



Virtual COSAC on 30 November and 1 December 2020

Background note: The future of the European Union

The EU has to make its voice heard in an increasingly interconnected, complex and fast-moving world. The Strategic Agenda for 2019-2024 provides the medium-term framework for its pursuit of this goal and sets ambitious targets. The COVID-19 pandemic has confronted the EU with new challenges but has also highlighted opportunities in some areas for fundamental changes that will make the EU more resilient.

I. The Conference on the Future of Europe

In her [political guidelines](#), the President of the Commission, Ursula von der Leyen, announced a Conference on the Future of Europe. The Conference, which should run for two years, is conceived as a public forum for inclusive and transparent debate. In January 2020, the Commission and the European Parliament (EP) presented their ideas on the institutional structure and substance of the Conference. In June 2020, the Council set out its position. The EU institutions are currently negotiating a **joint declaration** on the structure and scope of the Conference. The Presidency of the Council aims to have the Conference begin before the end of 2020.

The **national parliaments** have repeatedly claimed the right to participate on an equal footing with the EP in the Conference as well as on its steering committee against the EU institutions.

The intended topics of the Conference are, on the one hand, the priorities of the EU (a sustainable, resilient economy; climate action; the digital transition; justice and equality; assertion of European values) and, on the other hand, institutional issues, including the system whereby each political group publicly designates its lead candidate prior to elections.

From the 34th Bi-annual Report of COSAC:

- 22 out of 34 parliaments/chambers favour the involvement of civil society, and 21 favour the involvement of COSAC alongside the EU institutions, national parliaments and citizens
- 28 parliaments/chambers advocate decentralised events in the member states as part of the Conference
- Numerous parliaments/chambers suggest the use of digital participation tools because of the COVID-19 pandemic
- Topics proposed by national parliaments: institutional matters (12 out of 36 parliaments/chambers), the green transition (10), the rule of law (8)
- 19 out of 27 parliaments/chambers do not want treaty amendments to be ruled out

II. A more resilient European Union

Charting the course towards a more resilient Europe is the theme of the first [Strategic Foresight Report from the Commission](#). Besides the lessons to be learned from the pandemic, the report stresses the need to anticipate future developments and respond accordingly. The Foresight Report identifies four dimensions of resilience. The first is the **social and economic** dimension, where the report assesses that the EU is well equipped for the coming years through the multiannual financial framework for 2021-2027 with its Next Generation EU recovery fund. Promotion of a Capital Markets Union and completion of the Banking Union, says the report, could make the EU more resilient. Social protection systems, it says, should be adapted to fit new, flexible employment models. For **geopolitical** resilience, the report focuses on the crucial importance of revitalising multilateral forums and of continued commitment to open, fair and rules-based trade. Existing dependence in critical sectors could be reduced, according to the report, by diversifying supply chains, relocating production back to the EU and introducing innovative substitute products. The main prerequisites for the creation of **green** resilience cited in the report are the reduction of dependence on fossil fuels, support for the preservation of biodiversity and the development of a clean and circular economy. The use of **digital** technology, says the report, could be particularly beneficial in the health sector when it comes to predicting the spread of diseases, developing therapies, vaccines and diagnostic procedures and ensuring the fair distribution of resources. At the same time, the report emphasises the need to preserve and enhance human dignity, freedom, equality, security, democracy and other fundamental rights and values and to respect them when creating a European data space.

III. The European Green Deal as a model for economic recovery

One of the core interests of the Commission is the **European Green Deal**. On the basis of this approach, a large percentage of the funds dedicated to tackling the pandemic is to be used for the **transition to a more sustainably structured economy** as a step towards a **climate-neutral Europe**. The [Communication on the European Green Deal](#), published on 11 December 2019, announced almost 50 projects in diverse areas, such as the environment, climate, agriculture and energy. The Commission has also outlined various aspects of the Green Deal in **strategy papers**. In **2021, numerous existing legislative acts are to be revised and new regulatory instruments presented**.

Back in March 2020, the Commission had presented a [draft regulation](#) proposing what it called a **European Climate Law**, which was to serve as a basis for pursuing the goal of a climate-neutral Europe by 2050 and permit the adoption by the Commission of delegated legislative acts designed to achieve climate targets as well as allowing for regular progress reviews. On 16 September 2020 the Commission proposed an **increase in the CO₂ emission reduction target to at least 55 per cent** and published an accompanying impact assessment and an [amended proposal](#) on the European Climate Law.

More proposals are to follow by **June 2021**, such as instruments designed to reinforce consumer rights in the light of the green transition and to revise the Energy Taxation Directive as well a

proposal for a **carbon border adjustment mechanism** for selected sectors and a **levy on non-recyclable packaging waste**.

IV. The multiannual financial framework for 2021-2027 and the Next Generation EU recovery instrument

On 10 November 2020 the trilogue of the EU institutions yielded a political decision on the forthcoming multiannual financial framework and on the Next Generation EU recovery instrument. With a total amount of **EUR 1.8 trillion**, this is the largest stimulus package ever financed through the EU budget. For the first time, the Commission itself will be allowed to borrow. It is planned to devote more than **50 per cent of the funds** to modernisation through **research and innovation** (e.g. Horizon Europe), to the promotion of the **green and digital transitions** (e.g. the Just Transition Fund and the Digital Europe Programme) and to **recovery and resilience** (e.g. the Recovery and Resilience Facility, rescEU and EU4Health). At the same time, there is to be greater **flexibility** to permit appropriate responses to future uncertainties. As a result of the trilogue, an additional amount of EUR 15 billion is to be devoted to strategic programmes. Under the trilogue agreement, the largest appropriation from the general budget is to be allocated to cohesion policy and the Common Agricultural Policy. At the same time, a total of 30 per cent of the EU funds will be dedicated to fighting climate change.

In parallel, the Commission announced proposals relating to **new resources of its own for the EU** and intends to begin, in the period up to June 2021, by presenting proposals on the carbon border adjustment mechanism, the digital levy and the emissions-trading system. By June 2024, these are to be followed by proposals for a financial transaction tax and a common corporate tax base.

The outcome of the negotiations on the multiannual financial framework are subject to approval by the EP and all member states. Hungary and Poland have announced that they will not approve the package. Once it has been approved by the Council, the decision on the Union's own resources has to be ratified in all member states in accordance with their respective constitutional requirements. In most Member States, national Parliaments will have to approve the Own Resources Decision.



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Session IV: Keynote Speaker's CV

Dr Ursula von der Leyen

President of the European Commission

2005–2009

Federal Minister for Family Affairs, Senior Citizens, Women and Youth

2009–2019

Member of the German Bundestag

2009–2013

Federal Minister of Labour and Social Affairs

2013–2019

Federal Minister of Defence

Since November 2019

President of the European Commission



Source: European Commission/
Claudio Centonze