU has continued its work on [combating racist and xenophobic hate crime and hate speech](#), and ensuring a proper transposition and implementation of the Framework Decision on Combating Hate Crime and Hate Speech by means of Criminal Law, including through infringement procedures.

Fight against anti-Semitism

The Commission has begun the implementation of the first ever [EU Strategy on Combating Antisemitism and Fostering Jewish Life 2021–2030](#). The Council adopted conclusions on combating racism and anti-Semitism in March 2022 and invited Member States to develop national strategies against anti-Semitism by the end of 2022. Member States were also invited to use the non-legally binding working definitions of anti-Semitism and of Holocaust denial and distortion adopted by the International Holocaust Remembrance Alliance.

First EU diversity awards

In April 2022, the European Commission announced the winners of the first ever [European Capitals of Inclusion and Diversity Awards](#), aimed at highlighting towns, cities and regions across the EU that lead by example in inclusive policies. The winners, spread across five Member States, were celebrated for their work on building fairer societies by promoting diversity and inclusion in terms of sex, racial and ethnic origin, religion and belief, disability, age, LGBTIQ rights and Roma integration.

CH07-VD08

Winners of the first European Capitals of Inclusion and Diversity Award explain the local impacts of the award, their motivations and the overall benefits of striving for a more equal and inclusive Europe.

Launched within the [EU Anti-racism Action Plan 2020–2025](#), the annual European Capitals of Inclusion and Diversity Awards are part of the Commission's work towards achieving a true union of equality, and the winners were announced during the 2022 [European Diversity Month](#). The theme was 'Building bridges', and representatives from business, academia, non-governmental organisations and the European Commission discussed how to build inclusive workplaces and create effective and intersectional inclusion and diversity policies that tackle several areas of discrimination at once.

Officials at the Emergency Response Coordination Centre, which coordinates the delivery of assistance to disaster-stricken countries, Brussels, Belgium, 4 May 2022.

Chapter 8: Promoting European interests and values in the world

Introduction

In a year of increasing uncertainty, the EU remained a driving force for multilateralism and led the response to global challenges, pursuing an ambitious neighbourhood policy, showcasing solidarity and developing comprehensive partnerships to secure and promote global peace, stability, democracy and human rights.

United and determined in their response to Russia's war of aggression against Ukraine and the ensuing food and energy crises, the EU and its Member States provided humanitarian aid, emergency assistance, and financial, operational and military support to Ukraine (see Chapter 1).

The EU Member States also reaffirmed their commitment to take greater responsibility for European security and defence, in close cooperation with international partners, to protect common interests and values.

Informal meeting of heads of state and government, Versailles, France, 11 March 2022.

Security and defence

To improve the EU's ability to protect its citizens, values and interests and contribute to international peace and security, the Council adopted a Strategic Compass, which EU leaders endorsed in March 2022. In line with the direction set by the Versailles Declaration, it aims to step up investment, harness innovative and critical technologies, and build a more integrated and competitive European defence market. The plan is to increase the EU's defence budget and improve coordination between Member States as regards capabilities and equipment standardisation.

The cooperation between the EU and NATO continues to constitute an integral pillar of European stability and security. In 2022, two more EU Member States, Finland and Sweden, applied to join NATO, abandoning their long-standing military non-alignment.

The year also saw Denmark join the other 26 Member States in the Common Security and Defence Policy, which further enhanced the EU's capacity to take a leading role in peacekeeping operations, conflict prevention and the strengthening of international security.

The likely long-lasting effects of Russia's war of aggression against Ukraine (see Chapter 1) on European and global security order have called for even closer cooperation with partners such as the UN, NATO, the Organization for Security and Co-operation in Europe, the African Union and the Association of Southeast Asian Nations (ASEAN).

The European Peace Facility provided military equipment and security infrastructure to the Ukrainian armed forces, leaving a decisive mark in support of Ukraine's defence. This was the first time in its history that the EU provided lethal equipment to a country to defend itself against an aggression. Via the European Peace Facility, the EU also supported partner countries through assistance measures, such as in Mozambique, Niger, Somalia, the Republic of Moldova and the Western Balkans countries, and supported the African Union.

CH08-PH65

Josep Borrell, High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission in charge of 'A Stronger Europe in the World' (in the centre), at the 29th Ministerial Council of the Organization for Security and Co-operation in Europe, Łódź, Poland, 1 December 2022.

The EU also launched the EU Military Assistance Mission in support of Ukraine to strengthen the capacity of the Ukrainian Armed Forces to defend Ukraine's territorial integrity within its internationally recognised borders and to deter and respond to possible future military offensives by Russia and other potential aggressors.

The EU and its Member States quickly mobilised the European Multidisciplinary Platform Against Criminal Threats to ensure vigilance against criminals taking advantage of the ongoing military aggression in Ukraine. An EU Support Hub for Internal Security and Border Management was set up in the Republic of Moldova.

