



European  
Commission

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# STATE OF THE UNION 2021

15 SEPTEMBER

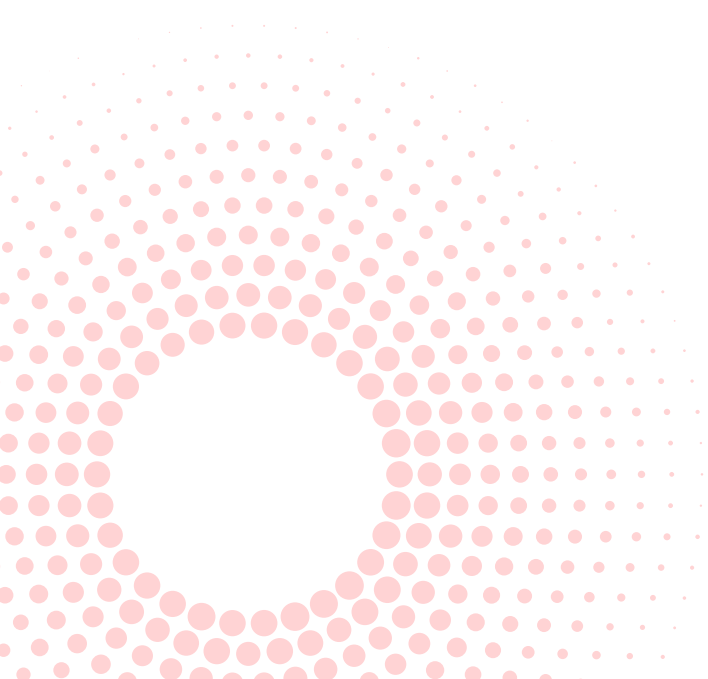
**BY URSULA VON DER LEYEN**  
President of the European Commission

Every year in September, the President of the European Commission delivers a State of the Union Address before the European Parliament, taking stock of achievements of the past year and presenting priorities for the year ahead. The President also sets out how the European Commission will address the most pressing challenges the European Union is facing. The speech is followed by a plenary debate. This kick-starts the dialogue with the European Parliament and the Council to prepare the Commission Work Programme for the following year.

Anchored in the Treaty of Lisbon, the State of the Union Address is set out in the 2010 Framework Agreement on relations between the European Parliament and the European Commission, which also requires the President to send a Letter of Intent to the President of the European Parliament and the Presidency of the Council detailing the actions the European Commission intends to take by means of legislation and other initiatives until the end of the following year.

Ursula von der Leyen, the President of the European Commission, delivered her second State of the Union Address on 15 September 2021.

All material is available at <http://ec.europa.eu/soteu2021>.

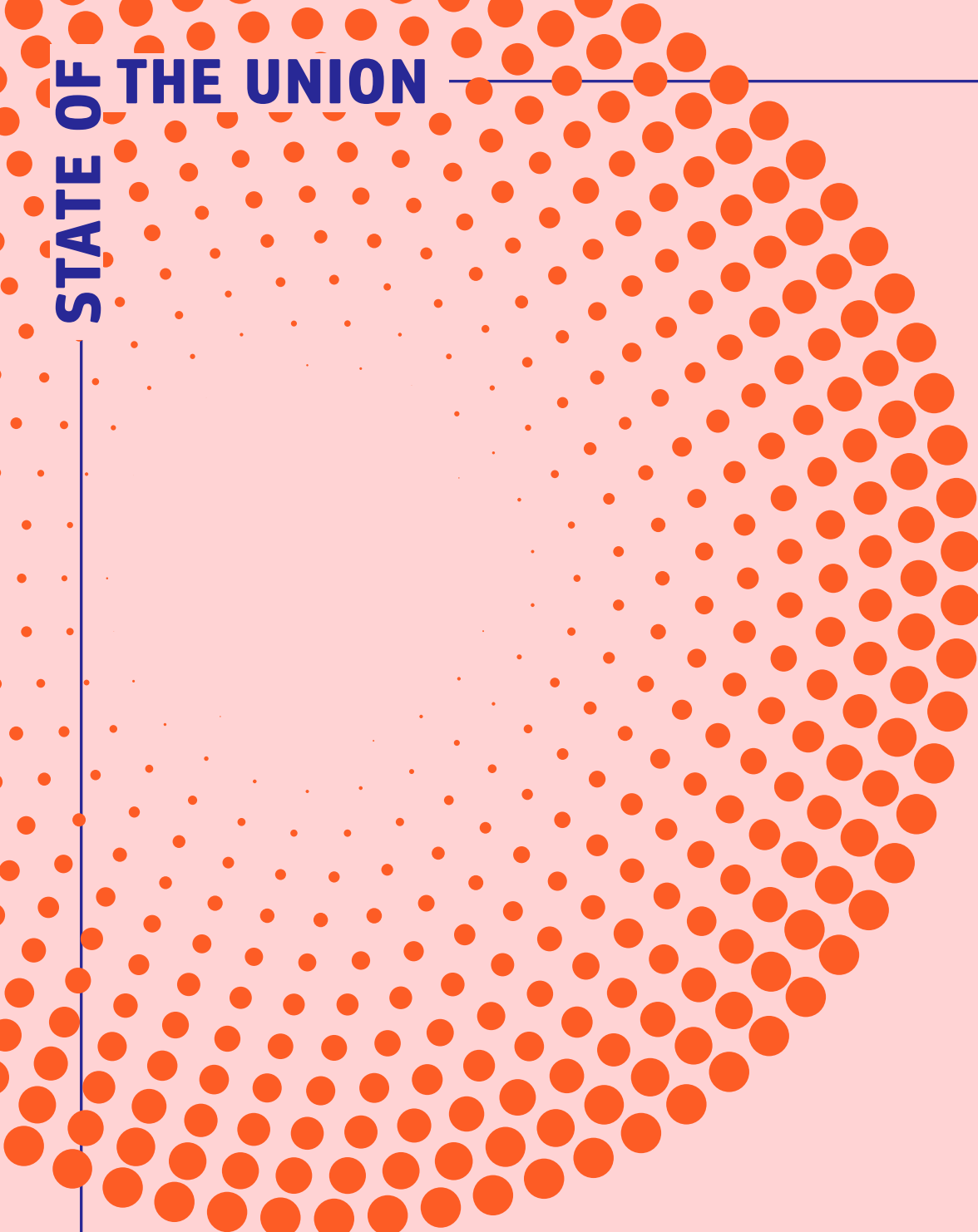


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**STATE OF  
THE UNION**

**ADDRESS 2021**





## STRENGTHENING THE SOUL OF OUR UNION

### Introduction

Mr President,  
Honourable Members,

Many are the people who feel their lives have been on pause while the world has been on fast forward.

The speed of events and the enormity of the challenges are sometimes difficult to grasp.

This has also been a time of soul-searching. From people reassessing their own lives to wider debates on sharing vaccines and on shared values.

**But as I look back on this past year, if I look at the state of the Union today, I see a strong soul in everything that we do.**

It was Robert Schuman who said: Europe needs a soul, an ideal, and the political will to serve this ideal.

It is when you are  
tested that your spirit  
– your soul – truly  
shines through.

Europe has brought those words to life in the last twelve months.

In the biggest global health crisis for a century, we chose to go it together so that every part of Europe got the same access to a life-saving vaccine.

In the deepest global economic crisis for decades, we chose to go it together with NextGenerationEU.

And in the gravest planetary crisis of all time, again we chose to go it together with the European Green Deal.

**We did that together as Commission, as Parliament, as 27 Member States. As one Europe. And we can be proud of it.**

But corona times are not over.

There is still much grief in our society as the pandemic lingers. There are hearts we can never mend, life stories we can never finish and time we can never give back to our young. We face new and enduring challenges in a world recovering – and fracturing – unevenly.

So there is no question: the next year will be yet another test of character.

**But I believe that it is when you are tested that your spirit – your soul – truly shines through.**

**As I look across our Union, I know that Europe will pass that test.**

And what gives me that confidence is the inspiration we can draw from Europe's young people.



Because our youth put meaning into empathy and solidarity.  
They believe we have a responsibility towards the planet.  
And while they are anxious about the future, they are determined to make it better.

**Our Union will be stronger if it is more like our next generation: reflective, determined and caring. Grounded in values and bold in action.**

This spirit will be more important than ever over the next twelve months. This is the message in the Letter of Intent I sent this morning to President Sassoli and Prime Minister Janša to outline our priorities for the year ahead.

## A EUROPE UNITED THROUGH ADVERSITY AND RECOVERY

Honourable Members,

A year is a long time in a pandemic.

When I stood in front of you 12 months ago, I did not know when – or even if – we would have a safe and effective vaccine against COVID-19.

**But today, and against all critics, Europe is among the world leaders.**

More than 70 per cent of adults in the EU are fully vaccinated. We were the only ones to share half of our vaccine production with the rest of the world. We delivered more than 700 million doses to the European people, and we delivered more than another 700 million doses to the rest of the world, to more than 130 countries.

**We are the only region in the world to achieve that.**

A pandemic is a marathon, not a sprint.

**We did it the right way, because we did it the European way.**

We followed the science.

We delivered to Europe. We delivered to the world.

**We did it the right way, because we did it the *European* way. And it worked!**

But while we have every reason to be confident, we have no reason to be complacent.

**Our first – and most urgent – priority is to speed up global vaccination.**

With less than 1% of global doses administered in low-income countries, the scale of injustice and the level of urgency are obvious. This is one of the great geopolitical issues of our time.

Team Europe is investing one billion Euro to ramp up mRNA production capacity in Africa. We have already committed to share 250 million doses.



I can announce today that the Commission will add a new donation of another 200 million doses by the middle of next year.

This is an investment in solidarity – but also in global health.

**The second priority is to continue our efforts here in Europe.**

We see worrisome divergences in vaccination rates in our Union.

So we need to keep up the momentum.

And Europe is ready. We have 1.8 billion additional doses secured. This is enough for us and our neighbourhood when booster shots are needed. Let's do everything possible to ensure that this does not turn into a pandemic of the unvaccinated.

**The final priority is to strengthen our pandemic preparedness.**

Last year, I said it was time to build a European Health Union. **Today we are delivering. With our proposal we get the HERA authority up and running.**

This will be a huge asset to deal with future health threats earlier and better.

We have the innovation and scientific capacity, the private sector knowledge, we have competent national authorities. And now we need to bring all of that together, including massive funding.

So I am proposing **a new health preparedness and resilience mission for the whole of the EU.** And it should be backed up by Team Europe investment of EUR 50 billion by 2027.

**To make sure that no virus will ever turn a local epidemic into a global pandemic.** There is no better return on investment than that.

Honourable Members,

The work on the European Health Union is a big step forward. And I want to thank this House for your support.

We have shown that when we act together, we are able to act fast.

**Take the EU digital certificate:**

**Today more than 400 million certificates have been generated across Europe. 42 countries in 4 continents are plugged in.**

We proposed it in March.

You pushed it!

Three months later it was up and running.

**Thanks to this joint effort, while the rest of the world talked about it, Europe just did it.**

We did a lot of things right. We moved fast to create SURE. This supported over 31 million workers and 2.5 million companies across Europe.



Thanks to this joint effort, while the rest of the world talked about it, Europe just did it.



We learned the lessons from the past when we were too divided and too delayed.

And the difference is stark: last time it took 8 years for the Eurozone GDP to get back to pre-crisis levels.

This time we expect 19 countries to be at pre-pandemic levels this year with the rest following next. **Growth in the euro area outpaced both the US and China in the last quarter.**

But this is only the beginning. And the lessons from the financial crisis should serve as a cautionary tale. At that time, Europe declared victory too soon and we paid the price for that. And we will not repeat the same mistake.

**The good news is that with NextGenerationEU we will now invest in both short-term recovery and long-term prosperity.**

We will address structural issues in our economy: from labour market reforms in Spain, to pension reforms in Slovenia or tax reform in Austria.

In an unprecedented manner, we will invest in 5G and fibre. But equally important is the investment in digital skills. This task needs leaders' attention and a structured dialogue at top-level.

Our response provides a clear direction to markets and investors alike.

But, as we look ahead, we also need to reflect on how the crisis has affected the shape of our economy – from increased debt, to uneven impact on different sectors, or new ways of working.

To do that, the Commission will relaunch the discussion on the Economic Governance Review in the coming weeks. The aim is to build a consensus on the way forward well in time for 2023.

Honourable Members,

We will soon celebrate 30 years of the Single Market. For 30 years it has been the great enabler of progress and prosperity in Europe.

For our recovery,  
the Single Market  
is the driver of  
good jobs and  
competitiveness.

At the outset of the pandemic, we defended it against the pressures of erosion and fragmentation. For our recovery, the Single Market is the driver of good jobs and competitiveness.

That is particularly important in the digital single market.

We have made ambitious proposals in the last year.

To contain the gatekeeper power of major platforms;

To underpin the democratic responsibility of those platforms;

To foster innovation;

To channel the power of artificial intelligence.

**Digital is the make-or-break issue.** And Member States share that view. Digital spending in NextGenerationEU will even overshoot the 20% target.

That reflects the importance of investing in our European tech sovereignty. We have to double down to shape our digital transformation according to our own rules and values.





Allow me to focus on semi-conductors, those tiny chips that make everything work: from smartphones and electric scooters to trains or entire smart factories.

There is no digital without chips. And while we speak, whole production lines are already working at reduced speed - despite growing demand - because of a shortage of semi-conductors.

But while global demand has exploded, Europe's share across the entire value chain, from design to manufacturing capacity has shrunk. We depend on state-of-the-art chips manufactured in Asia.

So this is not just a matter of our competitiveness. This is also a matter of tech sovereignty. So let's put all of our focus on it.

**We will present a new European Chips Act.** We need to link together our world-class research, design and testing capacities. We need to coordinate EU and national investment along the value chain.

The aim is to jointly create a state-of-the-art European chip ecosystem, including production. That ensures our security of supply and will develop new markets for ground-breaking European tech.

Yes, this is a daunting task. And I know that some claim it cannot be done.

But they said the same thing about Galileo 20 years ago.

And look what happened. We got our act together. Today European satellites provide the navigation system for more than 2 billion smartphones worldwide. We are world leaders.

**So let's be bold again, this time with semi-conductors.**

Honourable Members,

The pandemic has left deep scars that have also left their mark on our social market economy.

For nights on end, we all stood at our windows and doors to applaud critical workers. We felt how much we relied on all those women and men who work for lower wages, fewer protections and less security.

**The applause may have faded away but the strength of feeling cannot.**

This is why the implementation of the **European Pillar of Social Rights** is so important - to ensure decent jobs, fairer working conditions, better healthcare and better balance in people's lives.

If the pandemic taught us one thing, it is that time is precious. And caring for someone you love is the most precious time of all.

**We will come forward with a new European Care Strategy** to support men and women in finding the best care and the best life balance for them.

But social fairness is not just a question of time. It is also a question of fair taxation.

In our social market economy, it is good for companies to make profits. And they make profits thanks to the quality of our infrastructure, social security and education systems. So the very least we can expect is that they pay their fair share.



We have to double down to shape our digital transformation according to our own rules and values.

This is why we will continue to crack down on tax avoidance and evasion. We will put forward a new initiative to address those hiding profits behind shell entities. And we will do everything in our power to seal the historic global deal on minimum taxation.

**Asking big companies to pay the right amount of tax is not only a question of public finances, but above all a question of basic fairness.**

Honourable Members,

We have all benefited from the principles of our European social market economy – and we must make sure that the next generation can do so to build their future.

This is our most educated, talented and motivated generation. And it has missed out on so much to keep others safe.

Being young is normally a time of discovery, of creating new experiences. A time to meet lifelong friends, to find your own path. And what did we ask this generation to do? To keep their social distance, to stay locked down and to do school from home. For more than a year.

This is why everything that we do – from the European Green Deal to NextGenerationEU – is about protecting their future.

We will propose to make 2022 the Year of European Youth. A year dedicated to empowering those who have dedicated so much to others.

That is also why NextGenerationEU must be funded by the **new own resources** that we are working on.

But we must also caution against creating new divides. **Because Europe needs all of its youth.**

We must step up our support to those who fall into the gaps – those not in any kind of employment, education or training.

**For them, we will put in place a new programme, ALMA.**

ALMA will help these young Europeans to find temporary work experience in another Member State.

Because they too deserve an experience like Erasmus. To gain skills, to create bonds and help forge their own European identity.

**But if we are to shape our Union in their mould, young people must be able to shape Europe's future. Our Union needs a soul and a vision they can connect to.**

Or as Jacques Delors asked: How can we ever build Europe if young people do not see it as a collective project and a vision of their own future?

**This is why we will propose to make 2022 the Year of European Youth.** A year dedicated to empowering those who have dedicated so much to others.

And it is why we will make sure that young people can help lead the debate in the Conference on the Future of Europe.



**This is their future and this must be their Conference too.**

And as we said when we took office, the Commission will be ready to follow up on what is agreed by the Conference.

## A EUROPE UNITED IN RESPONSIBILITY

Honourable Members,

This is a generation with a conscience. They are pushing us to go further and faster to tackle the climate crisis.

And events of the summer only served to explain why. We saw floods in Belgium and Germany. And wildfires burning from the Greek islands to the hills in France.

And if we don't believe our own eyes, we only have to follow the science.

The UN recently published the IPCC report, the Intergovernmental Panel on Climate Change. It is the authority on the science of climate change.

The report leaves no doubt. Climate change is man-made. But since it is man-made, we can do something about it.

As I heard it said recently: **It's warming. It's us. We're sure. It's bad. But we can fix it.**

And change is already happening.

More electric vehicles than diesel cars were registered in Germany in the first half of this year. Poland is now the EU's largest exporter of car batteries and electric buses. Or take the **New European Bauhaus** that led to an explosion of creativity of architects, designers, engineers across our Union.

So clearly something is on the move.

And this is what the European Green Deal is all about.

In my speech last year, I announced our target of at least 55% emission reduction by 2030. Since then we have together turned our climate goals into legal obligations.

**And we are the first major economy to present comprehensive legislation in order to get it done.**

You have seen the complexity of the detail. But the goal is simple. We will put a price on pollution. We will clean the energy we use. We will have smarter cars and cleaner airplanes.

And we will make sure that higher climate ambition comes with more social ambition. **This must be a fair green transition. This is why we proposed a new Social Climate Fund** to tackle the energy poverty that already 34 million Europeans suffer from.

I count on both Parliament and Member States to keep the package and to keep the ambition together.



We will make sure that higher climate ambition comes with more social ambition. This must be a fair green transition.



When it comes to climate change and the nature crisis, **Europe can do a lot.** And it will support others. I am proud to **announce today that the EU will double its external funding for biodiversity,** in particular for the most vulnerable countries.

But Europe cannot do it alone.

**The COP26 in Glasgow will be a moment of truth for the global community.**

Major economies – from the US to Japan – have set ambitions for climate neutrality in 2050 or shortly after. These need now to be backed up by concrete plans in time for Glasgow. Because current commitments for 2030 will not keep global warming to 1.5°C within reach.

Every country has a responsibility!

The goals that President Xi has set for China are encouraging. But we call for that same leadership on setting out how China will get there. The world would be relieved if they showed they could peak emissions by mid-decade – and move away from coal at home and abroad.

But while every country has a responsibility, major economies do have a special duty to the least developed and most vulnerable countries. **Climate finance** is essential for them – both for mitigation and adaptation.

In Mexico and in Paris, the major economies committed to provide 100 billion dollars a year until 2025 to the least developed and most vulnerable countries.

We deliver on our commitment. **Team Europe contributes 25 billion dollars per year.** But others still leave a gaping hole towards reaching the global target.

Closing that gap will increase the chance of success at Glasgow.

My message today is that Europe is ready to do more. **We will now propose an additional 4 billion euro for climate finance until 2027.** But we expect the United States and our partners to step up too.

**Closing the climate finance gap together – the US and the EU – would be a strong signal for global climate leadership.** It is time to deliver.

My message today  
is that Europe is  
ready to do more.



Image by Pixels from Pixabay

Honourable Members,

This climate and economic leadership is central to Europe's global and security objectives.

It also reflects a wider shift in world affairs at a time of transition towards a new international order.

We are entering a **new era of hyper-competitiveness.**

An era in which some stop at nothing to gain influence: from vaccine promises and high-interest loans, to missiles and misinformation.





An era of regional rivalries and major powers refocusing their attention towards each other.

Recent events in Afghanistan are not the cause of this change – but they are a symptom of it.

And first and foremost, I want to be clear. **We stand by the Afghan people.** The women and children, prosecutors, journalists and human rights defenders.

I think in particular of women judges who are now in hiding from the men they jailed. They have been put at risk for their contribution to justice and the rule of law. We must support them and we will coordinate all efforts with Member States to bring them to safety.

And we must continue supporting all Afghans in the country and in neighbouring countries. We must do everything to avert the real risk of a major famine and humanitarian disaster. And we will do our part. We will increase again humanitarian aid for Afghanistan by 100 million euro.

This will be part of a new, wider **Afghan Support Package** that we will present in the next weeks to combine all of our efforts.

Honourable Members,

Witnessing events unfold in Afghanistan was profoundly painful for all the families of fallen servicemen and servicewomen.

We bow to the sacrifice of those soldiers, diplomats and aid workers who laid down their lives.

To make sure that their service will never be in vain, we have to reflect on how this mission could end so abruptly.

There are deeply troubling questions that allies will have to tackle within NATO.

But there is simply no security and defence issue where *less* cooperation is the answer. We need to invest in our joint partnership and to draw on each side's unique strength.

**This is why we are working with Secretary-General Jens Stoltenberg on a new EU-NATO Joint Declaration to be presented before the end of the year.**

But this is only one part of the equation.

Europe can – and clearly should – be able and willing to do more on its own. But if we are to do more, we first need to explain why. I see three broad categories.

**First**, we need to provide stability in our neighbourhood and across different regions.

We are connected to the world by narrow straits, stormy seas and vast land borders. Because of that geography, Europe knows better than anyone that if you don't deal in time with the crisis abroad, the crisis comes to you.

**Secondly**, the nature of the threats we face is evolving rapidly: from hybrid or cyber-attacks to the growing arms race in space.

We need to invest in our joint partnership and to draw on each side's unique strength.



Disruptive technology has been a great equaliser in the way power can be used today by rogue states or non-state groups.

You no longer need armies and missiles to cause mass damage. You can paralyse industrial plants, city administrations and hospitals – all you need is your laptop. You can disrupt entire elections with a smartphone and an internet connection.

**The third reason** is that the European Union is a unique security provider. There will be missions where NATO or the UN will not be present, but where the EU should be.

On the ground, our soldiers work side-by-side with police officers, lawyers and doctors, with humanitarian workers and human rights defenders, with teachers and engineers.

We can combine military and civilian, along with diplomacy and development – and we have a long history in building and protecting peace.

The good news is that over the past years, we have started to develop a European defence ecosystem.

### **But what we need is the European Defence Union.**

In the last weeks, there have been many discussions on expeditionary forces. On what type and how many we need: battlegroups or EU entry forces.

This is no doubt part of the debate – and I believe it will be part of the solution.

But the more fundamental issue is why this has not worked in the past.

You can have the most advanced forces in the world – but if you are never prepared to use them – of what use are they?

What has held us back until now is not just a shortfall of capacity – it is the lack of political will.

And if we develop this political will, there is a lot that we can do at EU level.

Allow me to give you three concrete examples:

We can combine military and civilian, along with diplomacy and development – and we have a long history in building and protecting peace.