The EU provided full operational and financial support to the frontline countries (see Chapter 1). The European Border and Coast Guard Agency (Frontex) is offering support at the EU's borders with Ukraine and Russia to assist local authorities in dealing with arrivals of large numbers of refugees. The European Union Agency for Law Enforcement Cooperation (Europol) is also present on the ground and works closely with all Member States to prevent and counter crimes, such as human trafficking, firearms trafficking, money laundering and labour exploitation.

€1 billion

Mobilised via the 2022 European Defence Fund to boost the EU's defence capabilities and provide new tools for defence innovation.

€1.2 billion

For 61 defence industrial research and development projects (supported by around 700 companies) selected under the 2021 European Defence Fund.

€2 billion

Announced investment for the EU Defence Innovation Scheme[1].

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1 Consists of budget from the European Defence Fund (€1.46 billion), combined with co-funding from Member States (€90 million) and expected leverage of €400 million to €500 million from other public and private sources.

€500 million

Proposed new short-term instrument via the Regulation establishing a European Defence Industry Reinforcement through Common Procurement Act to incentivise the common procurement by Member States of urgent and critical defence products from EU industry.

€3.1 billion

Equipment and supplies provided via the European Peace Facility.

NB: This infographic combines both existing and future programmes.

Neighbourhood policy and enlargement negotiations

Western Balkans and Türkiye

The EU remained committed to the European perspective of the region and opened negotiations with Albania and North Macedonia in July. It also granted candidate status to Bosnia and Herzegovina in December.

Ursula von der Leyen, President of the European Commission, receives Petr Fiala, Prime Minister of Czechia, Dimitar Kovačevski, Prime Minister of North Macedonia, and Edi Rama, Prime Minister of Albania, Brussels, Belgium, 19 July 2022.

The 2022 Enlargement Package included a detailed overview of the implementation of the €30 billion Economic and Investment Plan for the Western Balkans, as part of the Global Gateway strategy (see below). This aims to reduce the apparent socioeconomic gap between the EU and the region, and improve the region's energy security.

The European Commission confirmed its recommendation for the abolition of the visa regime for Kosovo (this designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence).

Within the framework of EU accession negotiations with Montenegro and Serbia, the EU maintained its regular dialogue with the two countries at both the political and technical levels.

On 6 December, the first EU–Western Balkans Summit was held in Tirana, Albania, and represented an important opportunity to reconfirm the accession perspective of the Western Balkans partners. The Commission announced the Energy Support Package, consisting of €1 billion in grants to help the Western Balkans face the energy crisis and promote its clean energy transition. The summit also welcomed a joint declaration by the EU's and the Western Balkans' telecom operators on the future reduction in roaming costs between the EU and the Western Balkans and a commitment on the alignment with EU visa policy.

The EU continued its high-level dialogue with Türkiye in selected areas of common concerns, notably climate change and migration. Intensive engagement on trade also continued.

CH08-INFO54

Financial assistance to the Western Balkans and Türkiye

€500 million

urgent budget support for the Western Balkans to tackle the effect of the energy crisis.

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€1.8 billion

adopted in grants under the **Western Balkans Investment Framework** for 40 flagship investment projects (transport, energy, environment, digital, private sector and human capital). Out of this, €500 million is used as part of the energy support package.

Leveraging a total investment of €5.7 billion.

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€990 million

rural development programmes under the **Instrument for Pre-accession Assistance** for Montenegro, North Macedonia, Albania, Serbia and Türkiye.

Expected to generate over €2 billion investment in rural areas of the Western Balkans and Türkiye.

Eastern Partnership

Following the decision of the European Council in June 2022, the EU granted candidate status to Ukraine and the Republic of Moldova, and a European perspective to Georgia.

CH08-PH62

Ursula von der Leyen, President of the European Commission (left), and Volodymyr Zelenskyy, President of Ukraine, Kyiv, Ukraine, 8 April 2022.

CH08-PH63

Maia Sandu, President of the Republic of Moldova (left), and Olivér Várhelyi, European Commissioner for Neighbourhood and Enlargement, Brussels, Belgium, 18 May 2022.

The EU continued to implement its ambitious [Economic and Investment Plan](#), as part of the Global Gateway strategy (see below), across the Eastern Partnership region in order to support small and medium-sized enterprises and the green and digital transitions.

For the eastern partners, the EU is investing €2.3 billion to leverage investments of up to €17 billion across all sectors. This includes digital connectivity projects, such as deploying a fibre-optic cable under the Black Sea and developing high-speed broadband infrastructure. Transport routes for people and goods between the Caucasus region and the EU are also a priority.

The signing of the [Memorandum of Understanding on energy with Azerbaijan](#) strengthened the EU's energy security and Azerbaijan's green transition.

Following the fraudulent presidential elections in Belarus in 2020 and the regime's involvement in Russia's war of aggression against Ukraine, the EU increased its [sanctions targeting the Belarus regime](#). However, the EU continues to offer support and solidarity to the people of Belarus, both in the country and in exile.

Southern Neighbourhood

The implementation of the [Economic and Investment Plan](#) for the Southern Neighbourhood, as part of the Global Gateway strategy (see below), is well underway, with important projects taking shape in the priority areas of the green transition and climate-change resilience. In 2022, €30 billion was committed for investment in the Southern Neighbourhood, largely in renewable energy infrastructure.

In November, the EU and Egypt stepped up their cooperation on the clean energy transition by signing a memorandum of understanding on a [strategic partnership on renewable hydrogen](#).

Russia's war of aggression against Ukraine caused multiple adverse effects in Southern Neighbourhood countries, in particular among those structurally dependent on food imports and suffering from deteriorated socioeconomic conditions already brought about by the COVID-19 pandemic.

The Commission supported partner countries' resilience through programmes addressing issues such as economic recovery, social protection, job creation and agriculture. €225 million of EU support was made available to the Southern Neighbourhood via the Food and Resilience Facility, to mitigate the effects of potential emerging food crises caused by high dependence on food imports disrupted by Russia's war of aggression against Ukraine (see 'Food security' below).

International partnerships and humanitarian aid

The Global Gateway

In 2022, the EU worked on rolling out its positive and sustainable offer to finance investments, the [Global Gateway](#) strategy. Launched in late 2021 to support major investment in hard and soft infrastructure projects, it aims to boost smart, clean and secure links in digital, energy and transport sectors, and strengthen health, education and research systems.

Following a 'Team Europe' approach, the EU, its Member States, development banks and financial institutions agreed to contribute to the mobilisation of €300 billion by 2027, to invest in partner countries. The first major Africa–Europe Global Gateway investment package of €150 billion was launched at the EU–African Union Summit in February.

Key investments were made in its first year of implementation to boost digital connectivity through underwater data cables and terrestrial connections between the EU and its partners, to increase renewable energy production with investments in solar plants and wind farms and to increase the access to and manufacturing capacity of vaccines, medicines and health technologies.

In a 'Team Europe' approach, the EU and its Member States remain the leading providers of official development assistance worldwide, with €71.6 billion in 2021 (latest available data), representing 41 % of global assistance. Together they also contribute more than half of all global aid to education, supporting the education sector in more than 100 countries around the world. The EU remains at the forefront of efforts towards achieving the UN 2030 Agenda and its Sustainable Development Goals.

2022 also marked 45 years of EU–ASEAN relations. During the EU–ASEAN Commemorative Summit, the EU and its Member States, in a 'Team Europe' approach, announced the mobilisation of €10 billion as part of the Global Gateway, to accelerate infrastructure investments in ASEAN countries. A number of flagship projects were identified in the Indo-Pacific region, such as Team Europe's Sustainable Connectivity Initiative.

In support of partner countries' efforts to address the pandemic and its consequences, €53.7 billion had already been mobilised and €47.7 billion disbursed in a 'Team Europe' approach by the end of 2021. In 2022, the EU and its Member States continued to lead on international COVID-19 solidarity with 502.2 million vaccine doses shared with partner countries. Of these, 422 million doses were shared through COVAX (1.1 million doses through the EU Civil Protection Mechanism) and 80.2 million doses bilaterally (38 million through the EU Civil Protection Mechanism).

The EU allocated an additional €300 million to speed up the roll-out and uptake of vaccines in several countries, most of them in Africa, and a further €100 million to strengthen health systems and improve access to diagnosis and treatment. To bolster global health capacities, the EU helped create a new international fund for pandemic prevention, preparedness and response and will contribute €427 million to it.

In 2022, the implementation of the Team Europe Initiative on Manufacturing and Access to Vaccines, Medicines and Health Technologies in Africa progressed and an initiative was announced to support similar efforts in Latin America and the Caribbean. This will complement and further enhance social, economic and scientific ties between the EU and Latin America and the Caribbean.

The EU has also put forward a strategy to strengthen the partnership between its Member States and the Gulf Cooperation Council in key policy areas, such as energy, the green transition and climate change, trade and economic diversification, regional stability and global security, humanitarian and developmental challenges, and closer people-to-people contacts. The EU is pursuing enhanced cooperation with Arab donors on joint priorities.

Humanitarian aid and civil protection

Over the last 30 years, the EU has helped alleviate the suffering of millions of the most vulnerable people in more than 110 countries. In 2022, the Commission mobilised €2.2 billion of humanitarian aid to help address the most pressing needs of affected populations around the world. One in seven euro of the EU humanitarian aid budget is allocated to 'forgotten emergencies', such as the famine in the Sahel region.

CH08-PH69

A midwife checking babies for malnutrition in Kousseri refugee camp, Chad, May 2022. The camp was set up with the help of EU Humanitarian Aid after people in Nigeria fled violence from Boko Haram.

CH08-PH70

Kalambari refugee camp, Chad, May 2022.

The Commission also continued to provide humanitarian funding in support of 4 million refugees in Türkiye, most of them fleeing the war in Syria. A further €50 million came in addition to the

€325 million of humanitarian aid already announced at the end of 2021 for the [Emergency Social Safety Net](#) programme in Türkiye, bringing the EU's total humanitarian funding for Türkiye since 2012 close to €3.4 billion.