### **First, we need to build the foundation for collective decision-making – this is what I call situational awareness.**

We fall short if Member States active in the same region, do not share their information on the European level. It is vital that we improve intelligence cooperation.

But this is not just about intelligence in the narrow sense.

It is about bringing together the knowledge from all services and all sources. From space to police trainers, from open source to development agencies. Their work gives us a unique scope and depth of knowledge.

It is out there!

But we can only use that, to make informed decisions if we have the full picture. And this is currently not the case. We have the knowledge, but it is disjointed. Information is fragmented.



This is why the EU could consider its own Joint Situational Awareness Centre to fuse all the different pieces of information.

And to be better prepared, to be fully informed and to be able to decide.

**Secondly, we need to improve interoperability.** This is why we are already investing in common European platforms, from fighter jets, to drones and cyber.

But we have to keep thinking of new ways to use all possible synergies. One example could be to consider waiving VAT when buying defence equipment developed and produced in Europe.

This would not only increase our interoperability, but also decrease our dependencies of today.

**Third, we cannot talk about defence without talking about cyber.** If everything is connected, everything can be hacked. Given that resources are scarce, we have to bundle our forces. And we should not just be satisfied to address the cyber threat, but also strive to become a leader in cyber security.

It should be here in Europe where cyber defence tools are developed. This is why we need a **European Cyber Defence Policy**, including legislation on common standards under a **new European Cyber Resilience Act**.

So, we can do a lot at EU level. But Member States need to do more too.

This starts with a common assessment of the threats we face and a common approach to dealing with them. The upcoming **Strategic Compass** is a key process of this discussion.

And we need to decide how we can use all of the possibilities that are already in the Treaty.

This is why, under the French Presidency, President Macron and I will convene a **Summit on European defence**.

It is time for Europe to step up to the next level.

Honourable Members,

In a more contested world, protecting your interests is not only about defending yourself.

It is about forging strong and reliable partnerships. This is not a luxury – it is essential for our future stability, security and prosperity.

**This work starts by deepening our partnership with our closest allies.**

With the US we will develop our new agenda for global change – from the new **Trade and Technology Council** to health security and sustainability.

The EU and the US will always be stronger – together.

In a more contested world, protecting your interests is not only about defending yourself. It is about forging strong and reliable partnerships.



The same is true of our neighbours in the **Western Balkans**.

Before the end of the month, I will travel to the region to send a strong signal of our commitment to the accession process. **We owe it to all those young people who believe in a European future.**

This is why we are ramping up our support through our new investment and economic plan, worth around a third of the region's GDP. Because an investment in the future of the Western Balkans is an investment in the future of the EU.

And we will also continue investing in our partnerships across our neighbourhood – from stepping up our engagement in the Eastern Partnership to implementing the new Agenda for the Mediterranean and continuing to work on the different aspects of our relationship with Turkey.



Honourable Members,

If Europe is to become a more active global player, it also needs to focus on the next generation of partnerships.

In this spirit, **today's new EU - Indo-Pacific strategy is a milestone.** It reflects the growing importance of the region to our prosperity and security. But also the fact that autocratic regimes use it to try to expand their influence.

Europe needs to be more present and more active in the region.

So we will work together to deepen trade links, strengthen global supply chains and develop new investment projects on green and digital technologies.

**This is a template for how Europe can redesign its model to connect the world.**

We are good at financing roads. But it does not make sense for Europe to build a perfect road between a Chinese-owned copper mine and a Chinese-owned harbour.

We have to get smarter when it comes to these kinds of investments.

**This is why we will soon present our new connectivity strategy called Global Gateway.**

We will build **Global Gateway partnerships** with countries around the world. We want investments in quality infrastructure, connecting goods, people and services around the world.

We will take a values-based approach, offering transparency and good governance to our partners.

We want to create links and not dependencies!

And we know how this can work. Since the summer, a new underwater fibre optic cable has connected Brazil to Portugal.

We will invest with Africa to create a market for green hydrogen that connects the two shores of the Mediterranean.

We need a Team Europe approach to make Global Gateway happen. We will connect institutions and investment, banks and the business community. And we will make this a priority for regional summits – starting with the next EU-Africa Summit in February.

We will take a values-based approach, offering transparency and good governance to our partners.

### **We want to turn Global Gateway into a trusted brand around the world.**

And let me be very clear: doing business around the world, global trade – all that is good and necessary. But this can never be done at the expense of people’s dignity and freedom.

There are 25 million people out there, who are threatened or coerced into forced labour. We can never accept that they are forced to make products – and that these products then end up for sale in shops here in Europe.

**So we will propose a ban on products in our market that have been made by forced labour. Human rights are not for sale – at any price.**

## **A EUROPE UNITED IN FREEDOM AND DIVERSITY**

And, Honourable Members, human beings are not bargaining chips.

Look at what happened at our borders with Belarus. The regime in Minsk has instrumentalised human beings. They have put people on planes and literally pushed them towards Europe’s borders.

This can never be tolerated.

And the quick European reaction shows that. **And rest assured, we will continue to stand together with Lithuania, Latvia and Poland.**

**And, let’s call it what it is: this is a hybrid attack to destabilise Europe.**

Every country has a stake in building a European migration system.

Honourable Members,

These are not isolated events. We saw similar incidents at other borders. And we can expect to see it again. This is why, as part of our work on Schengen, we will set out new ways to respond to such aggression and ensure unity in protecting our external borders.

**But as long as we do not find common ground on how to manage migration, our opponents will continue to target that.**

Meanwhile, human traffickers continue to exploit people through deadly routes across the Mediterranean.

These events show us that every country has a stake in building a European migration system.

The **New Pact on Migration and Asylum** gives us everything we need to manage the different types of situations we face.

All the elements are there. This is a balanced and humane system that works for all Member States - in all circumstances. We know that we can find common ground.

But in the year since the Commission presented the Pact, progress has been painfully slow.

**I think, this is the moment now for a European migration management policy.** So I urge you, in this House and in Member States, to speed up the process.





This ultimately comes down to a question of trust. Trust between Member States. Trust for Europeans that migration can be managed. Trust that Europe will always live up to its enduring duty to the most vulnerable and most in need.

There are many strongly held views on migration in Europe but I believe the common ground is not so far away.

Because if you ask most Europeans, they would agree that we should act to curb irregular migration but also act to provide a refuge for those forced to flee.

They would agree that we should return those who have no right to stay. But that we should welcome those who come here legally and make such a vital contribution to our society and economy.

And we should all agree that the topic of migration should never be used to divide.

**I am convinced that there is a way that Europe can build trust amongst us when it comes to migration.**

Honourable Members,

Societies that build on **democracy and common values** stand on stable ground.

They have trust in people.

This is how new ideas are formed, how change happens, how injustices are overcome.

Trust in these common values brought our founders together, after World War Two.

And it is these same values that united the freedom fighters who tore down the Iron Curtain over 30 years ago.

They wanted democracy. They wanted the freedom to choose their government.

They wanted the rule of law and for everyone to be equal before the law.

They wanted freedom of speech and independent media. To no longer be spied on by their governments.

They wanted to combat corruption. And the freedom to be different from the majority.

**We are determined to defend these values. And we will never waver in that determination.**

Or, as former Czech President Václav Havel put it, they wanted all those “great European values”. These values come from the cultural, religious and humanist heritage of Europe.

They are part of our soul, part of what defines us today.

These values are now enshrined in our European treaties. This is what we all signed up to when we became part of this Union as free and sovereign countries.

**We are determined to defend these values. And we will never waver in that determination.**

Our values are guaranteed by our legal order and safeguarded by the judgments of the **European Court of Justice**. These judgments are binding. We make sure that they are respected. And we do so in every Member State of our Union.



Because protecting the rule of law is not just a noble goal. Protecting the rule of law is also hard work and a constant struggle for improvement.

Our **Rule of Law reports** are part of this process, with for example justice reforms in Malta or corruption inquiries in Slovakia.

This is why we take a dual approach of dialogue *and* decisive action.

**And from 2022, our Rule of Law reports will come with specific recommendations to Member States.**

Nevertheless, there are worrying developments in certain Member States. **Let me be clear: dialogue always comes first. But dialogue is not an end in itself, it should lead to results.**



This is why we take a dual approach of dialogue and decisive action. This is what we did last week. And this is what we will continue to do.

Because people must be able to rely on the right to an independent judiciary. The right to be treated equally before the law. Everywhere in Europe. Whether you belong to a majority or a minority.

Honourable Members,

The European budget is the future of our Union cast in figures.

That is why it must be protected. We need to ensure that every euro and every cent is spent for its proper purpose and in line with rule of law principles.

Investments that enable our children to have a better future must not be allowed to seep away into dark channels.

Corruption is not just taxpayer money stolen. It is investors scared off, big favours bought by big money and democracy undermined by the powerful.

**When it comes to protecting our budget, we will pursue every case, with everything in our power.**

Honourable Members,

**Defending our values is also defending freedom. Freedom to be who you are, freedom to say what's on your mind, freedom to love whoever you want.**

But freedom also means freedom from fear. And during the pandemic, too many women were deprived of that freedom. It was an acutely terrifying time for those with nowhere to hide, nowhere to escape from their abusers. We need to shed light on this darkness, we need to show ways out of the pain. **Their abusers must be brought to justice.**

And those women must have their freedom and their self-determination back.

This is why **by the end of year, we will propose a law to combat violence against women** – from prevention to protection and effective prosecution, online and offline.

**It is about defending the dignity of each individual. It is about justice. Because this is the soul of Europe. And we must make it even stronger.**



Honourable members,

Allow me to finish with one of the freedoms that gives voice to all other freedoms – **media freedom**.

Journalists are being targeted simply for doing their job. Some have been threatened, some beaten and, tragically, some murdered. Right here, in our European Union.

Let me mention some of their names: Daphné Caruana Galizia. Ján Kuciak. Peter de Vries.

The details of their stories may be different but what they have in common is that they all fought and died for our right to be informed.

**Information is a public good. We must protect those who create transparency – the journalists.** That is why today we have put forward a recommendation to give journalists better protection.

And we need to stop those who threaten media freedom. Media companies cannot be treated as just another business. Their independence is essential. Europe needs a law that safeguards this independence – and the Commission will deliver a **Media Freedom Act** in the next year.

We need to stop those who threaten media freedom.

**Defending media freedom means defending our democracy.**

## Conclusion

Honourable Members,

Strengthening Schuman's European ideal that I invoked earlier is a continuous work.

And we should not hide away from our inconsistencies and imperfections.

**But imperfect as it might be, our Union is both beautifully unique and uniquely beautiful.**

It is a Union where we strengthen our individual liberty through the strength of our community.

A Union shaped as much by our shared history and values as by our different cultures and perspectives.

**A Union with a soul.**

Trying to find the right words to capture the essence of this feeling is not easy. But it is easier when you borrow them from someone who inspires you. And this is why I have invited a guest of honour to be with us today.

Many of you might know her – **a gold medallist from Italy** who captured my heart this summer.

But what you might not know is that only in April, she was told her life was in peril. She went through surgery, she fought back, she recovered.



And only 119 days after she left the hospital, she won Paralympic gold. Honourable Members, please join me in welcoming **Beatrice Vio**. Bebe has overcome so much, so young.

Her story is one of rising against all odds. Of succeeding thanks to talent, tenacity and unrelenting positivity. She is in the image of her generation: a leader and an advocate for the causes she believes in.

And she has managed to achieve all of that by living up to her belief that – if it seems impossible – then it can be done. *Se sembra impossibile, allora si può fare.*

This was the spirit of Europe's founders and this is the **spirit of Europe's next generation**. So let's be inspired by Bebe and by all the young people who change our perception of the possible.

Who show us that you can be what you want to be. And that you can achieve whatever you believe.

Honourable Members:

This is the soul of Europe.

This is the future of Europe.

Let's make it stronger together.