The EU chaired the sixth Brussels Conference on 'Supporting the future of Syria and the region' on 9 and 10 May 2022, gathering 55 countries and 22 international organisations. The conference, which is the main pledging event for Syria and the region, mobilised aid to Syrians inside the country and in neighbouring countries through pledges totalling over €6.4 billion.

CH08-VD10

This bakery in Syria got destroyed by the war

Helping a bakery relight the ovens after the war, Aleppo, Syria, March 2022.

In 2022, a new tool, the [European Humanitarian Response Capacity](#) was set up to fill gaps, mainly in logistics, in the humanitarian response to sudden-onset natural hazards and human-induced disasters.

CH08-GR27

Stockpiles
Water, sanitation and hygiene and non-food shelter items

European Humanitarian Response Capacity
Providing support to humanitarian actors and emergency responders

Common logistical service
The EU Humanitarian Air Bridge, EU humanitarian aid flight routes last-mile delivery, transport services and warehousing

Expertise
Health experts and logistical experts

EU-funded humanitarian aid operations cover a variety of sectors, including food security, healthcare, shelter and education in emergencies, but also protection services, including against gender-based violence. Aid is provided based on the four fundamental humanitarian principles: humanity, neutrality, impartiality and independence.

The EU remains firmly committed to promoting compliance with international humanitarian law in order to be able to fulfil its humanitarian aid objectives and improve the security of its humanitarian partners, but violations of international humanitarian law remain a challenge around the world.

CH08-PH71 CH08-INFO55

The EU: a major humanitarian donor in Yemen

After 7 years of war, Yemen remains one of the world's worst humanitarian crises. Millions of Yemenis are displaced, destitute and malnourished. In addition, more than half of the population is food insecure. EU humanitarian aid helps Yemenis with food assistance, healthcare, education, water and shelter. It also helps improve hygiene services in areas of high food insecurity and malnutrition, conflict-affected areas, and for displaced populations.

Vulnerable Yemeni children sometimes drop out of school because of costs associated with attending school, which are often too high for their parents to bear. Thanks to EU funds, UNICEF provides school supplies to children in need and brings them back to education. Yemen, October 2022.

CH08-INFO56

Examples of humanitarian aid allocated in 2022

Horn of Africa

→ €633 million (Team Europe)

To fight extreme food insecurity due to unprecedented drought, COVID-19 and Russia's aggression against Ukraine

Sahel and Lake Chad region

→ €954 million (EU and its Member States)

To fight acute and deteriorating food insecurity across Africa

Syria and the region

→ €6.4 billion

Total pledge made at the Syrian Conference in 2022

The EU and its Member States pledged €4.8 billion. They have been the largest donors of humanitarian and resilience assistance to this region, with €27.4 billion allocated since 2011.

Afghanistan and the region

→ Over €115 million

To support humanitarian organisations (plus additional funding in response to the devastating 5.9 magnitude earthquake that struck eastern Afghanistan in June 2022).

Yemen

→ €170 million

For those affected by the conflict

Since the beginning of the war in 2015, the EU has contributed over €1.2 billion to respond to the crisis, including €862 million in humanitarian aid and €407 million in development assistance.

Myanmar/Burma

→ €27 million

To address the immediate needs of the most vulnerable, including displaced and conflict-affected communities

Food security

The blockade of Ukrainian exports and destruction of fields for crop production carried significant risks for both food availability and affordability in the EU neighbourhood, in North Africa and the Middle East, but also in Asia, sub-Saharan Africa and Latin America. This particularly concerned wheat, a basic food staple.

Taking a 'Team Europe' approach, the EU pooled resources and expertise with its Member States and financial institutions to address the global food crisis while fully acknowledging the need to work in a multilateral manner in cooperation with international partners.

As part of the Team Europe Response to Global Food Insecurity, the EU mobilised an additional €600 million to support affected African, Caribbean and Pacific countries, and €225 million for North Africa and the Middle East. This brought the estimated total EU support for global food security and food systems up to 2024 to over €8.3 billion.
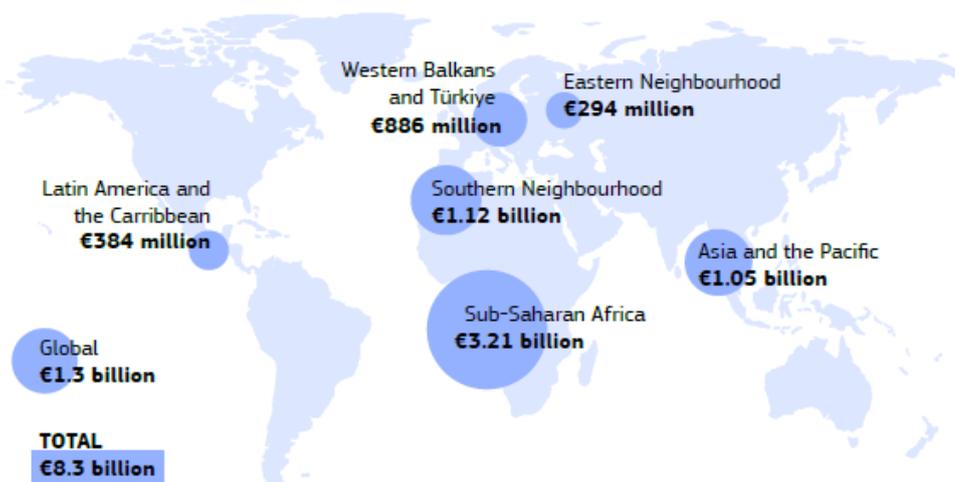
The EU worked on increasing its food production, facilitating food and feed trade from Ukraine and strengthening local food production. At the request of the Ukrainian agricultural authorities, access to EU markets was preserved and facilitated in a flexible way, for both imports to and exports from

Ukrainian markets. The EU–Ukraine solidarity lanes facilitated new logistics routes to connect Ukraine to global trading partners (see Chapter 1).
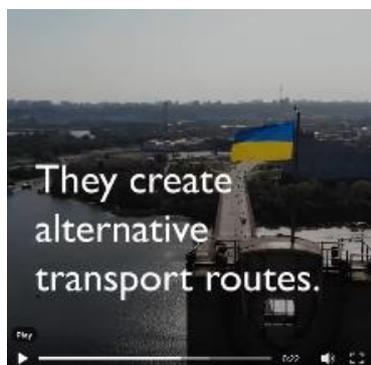
The EU also supported the UN's efforts with the Black Sea Grain Initiative in order to facilitate the safe transit of grain and related foodstuffs and fertilisers from Ukrainian Black Sea ports to further distribution ports.

Thanks to these initiatives, from May to December 2022, around 29 million tonnes of agricultural products were exported from Ukraine, according to the information received from the Ukrainian Ministry of Agriculture. A further €1 billion was mobilised in December to sustain and scale up the EU–Ukraine solidarity lanes.

Trade and technology

New tools

To tackle the problem of other global powers using trade as a weapon, the EU has introduced several new tools. 2022 saw the International Procurement Instrument enter into force, which gives the EU greater leverage to get companies in the EU access to public procurement markets outside the EU.

Progress was made in the European Parliament and the Council of the European Union on the passage of the Anti-coercion Instrument, which will help the EU to tackle economic coercion, in which a non-EU country seeks to pressure the EU or its Member States into making policy choices. The instrument will give the EU the ability to impose countermeasures in the form of trade, investment or other restrictions.

In addition, the new communication on the power of trade partnerships aims to enhance the contribution of EU trade agreements to advancing sustainable development and protecting the climate, the environment and labour rights worldwide. The new approach includes the use of trade sanctions for breaches of core climate and labour provisions.

Agreements

In June, the EU and New Zealand concluded negotiations for a trade agreement that has the most ambitious sustainability commitments of any EU trade deal so far. It will open new opportunities for European farmers, companies and workers.

The EU and New Zealand sign a Free Trade Agreement, June 2022.

2022 also saw the continuation of negotiations for trade agreements with Australia and India. Technical and legal work for the EU–Mercosur trade agreement was also carried out. A political agreement to conclude negotiations for a trade agreement was reached with Chile.

In 2022, the EU signed its first bloc-to-bloc comprehensive air transport agreement with the 10 ASEAN countries, covering a total EU-ASEAN population of more than 1.1 billion. The agreement will open markets, improve direct connectivity, and generate economic benefits and new opportunities thanks to the establishment of a single set of rules for all air services between the EU and ASEAN. This will benefit consumers, airlines and airports alike. The agreement is based on common high standards in areas such as the environment, labour matters and fair competition, along with aviation safety and security.

CH08-INFO57

Oceans and fisheries

The new World Trade Organization agreement to end harmful fisheries subsidies is a crucial step towards ensuring that fisheries subsidies worldwide take sustainability as their central objective and will thus contribute to the protection of the oceans. The agreement bans subsidies that contribute to illegal, unreported and unregulated fishing, along with fishing on the unregulated high seas. Also banned are subsidies for overfished stocks with no fisheries management measures in place to rebuild the stock to a healthy level.

In addition, the joint communication on the EU's International Ocean Governance Agenda proposed measures for safe, secure, clean, healthy and sustainably managed oceans. In line with the agenda, the EU made 52 voluntary commitments worth up to €7 billion – a concrete example of the EU's role as a global leader in protecting the world's oceans. The agenda will play an important role in delivering the blue dimension of the European Green Deal. It takes into account key trends, such as the exacerbated impact of climate change, the dangerous decline of biodiversity and the changed geopolitical conditions.

The EU has committed to strengthening the international ocean governance framework at the global and regional levels, and making ocean sustainability a reality by 2030 by taking a coordinated and complementary approach to common challenges and cumulative effects.

The EU will also continue to make the ocean a safe and secure space, in response to the growing competition in international waters and challenges to multilateral cooperation.

By updating its policy, the EU confirmed its active commitment to accelerating the implementation of the UN 2030 Agenda and Sustainable Development Goal 14.