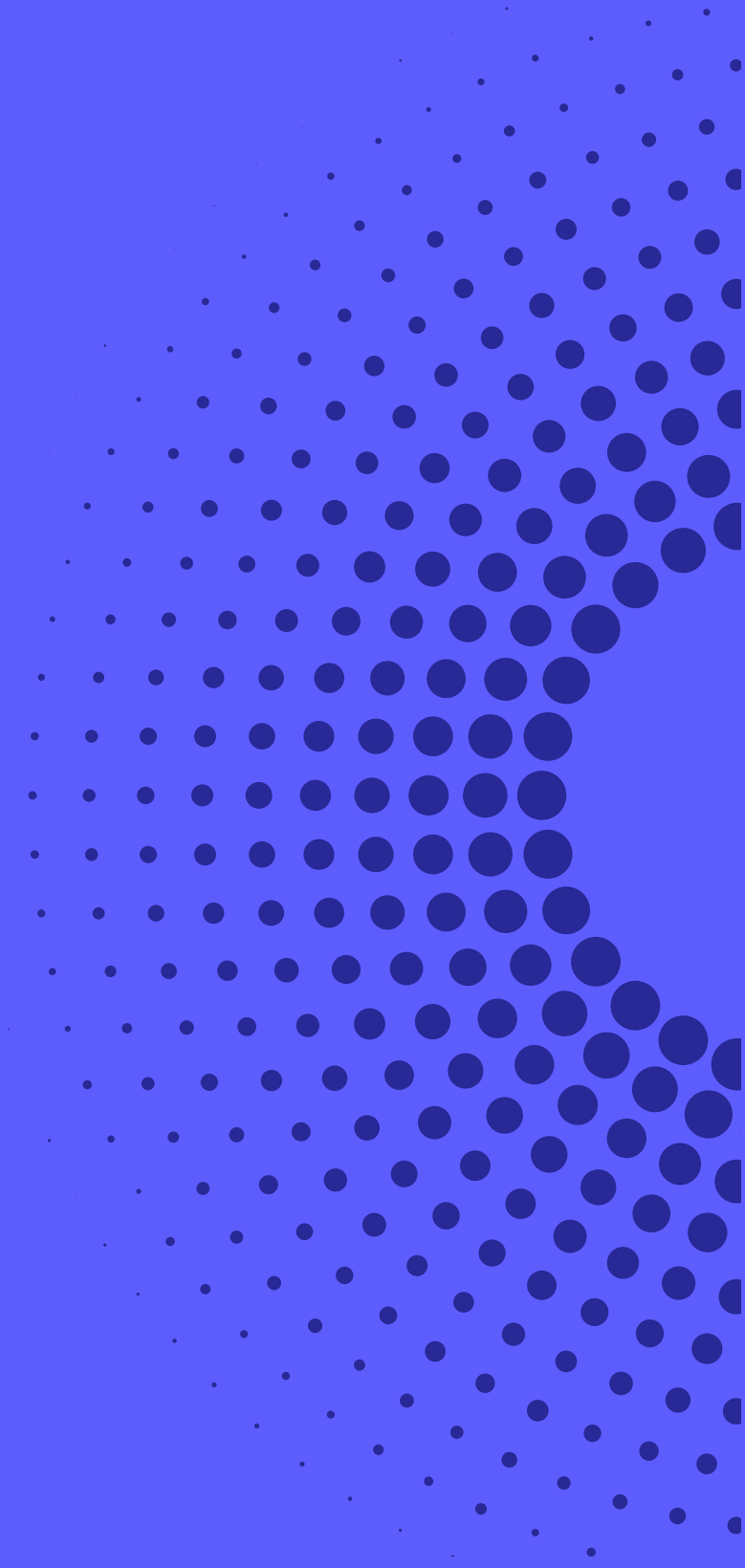
**Viva l'Europa.**



**Ursula von der Leyen**



**STATE OF  
THE UNION**



# **LETTER OF INTENT**

**TO PRESIDENT DAVID MARIA SASSOLI  
AND TO PRIME MINISTER JANEZ JANŠA**

Brussels, 15 September 2021

Dear President Sassoli,

Dear Prime Minister Janša,

Today will mark the tenth time a Commission President has delivered a State of the Union address to the European Parliament. The evolution in the themes of the previous speeches reflects the changing nature of our focus and the speed of the transitions in the world. They map the course of very different crises and recoveries. But they also remind us of an enduring truth: **our Union is only as strong and as ambitious as it is united and resolute.**

The achievements of the last year are a testament to this. We would like to thank the European Parliament and the Council for their support and their shared sense of purpose. This has enabled us to act fast and stay ambitious in the last year. **We can be proud of what the EU has achieved.**

Twelve months ago, vaccines were not yet approved. A year on, the European Union has now vaccinated more than 70 % of the adult population and is the largest vaccine producer in the world. We have delivered more than 700 million vaccines to our Union and more than 700 million to the rest of the world. We agreed in record time on an EU Digital COVID Certificate, which has enabled more than 400 million individual certificates to be generated since the beginning of the summer.

This helped people to travel and enjoy their summer, and it enabled our economy to reopen its doors and bounce back faster than was expected. Nineteen Member State economies are now expected to return to pre-pandemic levels by the end of the year. This has also been made possible thanks to the historic agreement reached on our recovery programme. NextGenerationEU is now up and running, financing projects and reforms that invest in the recovery of today and the economy of tomorrow.

We have accelerated our work on the ambitious and transformative agenda that we first set out in the Political Guidelines. In the last year, the EU has approved the first European Climate Law, and we have presented our proposals to deliver it. The EU is the first major economy to concretely lay out how it will reach its climate goals. We have also made groundbreaking proposals on digital services, digital markets and digital identity, and we have updated our new industrial strategy and worked to strengthen our supply chains.

These common achievements give us confidence for the year ahead. But, as the pandemic lingers, we will need to show the same resolve we have shown over the past year. With wide disparities between vaccination rates in the EU and around the world, the first priorities will continue to be managing the pandemic and preserving lives and livelihoods.

We must also look at the indelible mark left by the crisis on people and on society. The continued implementation of the European Pillar of Social Rights and the commitments agreed to in Porto earlier this year will be key priorities. We will continue to stand up for values, justice and equality, and to promote and defend the rule of law and media freedom across the EU. We would like to focus on the future by advancing the work on the Conference on the Future of Europe and honouring all young people by making 2022 the European Year of the Youth.

The external challenges we face will also multiply as the world becomes more contested. We will further strengthen our partnership with NATO and our allies, and discuss a common way forward on defence and security. We will continue to develop global partnerships and support

*our neighbourhood, in particular the Western Balkans, at the upcoming summit organised by the Slovenian Presidency of the Council. Finally, we will remain committed to implementing our international agreements and will remain united in our support of Ireland and of peace on the island of Ireland.*

*Within the next 12 months, the Commission will enter the second half of its mandate. Up to now, we have focused on the design and the legislation needed to deliver the transformation we need. The focus now turns to delivery and implementation. We need to continue the work on the legislative proposals that have already been presented across all six of the Commission's headline ambitions.*

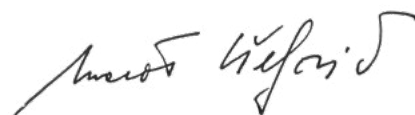
*Below is a list of new initiatives to be proposed by the Commission, focusing on implementing our vision for Europe. For all of these initiatives we will take into account the lessons learnt from the crisis, as well as the need to give co-legislators time to reach an agreement. In parallel, we will continue to implement the Commission work programme for 2021.*

*The list draws inspiration from our discussions with the European Parliament and the Council. It is not exhaustive, and will be complemented by the upcoming Commission work programme, our interinstitutional dialogue and the Joint Declaration of Legislative Priorities to be signed by the three institutions.*

*Our Union has shown that we can do things better when we do them together. This is our commitment for the year ahead, and we look forward to working with you to make it happen.*



**Ursula von der Leyen**



**Maroš Šefčovič**

## KEY NEW INITIATIVES FOR 2022

### A European Green Deal

- *Legislative proposal on integrated water management – surface and groundwater pollutants*
- *Legislative proposal on carbon removal certification*
- *Legislative proposal on the right to repair*
- *Legislative proposal on an EU framework for harmonised measurement of transport and logistics emissions*
- *Legislative proposal to reduce the release of microplastics in the environment and to restrict the addition of microplastics to products*

### A Europe fit for the digital age

- *European Cyber Resilience Act*
- *European Chips Act*
- *Roadmap on security and defence technologies*
- *Legislative proposal on building an EU space-based global secure communication system*
- *Review of competition policy: – fit for new challenges*
- *Proposal for a Council Recommendation on improving the provision of digital skills*
- *Legislative proposal on a Single Market Emergency Instrument*
- *Legislative proposal on multimodal digital mobility services*

### An Economy that Works for People

- *Legislative proposal on the protection of workers from the risks related to exposure to asbestos at work*
- *Legislative proposal to facilitate small and medium sized enterprises access to capital*
- *Initiative on instant payments in the EU*
- *Implementation of the Capital market Union Action Plan including the Initiative on harmonising certain aspects of substantive law on insolvency proceedings*
- *Legislative proposal on the implementation of the OECD global agreement on re-allocation of taxing rights*
- *Legislative proposal on the implementation of the OECD global agreement on minimum effective taxation*

## **A Stronger Europe in the World**

- *Global Gateway Initiative on connectivity*
- *Amendment of the Blocking Statute Regulation*
- *Strategy on International energy engagement*
- *Joint Communication in international ocean governance*
- *Joint Communication on a partnership with the Gulf*

## **Promoting our European Way of Life**

- *European Care Strategy*
- *Legislative proposal on the obligation of carriers to communicate advance passenger data*
- *Legislative proposal on a framework for reciprocal access to security-related information for front-line officers between the EU and key third countries to counter shared security threats*
- *Proposal to update the Council Recommendation on cancer screening*

## **A New Push for European Democracy**

- *Media Freedom Act*
- *Legislative initiative on transfer of criminal proceedings*
- *Legislative proposal on the recognition of parenthood between Member States*

**STATE OF  
THE UNION**

**ACHIEVEMENTS**

# EUROPE, BACK TO THE FUTURE

After the pandemic made 2020 one of the toughest years in its history, Europe is now looking towards the future with renewed confidence. The autumn 2020 pandemic hit us with even greater violence than the one in spring 2020. Europe was once again in crisis response mode, fully focused on containing the spread of the virus. The European Union redoubled its efforts. It worked to procure vaccines, to scale up their production, to strengthen international cooperation against the pandemic, and to lead Europe out of the economic crisis with NextGenerationEU.

In the meantime, all of the European Union mobilised to bring to life our recovery plan, NextGenerationEU. Europe is still not out of the woods, but by the end of 2022 all Member States' output should be back to pre-crisis levels. Meanwhile, we have set ambitious targets for the transformation of our economy – to make it greener, more digital and fairer. With these targets and with the investment from NextGenerationEU, we are reshaping our continent for the decades to come. Europe's focus is once again on the future.

Firstly, the Commission's strategy to **procure vaccines** collectively, build a broad portfolio and diversify Europe's vaccine suppliers has proved successful. After a slower-than-expected start due to production bottlenecks, the speed of the EU vaccination campaign picked up quickly. By mid April, 100 million doses of COVID-19 vaccines had been administered to the EU citizens.

By the end of August 2021, 70 % of the EU's adult population were fully vaccinated – fulfilling our promise to reach that goal 'by the end of summer'. Meanwhile, the Commission has negotiated two additional contracts with pharmaceutical companies to secure more COVID-19 vaccines – for our young people, for our international partners, for booster shots and to guard against new variants. The EU is aiming to get ahead of the infection curve, and by doing so we are building our post-pandemic future.

Secondly, the European Commission has stepped up its work to **stop the pandemic on other continents**, acting with EU Member States as Team Europe. In May 2020, the Commission organised two rounds of pledging for a global coronavirus response. The Commission was a lead founder and sponsor of COVAX, the global facility to procure vaccines for low- and middle-income countries, which also ensures a supply of vaccines for the most vulnerable. So far, thanks in part to the EU's funding, COVAX has shipped more than 200 million doses to 138 countries.

In May 2021, President Ursula von der Leyen co-hosted, together with the Italian Prime Minister Draghi, the first **Global Health Summit**, where global leaders signed the Rome Declaration on preparing for and preventing future pandemics.

By the end of August 2021,  
**70 %**  
of Europeans  
over the age of  
18 were fully  
vaccinated.





Making the EU climate neutral by 2050 and cutting CO<sub>2</sub> emissions by

**55 %**

by 2030.

Thirdly, the resources from **NextGenerationEU – our historic recovery plan** – have started flowing into the economy. This has been possible because all of Europe has mobilised towards this goal. At the end of 2020, the European Parliament and the Council agreed on the Commission's proposal to establish NextGenerationEU. We all agreed that NextGenerationEU should do more than leading Europe out of the crisis; it should also reshape Europe's economy, making it greener, more digital, more resilient and more just.

In the following months, the Commission worked with Member States as they prepared their **national recovery and resilience plans**, with investment and reforms for each Member State. Eighteen recovery plans were approved by the summer. In summer 2021, the first funds – borrowed by the Commission on capital markets – started to reach the Member States.

The post-pandemic recovery is a generational opportunity to shape the future of Europe. To make the most of the upcoming investment and reforms, the EU has a clear sense of direction, and clear targets to measure success. Only what gets measured gets done. The Commission devised **three sets of targets for 2030**. The proposal for a **European Climate Law** was adopted in June 2021, setting in stone the goals of making the EU climate neutral by 2050 and cutting CO<sub>2</sub> emissions by at least 55 % by 2030. In March 2021, the Commission presented its vision for **Europe's Digital Decade**, with clear targets on digital infrastructure, skills and the digitisation of businesses and public services. Finally, in May 2021, at the Porto Social Summit, EU leaders endorsed the Commission's proposal for a set of **social targets** to be achieved by 2030. These three sets of targets are the blueprint for a better Europe; a Union we can all be proud of. Europe's eyes are now set on the future.

The Commission has monitored developments inside the European Union on **democracy, the rule of law and fundamental rights** like never before. In less than a year, the Commission prepared two rule-of-law reports, including chapters covering each of the 27 Member States. Since the beginning of its mandate, the Commission has launched around 40 infringement cases linked to the protection of the rule of law and of other Union values laid down in Article 2 of the Treaty on European Union. The rule of law protects people from the rule of the powerful. The European Commission has continued to work with the national authorities to find solutions in order to guarantee people's everyday rights and freedoms.

This brochure describes a year of work and of achievements since the 2020 State of the Union address. It starts with the Commission's commitment to ending the COVID-19 crisis, both on the health side and in relation to relaunching our economies while making them greener, more digital and fairer through NextGenerationEU. It then looks into the Commission's work on climate matters, digitalisation and social issues. The final chapters concern the Commission's global action and the Conference on the Future of Europe.



# 1. LEADING THE WAY OUT OF THE GLOBAL HEALTH CRISIS

## VACCINATIONS TO OVERCOME THE PANDEMIC

Thanks to its **EU vaccines strategy**, the Commission has secured up to 4.6 billion doses of vaccines against COVID-19, more than enough to cover the entire EU population and large parts of the world in need.

The Commission entered into advance purchase agreements with individual vaccine producers on behalf of the Member States. In return for the right to buy a specified number of vaccine doses within a given period and at a given price, the Commission financed part of the upfront costs faced by vaccine producers from the EUR 2.7 billion **Emergency Support Instrument**. By doing so, the Commission contributed to developing safe and effective vaccines in record time, and to speeding up their production.

**Four vaccines against COVID-19** are currently authorised for use in the EU, following positive scientific recommendations by the European Medicines Agency after undergoing some of the most rigorous clinical trials in the world.

The Commission has secured up to **4.6 billion doses of vaccines** against COVID-19.



**639 million**  
doses delivered  
in the EU



**522.4 million**  
doses administered  
in the EU



**70 %**  
of the EU adult  
population  
fully vaccinated

Last updated: 31 August 2021.  
Source: Vaccines producers and ECDC data

The Commission acted to ensure fair and equal access to vaccines for all EU Member States. The first vaccinations against COVID-19 took place during the **EU Vaccination Days** in December 2020, less than 10 months after the World Health Organization's declaration of the pandemic.

The vaccination campaign was slower than some expected in its first months, mainly due to production bottlenecks and one company not delivering in line with its contract. However, the pace of vaccine delivery increased rapidly, allowing the EU to achieve its vaccination targets by the summer. These events clearly showed the strength of the Commission's decision to invest in a broad vaccine portfolio. In addition, the Commission worked with manufacturers to **scale up their production capacities** in Europe.

As new variants of the coronavirus emerged, the Commission mobilised funds for urgent research and continued to conclude advance purchase agreements for **booster shots** and the **adaption of vaccines** to new variants.



## EXTENDING THE RESPONSE TO THE HEALTH CRISIS

The European Commission has redoubled its efforts to cushion the socioeconomic impact of the crisis, adopting 2 179 measures since the beginning of the pandemic.

EU action ensured the availability of safe and effective vaccines. The Commission worked with Member States to enhance their testing and tracing capacities and strategies, and to guarantee a steady flow of goods, solid job retention and high-quality information on the health situation based on a common colour code used by more than 30 European countries.

In the spirit of European solidarity, the **Emergency Support Instrument** made available nearly EUR 100 million for the procurement of personal protective equipment and medicines. It also mobilised EUR 100 million to directly purchase more than 20 million rapid antigen tests to complement national testing strategies.

In March 2021, the Commission proposed to make EUR 530 million available under the **European Solidarity Fund** to support national health emergency measures by 17 Member States and three accession countries. More than EUR 7.6 billion was reallocated for healthcare action under the cohesion policy's **Coronavirus Response Investment Initiative**.

Simultaneously, the Commission provided EUR 2.5 million to train a multidisciplinary pool of healthcare professionals to support and assist intensive care units. The training programme has been implemented across the EU, covering 700 hospitals and 17 000 doctors and nurses.

The Commission set out the key elements of **comprehensive testing strategies** to be considered for national, regional or local testing approaches, such as their scope, priority groups, testing capacities and resources, and indications as to when rapid antigen testing may be appropriate.

The Commission called on Member States to increase genome sequencing and monitor the presence of variants to at least 5 %, and preferably 10 %, of positive test results, and provided EUR 110 million in support through the European Centre for Disease Prevention and Control.

Furthermore, EUR 123 million was mobilised from the EU's research and innovation programme – Horizon Europe – for urgent research into variants. Europe's strategic **rescEU** capacity of emergency medical equipment continued to offer tangible solidarity and to save lives in the face of the coronavirus pandemic. The EU has dispatched more than 6.6 million vital medical items from the rescEU stockpile to Member States (Czechia, France and Croatia) and participating countries (Montenegro, North Macedonia and Serbia) since its creation in 2020. The EU also mobilised six emergency medical teams (one each from Belgium, Denmark and Romania to Slovakia, one from Germany to Papua New Guinea and another to Guinea; and one from Romania to Tunisia).

More than  
**EUR 7.6 billion**  
was reallocated for  
healthcare action  
under the cohesion  
policy's Coronavirus  
Response  
Investment  
Initiative.

To ensure a better response to future challenges, revised legislation on EU civil protection was put in place, which entered into force in May 2021 and gives the EU additional capacities to respond to new risks in Europe and the world, while also boosting the rescEU reserve.

## THE SAFE REOPENING OF EUROPE

The European Commission supported the Member States in upholding safe free movement across borders, in line with the epidemiological situation. It set out a **common colour code** to help apply measures better and to ensure clearer information for travellers. The Commission also introduced common criteria for high-risk areas and established an ‘emergency brake’ mechanism to limit travel from non-EU countries affected by new variants of interest or concern.

As soon as vaccination rates started to pick up and the health situation improved, the Commission outlined a path towards safe and gradual reopening.

**The EU Digital COVID Certificate** is a symbol of an open and safe Europe. It has given travellers the confidence to travel safely inside the EU. It has also made it easier for authorities and airlines to verify the necessary documentation. Figures show that aviation activity has recovered to over 70 % of the pre-crisis level. The digital- or paper-based certificates are free of charge and can be used as proof of vaccination, test or recovery. Each EU Digital COVID Certificate contains a QR code with a digital signature to protect it against falsification. To ensure the trustworthy verification of the certificates across borders, the Commission developed a secure digital infrastructure to connect the national systems, which went live on 1 June. By the end of August, around 400 million certificates had been generated. With the certificate, the EU is also setting a global standard and shows technological leadership: by the end of August, nine non-EU countries had been added to the system: Iceland, Liechtenstein, North Macedonia, Norway, San Marino, Switzerland, Turkey, Ukraine and the Vatican City State, and talks are ongoing with about 20 further countries.

The EU is also gradually reopening to international travel where it is safe to do so. In May 2021, EU Member States agreed to reopen to vaccinated travellers from outside the EU.

**Re-open EU** continued to act as a hub for information on national measures and the health situation to help people navigate the pandemic across 31 countries. Initially introduced as a website, the platform is now also available as an app that includes a travel planner.



The EU Digital COVID Certificate makes it easy for people in the EU to **safely travel** around Europe.







## PREPARING FOR THE FUTURE: LAYING THE GROUND FOR A HEALTHIER EUROPE

Overcoming the pandemic and making people in Europe healthier requires more than just vaccines: it requires safe and effective treatments.

The European **strategy on COVID-19 therapeutics** – proposed by the Commission in May 2021 – will support the development and availability of medicines, including for patients recovering from COVID-19. The Commission has identified five promising COVID-19 therapeutics in view of drawing up a portfolio of 10 by autumn 2021.

The COVID-19 pandemic has put public health into sharp focus. The Commission is laying the building blocks for a strong **European health union**, in which 27 Member States work together to detect health emergencies, prepare for them and respond collectively. The European health union will help equip the EU with the means to better prevent and address future pandemics, to improve the resilience of health systems and to shore up prevention, treatment and aftercare for diseases such as cancer.

The first pillar of the European health union is crisis preparedness and response. The Commission has proposed to strengthen the European Centre for Disease Prevention and Control and the European Medicines Agency. This will provide greater support to Member States, with stronger surveillance, scientific analysis and guidance before and during a crisis.

The Commission is also working to create the **European Health Emergency Preparedness and Response Authority** (HERA). The best way to master future pandemics is to address them before they even begin, which will be HERA's mission. HERA will provide a permanent structure for risk modelling, global health surveillance, flexible manufacturing capacities, vaccine development and medical research.

In the short term, the European Commission is operating a new biodefence preparedness plan called the **HERA incubator**, which brings together researchers, biotech companies, manufacturers, regulators and public authorities to rapidly detect and characterise new variants, adapt vaccines as necessary and scale up existing production capacities. A dedicated expert group on variants is assessing new threats from variants and recommend action to keep us one step ahead of the curve. **Vaccelerate** – the first EU-wide network for COVID-19 vaccine trials launched as part of the HERA incubator – is the pan-European backbone to accelerate vaccine trials and connect all vaccine development stakeholders for designing and conducting clinical trials.

The second pillar of the European health union is **Europe's beating cancer plan**, presented in February 2021. With new technologies, research and innovation as its starting point, the plan sets out a new EU approach to cancer prevention, treatment and care, with EUR 4 billion earmarked for investment.

The third pillar, the **pharmaceutical strategy for Europe**, which was adopted by the Commission on 25 November 2020, will ensure that patients have access to innovative and affordable medicines and will support the competitiveness, innovative capacity and sustainability of the EU's pharmaceutical industry. The strategy will also contribute to building Europe's strategic autonomy, notably by addressing medicine shortages and the vulnerabilities in the supply chain exposed by the pandemic.