CH08-PH75
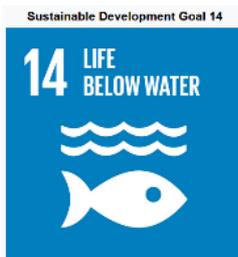
Digital partnerships

At the 2022 Ministerial Meeting of the Trade and Technology Council, the EU and the United States reaffirmed their support for an open, global, interoperable, reliable and secure internet, as enshrined in the Declaration for the Future of the Internet and the declaration on European digital rights and principles. The two sides also discussed the implementation of common artificial-intelligence principles and agreed to develop a joint roadmap on the evaluation and measurement tools for trustworthy artificial intelligence and risk management.

In 2022, the EU also launched a trade and technology council with [India](#), and digital partnerships with [Japan](#), [Singapore](#) and [South Korea](#).

From left to right: Ursula von der Leyen, President of the European Commission, Roberta Metsola, President of the European Parliament, Charles Michel, President of the European Council, and Josep Borrell, High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission, before a debate at the European Parliament, Strasbourg, France, 16 February 2022.

Chapter 9: Institutional developments

Introduction

In 2022, the European Parliament, the Council of the European Union and the European Commission worked closely together not only to respond to emergencies, but also to improve the EU's lawmaking and deliver even better results for its citizens. Given the opportunities and challenges that lie ahead on the path to a sustainable recovery, it remains crucial to act as efficiently as possible, with the EU's future in mind. Getting better results for EU citizens by improving EU rules is a shared objective and the responsibility of all EU institutions and Member States.

Major initiatives in 2022

During the year, the institutions made progress on a number of major initiatives. The Council of the European Union adopted the Strategic Compass, an ambitious plan of action for strengthening the EU's security and defence policy by 2030, and facilitating an agreement among EU leaders on strengthening Europe's defence industrial base (see Chapter 8).

As regards the green agenda and sustainable and inclusive growth, the Council and the European Parliament reached an agreement on the revision of the EU Emissions Trading System, creation of a Social Climate Fund and implementation of the new Carbon Border Adjustment Mechanism. They also struck a provisional deal to reduce the risk of deforestation and reached a political agreement on corporate sustainability reporting (see Chapter 3).

When it comes to key digital files, a political agreement between the Parliament and the Council allowed for the finalisation of the Digital Services Act and the Digital Markets Act, along with new legislation on universal chargers (see Chapter 4).

The Council and the Parliament were also able to reach a political agreement on the Women on Boards Directive, on pay transparency measures, and on the directive on adequate minimum wages (see Chapter 7).

The Council steered discussions on the EU's external relations (see Chapter 8) and hosted the EU–African Union and Western Balkans summits. Moreover, it opened accession negotiations with Albania and North Macedonia (see Chapter 8). The Parliament and the Council also agreed on key pieces of legislation on distortive foreign subsidies and the International Procurement Instrument.

The presidency of the Council of the European Union rotates between the EU Member States every 6 months. In 2022, the Parliament, the rotating French and Czech Council Presidencies and 2023 incumbents Sweden and Spain joined efforts to advance the interinstitutional negotiations on both the Common European Asylum System and the Pact on Migration and Asylum, and signed a joint roadmap (see Chapter 5).

The European Economic and Social Committee and the European Committee of the Regions provided important and relevant contributions to the Parliament, the Council and the European Commission, including on the Commission's work programme for 2023, and actively contributed to the final recommendations of the Conference on the Future of Europe.

The Economic and Social Committee highlighted the economic, social and environmental impact of the military aggression in Ukraine and the Committee of the Regions adopted the Marseille Manifesto, a call to Europe's leaders to hear the voices of the million regionally and locally elected politicians across the EU who are committed to bringing Europe closer to its people.

New president of the Parliament

The start of 2022 saw the sad passing of the former European Parliament President David-Maria Sassoli. President Sassoli will be remembered as a true European leader and a champion for democracy. In over a decade of service in the Parliament, he constantly defended the EU and its values, but also believed that Europe had to strive for more: to be more united, closer to its people and more faithful to its values.

CH09-PH85

David Sassoli, President of the European Parliament from 3 July 2019 to 11 January 2022.

In the context of the midterm election process, Roberta Metsola was elected as the new President on 18 January 2022, with an absolute majority of 458 votes out of 690 cast.

CH09-PH86

Election of the President of Parliament: statement by Roberta Metsola, the new elected President, Strasbourg, France, 18 January 2022.

Parliament set up three new parliamentary committees: on foreign interference, including disinformation; on lessons drawn from the COVID-19 pandemic; and of inquiry, to look into the use of the Pegasus spyware.

Commission President Ursula von der Leyen regularly attended debates, in particular on the preparation of or follow-up to European Council meetings, and for Ukraine-related debates. On 14 September 2022, she delivered the annual State of the Union address, indicating the policy priorities for 2023 and for the second half of the Commission's mandate.

Focus on citizens

Conference on the Future of Europe

The year-long [Conference on the Future of Europe](#), which gave Europeans the opportunity to have a say on what they expect from the EU, concluded its work in 2022. It was the largest and most far-reaching consultation exercise of its kind, with 5 million individual visitors to the multilingual digital platform, and more than 720 000 participants joining more than 6 600 live events, including the [national citizens' panels](#) and [European Citizens' Panels](#).

Four European Citizens' Panels were organised with 200 citizens each, chosen through random selection from all 27 Member States, with careful consideration to include individuals that reflect the EU's diversity in terms of geographic origin, gender, age, socioeconomic background and level of education. Special attention was given to ensuring that a third of each panel would consist of young people (aged 16–25). The participants discussed their recommendations in the [conference plenary](#) sessions where members of civil society, elected representatives from all levels of governance and other stakeholders met to consensually endorse 49 conference proposals, which were subsequently presented to the EU institutions.

On 9 May 2022, the final [report](#) containing all proposals and detailing 326 measures was presented to the Presidents of the Parliament, the Council and the Commission during the closing ceremony of the conference on Europe Day. The results are structured around the nine conference topics, ranging from climate change and health to European democracy and the digital transformation.

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A young mother speaking about the future of Europe while holding her baby who was born halfway through the conference.

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Citizens voting during the Conference on the Future of Europe – Panel 3 'Climate change, Environment/Health', Natolin, Warsaw, Poland, 9 January 2022.

Closing ceremony of the Conference on the Future of Europe, with Ursula von der Leyen, President of the European Commission (sixth from left), Roberta Metsola, President of the European Parliament (seventh from right), Emmanuel Macron, President of France (fifth from right), and Dubravka Šuica, Vice-President of the European Commission in charge of Democracy and Demography, holding the final report with proposals to reform the EU, Strasbourg, France, 9 May 2022.

On 17 June, the Commission presented the Communication on the Conference on the Future of Europe assessing the proposals and charting the way forward. In her State of the Union address, President von der Leyen confirmed that the citizens' panels would become a regular feature of Commission policymaking and outlined new proposals stemming from the conference's conclusions. Over 80 % of the new initiatives contained in the Commission's 2023 Work Programme follow up directly or indirectly on the proposals of the conference. On 2 December 2022, the Parliament, the Council and the Commission organised a feedback event to explain to citizens how the institutions are following up on the conference's proposals.

In December, the Commission hosted the first European Citizen's Panel on food waste reduction. The reduction of waste, and particularly food waste, is the subject of a legislative proposal included in the Commission's 2023 Work Programme, in line with the proposals from the Conference of the Future of Europe.

Inspired by the conference, the Commission's new online interactive tool, the Have Your Say portal, will bring together all information on Commission mechanisms for citizen engagement. This new online hub will integrate key features of the conference's multilingual digital platform and form the basis for a new system of democratic engagement and innovation.

The consultative committees also played their full role in the conference. On 27 April 2021, the European Economic and Social Committee adopted a resolution on the conference, A New Narrative for Europe, and organised 75 events across Europe, 45 of which alone gathered more than 7 600 participants. The document Organised Civil Society's Vision for the Future of Europe presents the results of those consultations, detailing recommendations and ideas that fed into the 326 final proposals adopted by the conference.

The European Committee of the Regions organised more than 120 local and cross-border citizens' dialogues and the ideas and recommendations from these were uploaded to the platform. Its High-Level Group on European Democracy adopted its final report on democracy in the EU as part of the contribution of local and regional authorities to the conference.

European Citizens Initiative

2022 also marked the 10th anniversary of the [European Citizens' Initiative](#) (ECI). The Commission celebrated this important milestone throughout the year, together with interinstitutional partners, organisers of initiatives and multipliers. Bringing information about the ECI closer to citizens was a primary focus of the year, with events and promotional actions around Europe Day or at the annual ECI Day held on 2 June at the European Economic and Social Committee.

The seventh successful initiative, 'Save bees and farmers! Towards a bee-friendly agriculture for a healthy environment', was submitted to the Commission for examination in 2022. Two other initiatives collected more than 1 million signatures each: 'Stop Finning – Stop the trade' and 'Save cruelty-free cosmetics – Commit to a Europe without animal testing'. The Commission will reply to these three initiatives in 2023.

In 2022, the Commission also registered 10 new initiatives, calling for EU action in various fields, such as sports, education, the garment sector, green energy, animal protection, rural policy and a tobacco-free environment.

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Working in times of crises

In 2022, the EU institutions once again demonstrated great resilience in dealing with unforeseen emergencies. Just as the recovery from the COVID-19 pandemic was under way, Russia started its unprovoked and unjustified aggression against Ukraine. The EU institutions worked tirelessly to support the Ukrainian people in their fight for freedom and to help citizens and businesses in the Member States deal with the consequences of the war.

On 1 March 2022, Parliament held an extraordinary plenary session, during which Ukrainian President Volodymyr Zelenskyy addressed Members live from Kyiv, Ukraine. He stressed that Ukrainians 'were fighting for their rights, freedoms and lives, as well as to be equal members of Europe'. European Council President Charles Michel, Commission President Ursula von der Leyen and the High Representative of the Union for Foreign Affairs and Security Policy Josep Borrell Fontelles also participated in the debate. Parliament expressed unwavering support for Ukraine and called for sanctions on Russia and for new efforts to grant Ukraine EU candidate-country status.