In the same spirit, the new **EU4health programme** is the EU's ambitious response to the call for support from hospitals and medical services. EU4health will go beyond crisis response and fortify national healthcare systems with more than EUR 5.3 billion worth of investment to build stronger and more resilient national healthcare systems. Up to EUR 311 million will be spent in 2021.



Improve and foster health in the Union



Protect people in the Union from serious cross-border threats to health



Improve medicinal products, medical devices and crisis-relevant products



Strengthen health systems

The new **EU4health programme** is the EU's ambitious response to the call for support from hospitals and medical services.

The EU has been instrumental in mobilising pledges by setting up the **ACT-Accelerator** and its vaccines pillar, **COVAX**.

## THE EU LEADING GLOBAL SOLIDARITY: HELPING THE WORLD OVERCOME THE PANDEMIC

Europe will not be safe until the rest of the world is. A global vaccination campaign is crucial in order to bring the pandemic under control and prevent the emergence of new variants. To ensure the global delivery of vaccines, the EU has been instrumental in mobilising pledges and setting up the **Access to COVID-19 Tools Accelerator (ACT-A)** and its vaccines pillar, **COVAX**. With 191 countries participating so far, COVAX is the primary means for the global sharing of vaccines.

ACT-A helped identify a life-saving therapy against COVID-19. Thanks to ACT-A, COVID-19 tests are now available in low-income countries for less than USD 2.50. By the end of the year, the COVAX facility should have delivered 1.8 billion doses of vaccines to 92 low- and middle-income countries – at an affordable price or for free. This is possible thanks to the substantial contribution by **Team Europe** (i.e. the EU and its Member States, along with European financial institutions). Team Europe is one of the biggest contributors to COVAX, with close to EUR 3 billion in grants and bank guarantees provided thus far.

To complement the enormous efforts on the part of COVAX, the European Commission established an **EU Vaccine Sharing Mechanism** to support EU Member States in facilitating bilateral donations to third countries.



## The Global Health Summit

in Rome marked the beginning of a new and bold chapter in global health policy.

The **Union Civil Protection Mechanism** provides operational support, with more than 5 million vaccine doses and over 180 million items of medical equipment having been donated since the start of the pandemic, ranging from personal protective equipment (masks, goggles, garments) to medical items (hand sanitizer, gloves, aprons, isolation jackets, needles and syringes), COVID-19 tests, oxygen concentrators and ventilators used to treat COVID-19 patients.

The EU is the global leader in vaccine exports, providing transparency and accountability. The Commission set up a **Vaccine Export Authorisation Mechanism**, which requires companies to notify Member State authorities of their intention to export vaccines produced in the EU. Since December 2020, the EU has exported around 700 million doses of vaccines in total to more than 130 countries (around 600 million doses under the export authorisation mechanism), including exports to low- and middle-income countries on the COVAX list. Having exported roughly as many vaccines as it has distributed to its citizens, the EU is acting as the pharmacy of the world.

In her 2020 State of the Union address, President von der Leyen announced that the European Commission would co-host, together with Italy, the first **Global Health Summit**. The event, held in Rome on 21 May 2021, marked the beginning of a new and bold chapter in global health policy. It brought together world leaders committed to global cooperation on public health. The summit adopted the **Rome Declaration**, setting out common principles to overcome COVID-19 and to prevent and prepare for future pandemics. These principles include rejecting export bans, keeping global supply chains open and working to extend vaccine production capacity everywhere, especially in the developing world. The summit shows the EU's convening power and its leadership in shaping the architecture of global health security.

At the Global Health Summit, President von der Leyen also announced a Team Europe initiative on manufacturing and access to vaccines, medicines and health technologies in **Africa**, with a contribution of EUR 1 billion from the EU budget and European development finance institutions such as the European Investment Bank. The initiative will help create an enabling environment for local vaccine manufacturing in Africa and will tackle barriers on both the supply and the demand sides, providing, among other aims, support to implement the Africa strategy from March 2020. Other regions could be associated with the Team Europe initiative in future.

Team Europe has already mobilised EUR 46 billion in support of over 130 partner countries around the world to address humanitarian needs, strengthen health, water and sanitation systems and mitigate the socioeconomic consequences of the pandemic.

Team Europe has already mobilised support for over

# 130 countries

around the world.



## 2. THE HISTORIC PROMISE OF NEXTGENERATIONEU

The European economy is bouncing back strongly, blazing the trail for **the EU's recovery** and the twin green and digital transitions. The emergency measures put in place by the EU have paid off. The **summer 2021 economic forecast** projects that the EU economy is expected to expand by 4.8 % in 2021 and by 4.5 % in 2022. While the speed of the recovery may vary across the EU, all Member States are projected to at least reach their pre-crisis economic level by the end of 2022.

This is the result of the policy decisions taken since the very early days of the pandemic. It has been made possible by the **fast vaccine roll-out** and by the unprecedented **economic stimulus measures** put together at the EU and national levels. The Commission took immediate action to cushion the economic impact of the pandemic – both by authorising strong action by Member States and through emergency economic measures such as the first EU initiative to finance short-time work (SURE).

Meanwhile, work began on our long-term recovery. The Commission laid out its plans for a EUR 2 trillion recovery package as early as spring 2020, and the proposal was approved by the European Parliament and the Council in December 2020. It was then up to the Member States to draw up their national **recovery and resilience plans**, which the Commission approved by summer 2021. The whole of the European Union mobilised to deliver the largest recovery plan for Europe since the times of the Marshall Plan. This is history in the making, because with NextGenerationEU we are reshaping our continent for decades ahead.

### EMERGENCY ECONOMIC MEASURES LAYING THE GROUNDWORK FOR A SUSTAINABLE RECOVERY

The EU has spared no effort to cushion the economic impact of the global health crisis. The **first-ever activation of the general escape clause of the Stability and Growth Pact** has continued to apply throughout 2021, allowing strong economic action by Member States. The clause will continue to apply in 2022. Existing EU funds have been reoriented and new funds made available in all Member States and regions.

The Commission also swiftly adopted a temporary framework enabling Member States to use the full flexibility of **EU State aid rules** to provide necessary support to the economy during the crisis, while preserving the level playing field. In total, since March 2020, the Commission has taken more than 629 decisions approving more than EUR 3.08 trillion in COVID-19-related aid across the EU.

EU economy is expected to expand by

**4.8 %**  
in 2021 and by  
**4.5 %**  
in 2022.



In 2020 alone, SURE helped keep between **25 and 30 million** people in the EU in employment.

On 21 October 2020, the European Commission issued its first social bonds to finance the temporary **support to mitigate unemployment risks in an emergency** (SURE) scheme. The Commission has since transferred the funds that were raised to the beneficiary Member States in the form of loans. To date, SURE has provided EUR 90 billion to 19 Member States to support national short-time work schemes. In 2020 alone, SURE helped keep between 25 and 30 million people in the EU in employment.



Between 1.5 million and 2.5 million firms have benefited from SURE, allowing them to retain workers.



Member States have saved an estimated EUR 5.8 billion in interest payments by using SURE, compared to if they had issued sovereign debt themselves.



The Commission raised EUR 53.5 billion in the first four issuances of bonds, which were on average more than 10 times oversubscribed.

## SURE: **€94.3** billion

 <b>€8.2 billion</b> Belgium	 <b>€21.3 billion</b> Spain	 <b>€957 million</b> Lithuania	 <b>€5.9 billion</b> Portugal
 <b>€511 million</b> Bulgaria	 <b>€1 billion</b> Croatia	 <b>€504 million</b> Hungary	 <b>€4.1 billion</b> Romania
 <b>€2 billion</b> Czechia	 <b>€27.4 billion</b> Italy	 <b>€420 million</b> Malta	 <b>€1.1 billion</b> Slovenia
 <b>€2.5 billion</b> Ireland	 <b>€603 million</b> Cyprus	 <b>€11.2 billion</b> Poland	 <b>€630 million</b> Slovakia
 <b>€5.3 billion</b> Greece	 <b>€305 million</b> Latvia	 <b>€230 million</b> Estonia	

The amounts are rounded.

**Cohesion policy funding** has continued to play a central role in supporting Member States to address emergency needs in the healthcare, business and employment sectors thanks to the **Coronavirus Response Investment Initiatives**.



**EUR 7.6 billion**

→ to **help hospitals** secure medical devices, personal protective equipment, ventilators and testing.



**EUR 11.2 billion**

→ to **support businesses** in all sectors of the economy, including those hardest hit such as culture, tourism and food service.



**EUR 4.1 billion**

→ to **provide direct support to people**, including workers, by implementing and supporting employment-retention schemes.

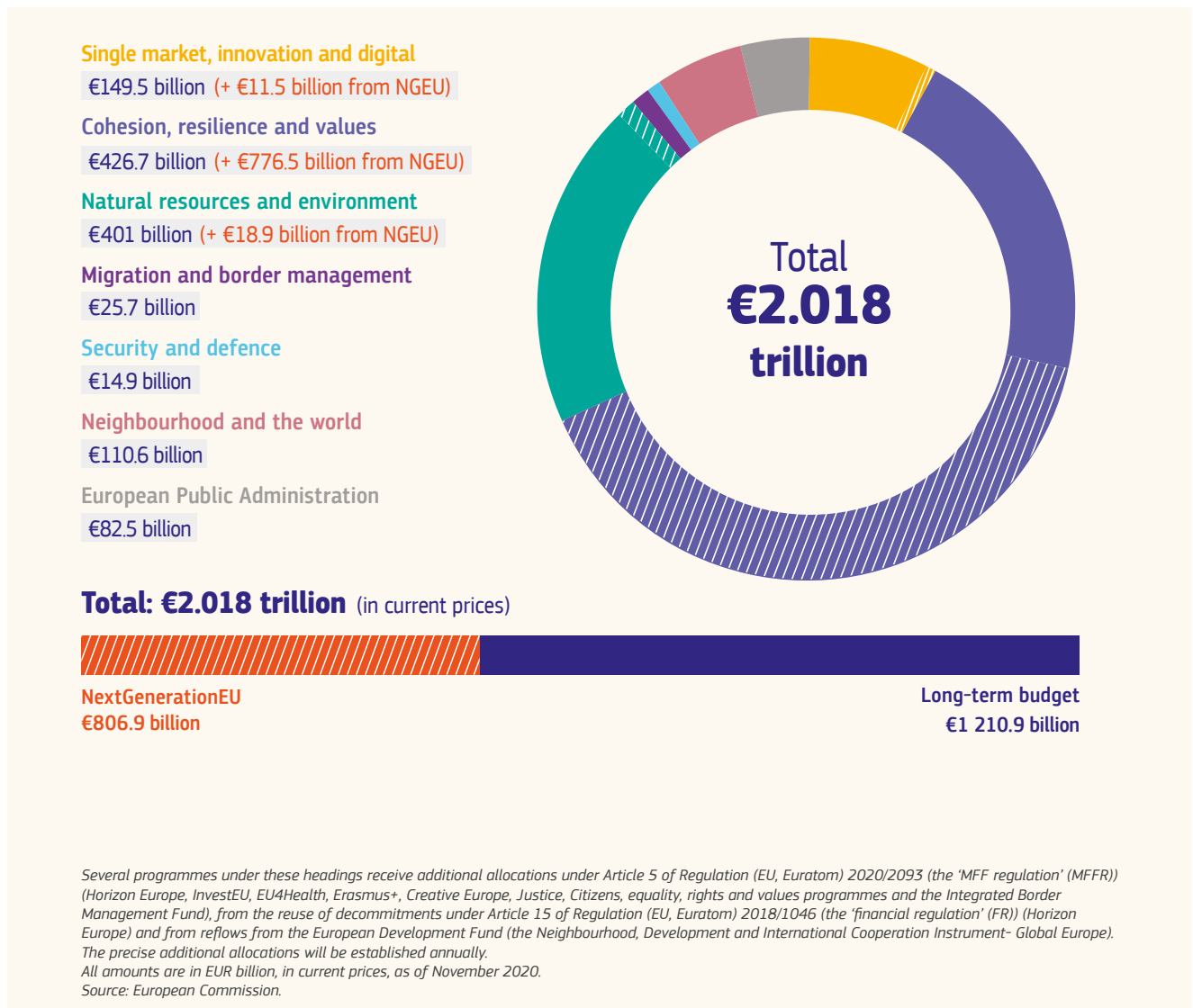
Emergency measures under cohesion policy's Coronavirus Response Investment Initiatives were continued and extended under a new instrument financed by NextGenerationEU: Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU). This instrument provides emergency support to the health sector, businesses and workers and promotes digital and green investment that contributes to the economic recovery.

## EMERGING STRONGER FROM THE PANDEMIC

At the end of 2020, the EU reached a truly historic agreement on the largest package ever financed through the EU budget, worth EUR 2.018 trillion (in current prices). It consists of the **EU's long-term budget** for 2021 to 2027, of EUR 1.211 trillion, topped up by EUR 806.9 billion (in current prices) through **NextGenerationEU**, a temporary instrument intended to power the recovery.

**NextGenerationEU is more than a recovery plan.** It is a once-in-a-lifetime chance to transform our economies and to create opportunities and jobs for a Europe fit for the future. Its centrepiece is the **Recovery and Resilience Facility**, consisting of EUR 723.8 billion (in current prices) in grants and loans to support reforms and investments undertaken by EU Member States.

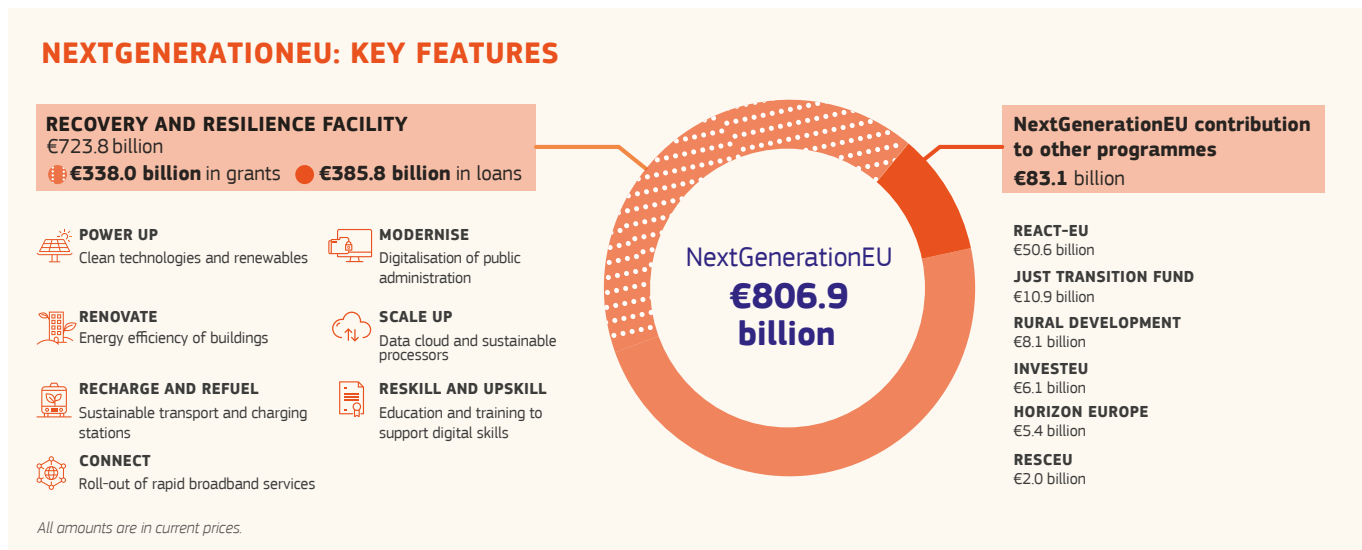
To benefit from the support of the facility, 25 Member States have already submitted their **recovery and resilience plans** to the European Commission. The plans set out a coherent package of reforms and public investment projects that contribute to Europe's green and digital transitions and make our continent fitter and fairer for the future. Given the magnitude of the high-quality investments and the importance of implementing the reforms that are being promoted, the Commission provided dedicated assistance to Member States in preparing their recovery and resilience plans under the Technical Support Instrument.










By end August, the Commission has assessed and approved 18 of the national recovery and resilience plans that have been submitted. Its analysis considered whether the investments and reforms set out in the plans support the green and digital transitions; whether they contribute to effectively addressing the challenges identified in the European semester; and whether they strengthen every Member State's growth potential, job creation, territorial cohesion and economic, social and institutional resilience as a prerequisite for a balanced recovery.

The first disbursements, worth more than EUR 48 billion, have already reached Belgium, Germany, Greece, Spain, France, Italy, Lithuania, Luxembourg and Portugal, as of 26 August.





The national plans should devote a minimum of 37 % of their total allocation to measures that support climate objectives, and a minimum of 20 % to measures that support the digital transition. The Commission proposed **seven flagship areas** for projects in the green and digital fields, to help coordinate measures in the national plans.

-  **Power up.** Frontloading future-proof clean technologies and accelerating the development and use of renewables.
-  **Renovate.** Improving the energy efficiency of public and private buildings.
-  **Recharge and refuel.** Promoting future-proof clean technologies to accelerate the use of sustainable, accessible and smart transport, charging and refuelling stations and extend public transport.
-  **Connect.** The fast roll-out of rapid broadband services to all regions and households, including fibre and 5G networks.
-  **Modernise.** Digitalising public administration and services, including judicial and healthcare systems.
-  **Scale up.** Increasing European industrial data cloud capacities and developing the most powerful, cutting edge and sustainable processors.
-  **Reskill and upskill.** Adapting education systems to support digital skills and educational and vocational training for all ages.

All plans coupled investments with reforms to address country-specific recommendations identified in the European semester, for instance on labour markets, education, culture, healthcare, justice and the long-term sustainability of public finances. For instance, **Czechia** will introduce extensive e-government measures, a reform of the procedures for granting construction permits and anti-corruption measures, while **Germany's** plan provides for measures to tackle investment bottlenecks and reduce administrative burdens. **Spain** will enhance the business climate, with action planned in relation to better regulation, reducing late payments and reforming the insolvency framework and public procurement. **France** will improve the sustainability of public finances and support businesses in accessing finance. **Italy** will speed up its justice system and cut red tape for businesses. **Lithuania** will reform benefits and pensions to strengthen its social safety net. **Austria** will reform its tax system to reduce CO<sub>2</sub> emissions through incentives for climate-friendly technologies. These are all reforms that Europeans had been requesting for years, and that are now turning into reality thanks to NextGenerationEU.

In June 2021, the Commission raised EUR 20 billion in its **first NextGenerationEU transaction**.

Each recovery and resilience plan will have to include a minimum of



**37 %** of expenditure for **CLIMATE** investments and reforms

**20 %** of expenditure to foster **DIGITAL** transition

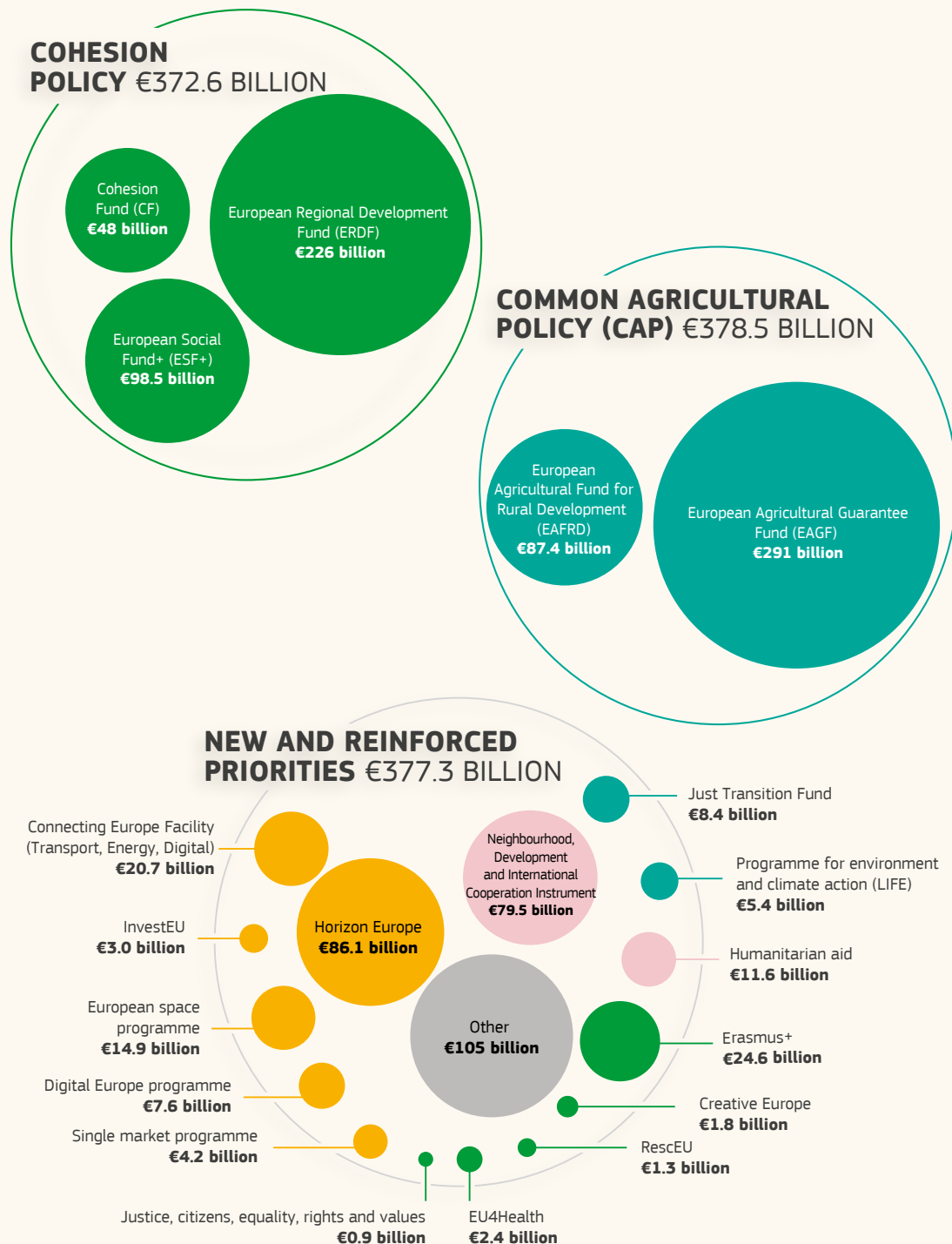
## FINANCING THE RECOVERY

To finance NextGenerationEU, the Commission – on behalf of the EU – is borrowing resources on the capital markets. On 15 June 2021, the Commission raised EUR 20 billion in its **first NextGenerationEU transaction**, via a 10-year bond. It was the largest-ever institutional bond issuance in Europe, the largest-ever institutional single-tranche transaction and the largest amount the EU has raised in a single transaction. Including other transactions that followed in June and July, the Commission has so far raised EUR 45 billion through long-term bonds and has secured additional funding through other means thanks to its diversified borrowing strategy for NextGenerationEU.

These operations are possible because all of the Member States had ratified – in record time, by the end of May 2021 – the own resources decision, which establishes how the EU budget is financed. The own resources decision has also introduced **a new source of financing** for the EU budget. The plastics own resource, a contribution based on non-recycled plastic packaging waste, has been introduced retroactively as a new revenue source for the 2021-2027 EU budget from January 2021. Alongside the stream of fiscal income, it will bring additional benefits by stepping up climate action. In the coming years the European Parliament, the Council and the Commission will work together to introduce new own resources for the EU budget to tackle policy objectives such as climate change and the digital transition while raising funds for the European recovery. As a first step, the Commission intends to present an own resources package in the second half of 2021. This package will also include a financing solution and necessary budgetary mechanisms for the creation of a Social Climate Fund to help alleviate the short-term social consequences of the climate transition.