Subsequently, Parliament held regular Ukraine-specific plenary debates and adopted 16 resolutions. The Chairman of the Ukrainian Verkhovna Rada (parliament), Ruslan Stefanchuk, participated in person in the June 2022 plenary session. Meanwhile, Ukrainian ministers and high-level officials frequently participated in various parliamentary committee meetings and had discussions with

Members of Parliament regarding the latest developments on the ground.

Honouring Ukrainian people

Parliament's 2022 Sakharov Prize was awarded to the brave people of Ukraine in a ceremony on 14 December.

Consisting of a certificate and a €50 000 award, the Sakharov Prize for Freedom of Thought is an annual award to honour individuals and organisations that defend human rights and fundamental freedoms.

France and Czechia held the rotating Presidency of the Council of the European Union. The Council sought to provide a strong and united response to Russia's war of aggression against Ukraine and the resulting food and energy crisis. Under the guidance of the European Council, it oversaw the deployment of unprecedented measures and large amounts of assistance to Ukraine.

The Commission took wide ranging action in support of Ukraine across all areas throughout the year and adopted in 2022 more than 200 measures in response to the invasion. A significant number of these decisions relate to ensuring that the EU provides the necessary humanitarian assistance and financial support to Ukraine and help the Member States welcome Ukrainians fleeing the war and deal with the economic consequences of Russia's aggression against Ukraine (see Chapter 1).

. It also made a number of proposals to revise its energy policy to reduce the EU's dependency on Russian fossil fuels (see Chapter 2).

Russia's unprovoked and unjustified aggression against Ukraine and its people constitutes a direct challenge to EU values and the rules-based world order. The 2022 annual Rule of Law Report placed particular emphasis on the importance of upholding democratic values, human rights and the rule of law. For the first time, the report contained specific recommendations addressed to each Member State to help identify where improvements are needed and encourage the necessary reforms.

The Commission continued exercising its role as guardian of the treaties, taking 1 410 decisions on infringement procedures to enforce EU law. Respect for the rule of law is also key for the sound financial management of the EU budget and the effective use of its funding. In December 2022, the Council of the European Union adopted budget protection measures under the Conditionality Regulation against breaches of the principle of the rule of law in Hungary.

The Commission and the European Court of Auditors continued their constructive cooperation as the EU's executive and audit powers respectively. At their annual meeting in July, their members discussed how the EU budget contributes to the achievement of the Union's political priorities, delivers concrete results for citizens and adds value to action by the Member States.

Whilst dealing with the crises, the Commission continued its work to ensure transparent and efficient decision-making through its Better Regulation agenda. This means that its proposals are based on solid evidence, informed by extensive consultations through Have your Say portal and reviewed by an independent oversight body, the Regulatory Scrutiny Board. The Commission's better regulation framework is ranked top by the OECD in its EU Report on Measuring regulatory performance.

In 2022, The Commission started the full implementation of the 'one in, one out' approach, which ensures that any newly introduced burdens are offset by removing equivalent burdens in the same policy area. The approach focuses on the impacts of costs of Commission proposals on citizens and businesses, and complements the Commission's regulatory fitness and performance programme (REFIT). Under REFIT, the Commission makes systematic efforts to identify and remove red tape and unnecessary costs, while achieving the policy objectives whenever EU legislation is revised and evaluated . A high-level expert group, the Fit for Future Platform, supported this work with the adoption of 10 opinions, providing recommendations on how to simplify and make EU laws more efficient. The Commission also worked to ensure that Better Regulation addresses and supports sustainability goals and the digital transformation.

Strategic foresight

The EU is seeking to future-proof its policies by increasingly embedding foresight into policymaking. Strategic foresight anticipates trends, risks and emerging issues, and their potential implications and opportunities, in order to draw useful insights for strategic planning, policymaking and preparedness. It also informs the design of new EU initiatives and the review of existing policies in line with the Better Regulation toolbox. Ultimately, strategic foresight will help the EU react better to unprecedented and highly complex situations against a backdrop of increasing uncertainty.

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Successfully managing the green and digital 'twin' transitions is the cornerstone for delivering a sustainable, fair and competitive future.

In 2022, the interinstitutional cooperation on foresight under the umbrella of the [European Strategy and Policy Analysis System](#) focused on geopolitics. A European Strategy and Policy Analysis pilot project on horizon scanning was initiated to identify signals of change that could potentially have a significant impact on the EU in the future.

The Commission's [2022 Strategic Foresight Report](#) focused on the interplay between the green and digital transitions in the new rapidly evolving geopolitical context. The Commission also continued the analysis of the key megatrends affecting the future, such as migration, climate change, digitalisation and inequalities. Cooperation with Member States, through the EU-wide Foresight Network, which includes the Ministers for the Future, was further developed.

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Maroš Šefčovič, Vice-President of the European Commission in charge of Interinstitutional Relations and Foresight, underlining the importance of storage in reducing energy prices at the Energy Storage Global Conference, Brussels, Belgium, 11 October 2022.