## 2021–2027 Multiannual Financial Framework



Funded under the Multiannual Financial Framework only. Some policies such as cohesion, and programmes such as the European Agricultural Fund for Rural Development (EAFRD), the Just Transition Fund, InvestEU, rescEU and Horizon Europe – receive top-up allocations under NextGenerationEU. ESF+ is allocated additional EUR 0.8 billion for employment and social innovation, outside the cohesion policy. Several programmes receive additional top-up allocations under MFFR Article 5, from the reuse of decommitments under FR Article 15 and from potential reflows from the European Development Fund. The precise additional allocations will be established annually. All amounts are in EUR billion, in current prices, as of November 2020.

Source: Infographic originally designed by the Council of the European Union.



### 3. MAKING EUROPE GREENER, MORE DIGITAL AND MORE SOCIALLY JUST

#### THE EUROPEAN GREEN DEAL

Our own health depends on that of our planet. Only a healthy planet can support the long-term well-being of EU citizens. At the same time, the green transition offers tremendous economic opportunities, and can drive Europe's recovery. Throughout the pandemic, the European Commission stepped up its work to turn the **European Green Deal** into reality. Next to NextGenerationEU, the Commission put forward legislation that will enable our people and our economy to continue to prosper while learning to live within planetary boundaries.

In June 2021, the European Parliament and the Council adopted the **European Climate Law**, a key milestone in the implementation of the European Green Deal. It enshrines in legislation the EU's commitment to reaching climate neutrality by 2050 and the intermediate target of reducing net greenhouse gas emissions by at least 55 % by 2030, compared to 1990 levels.

To deliver on these ambitious targets, the Commission presented the **European Green Deal package** on 14 July 2021. In the package – which was first announced by President von der Leyen in her 2020 State of the Union address – the Commission put forward 12 different proposals.

**European Climate Law** enshrines in legislation the EU's commitment to reach climate neutrality by 2050.



Strengthened **EU emissions trading**, apply emissions trading to road transport, buildings and the maritime sector, with a Social Climate Fund to make the transition fair by assisting vulnerable EU households with their energy bills, with purchasing electric vehicles or with renovating their homes.



Higher national targets under the **effort-sharing regulation** setting up binding annual greenhouse gas emission targets for each Member State, based on the principles of fairness, cost-effectiveness and environmental integrity.



**Increased energy efficiency** and an increased share of **renewable energy** sources in the EU's energy systems.



Stronger incentives to **restore and grow natural carbon sinks** from the land-use sector under a revised land-use, land-use-change and forestry regulation.



Revised, more stringent **CO<sub>2</sub> emission standards for cars and vans**, to ensure a clear pathway towards zero-emission mobility in 2050, along with sufficient and appropriate alternative fuels infrastructure.



Proposals to boost the **uptake of alternative fuels in the aviation and maritime sectors**, to bring down related CO<sub>2</sub> emissions.



A Carbon Border Adjustment Mechanism **to prevent carbon leakage** and foster climate ambition in non-EU countries, while abiding by the rules of the World Trade Organization.



Proposals to **align the taxation** of energy products and electricity with our increased climate ambitions.

This is just the latest step in a year of many European Green Deal initiatives.

Shortly after last year's State of the Union address, on 14 October 2020, the Commission presented the proposal on the **renovation wave strategy**, aimed at boosting the renovation of both public and private buildings to make them more energy efficient. The renovation wave aims to double annual energy renovation rates over the next 10 years, enhancing the quality of life for people, reducing Europe's greenhouse emissions and creating up to 160 000 additional green jobs in the construction sector. With nearly 34 million Europeans unable to afford to heat their homes properly, renovation will also improve the health and well-being of vulnerable people while reducing their energy bills.

To ensure a socially just and balanced transition away from fossil fuels and highly polluting industries, funding under the **Just Transition Mechanism**, including the Just Transition Fund and the Public Sector Loan Facility, became available to Member States in 2021, in particular to promote the diversification of jobs and businesses in the most impacted regions.

On 18 November 2020, the Commission presented its comprehensive approach to deliver on the **United Nations sustainable development goals**. The following day, it presented the **EU strategy on offshore renewable energy**, which aims at stimulating an increase in offshore energy production.

On 9 December 2020, the Commission adopted its **sustainable and smart mobility strategy**, together with an action plan consisting of 82 initiatives, setting out a clear path towards achieving a 90 % reduction in transport-related greenhouse gas emissions by 2050.

The zero-pollution action plan sets out key targets for 2030:

to improve  
air and water  
quality by

55 % and  
50 %  
respectively.

The Commission also adopted a new **EU strategy for climate change adaptation** on 23 February 2021, showing how the EU can become climate resilient by 2050. In May, the Commission lived up to its promise for a **zero-pollution action plan** and proposed a new approach for a **sustainable blue economy**, aimed at providing more coherence and synergies for industries operating around the oceans, seas and coastlines. The zero-pollution action plan sets out key targets for 2030: to improve air and water quality by 55 % and 50 % respectively.

Investors need clear rules to reorient investment towards more sustainable technologies and businesses, and to support the European Green Deal's objectives. For this reason, in April 2021, the Commission proposed technical criteria to classify sustainable economic activities through the **EU taxonomy Climate Delegated Act**, covering sectors responsible for 80 % of direct greenhouse gases in the EU. The Commission also proposed a **corporate sustainability reporting directive** that would require all large companies to disclose their climate and sustainability record. In July 2021, it adopted a **strategy for financing the transition to a sustainable economy**, which clarifies how all sectors of the real economy can transition towards sustainability, how the financial sector should contribute to this transition, how to make sustainable finance more inclusive and how to assert the EU's global leadership in this area. The Commission also adopted a proposal in July 2021 for a regulation setting a standard for **European green bonds**.

With the **methane strategy**, the European Commission presented a clear roadmap towards reducing methane emissions in the EU. The **chemicals strategy for sustainability** aims at boosting innovation for safe and sustainable chemicals and increasing the protection of human health and the environment. The Commission also proposed a new regulatory framework on **batteries** to make them more sustainable throughout their life cycle.

The newly reformed **common agricultural policy**, on which a provisional agreement was reached in June 2021 should enable European farming to become greener, fairer and more flexible. It goes hand in hand with the **action plan for organic production** of March 2021, which aims at bringing 25 % of agricultural land under organic farming by 2030. On 16 July, the Commission adopted a new **forest strategy** to ensure healthy and resilient forests that contribute significantly to reversing the loss of biodiversity and achieving climate neutrality.

This is the most ambitious overhaul of EU legislation aimed at preparing the European economy for a climate-neutral future and tackling climate change, biodiversity loss and resource scarcity. Together with the massive resources coming from NextGenerationEU, this is a giant step for our continent towards the **2050 goal of climate neutrality**.

- The European Green Deal is not just an ambitious environmental or economic initiative – it is also a new cultural project. The **New European Bauhaus** – an initiative announced by President von der Leyen in her 2020 State of the Union address – established a co-creation space where architects, artists, students, engineers and designers work together to match sustainability with style and social inclusion. The **New European Bauhaus** initiated a movement around the transformation of the built environment and the development of a greener and fairer lifestyle, and thousands of contributions and events all over Europe paved the way for the next steps of the initiative.







The **Horizon Europe programme** will also be instrumental in achieving the targets of the Green Deal, as it will contribute at least 35 % of its overall budget to climate objectives, including via long-term partnerships with industry in key areas such as clean hydrogen, aviation and batteries.

- The EU deployed EUR 1 billion in the world's first Green Deal call for research and innovation to advance technology, improve our knowledge with respect to climate action and sustainability issues and strengthen the engagement of citizens with the objectives of the European Green Deal. There was an overwhelming response from the research community, in both the public and the private sectors worth over **EUR 8 billion**.

- There is also a new action to support, promote and showcase 100 European cities in their systemic transformation towards climate neutrality by 2030, and to make these cities into experimentation and innovation hubs for all cities.

Sustainability requires a profound transformation of our mindset and the direct engagement of citizens. Every citizen can play a role in the green transition. That is why the Commission launched the **European Climate Pact** in December, as part of the Green Deal. The pact brings together people from all walks of life and enables them to inspire and learn from each other while acting as volunteer Climate Pact ambassadors. Over 501 ambassadors from all Member States are already part of the network.

## REALISING EUROPE'S DIGITAL DECADE

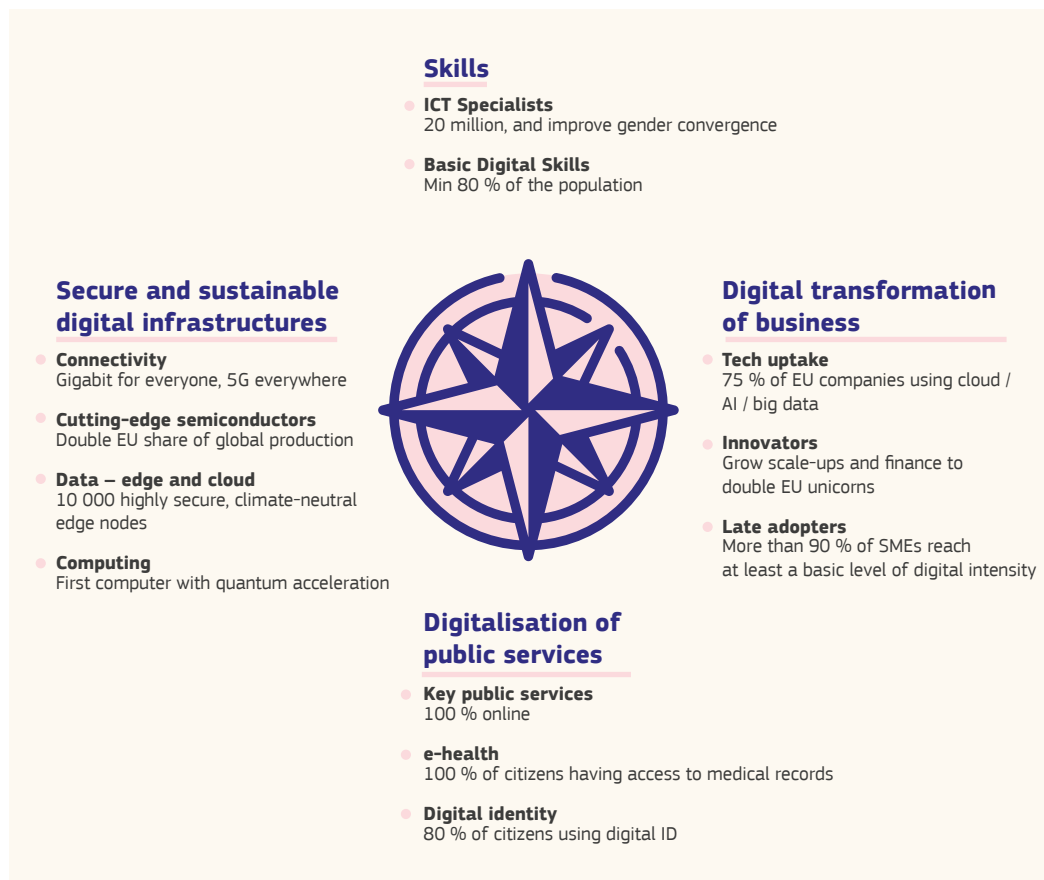
The coronavirus pandemic has proved the essential benefits of digitalisation. Europe's world-class digital infrastructure has brought major advantages throughout the pandemic, from being able to connect to friends and family to working from home and enjoying online shopping. However, the pandemic also showed the need to further accelerate the digital transformation of Europe.

On 9 March 2021, the Commission presented a new vision for Europe's digital transformation by 2030. **Europe's Digital Decade** rests on four cardinal pillars, as detailed in the following graphic.



The EU deployed **EUR 1 billion** in the world's first Green Deal call for research and innovation.





These four areas constitute **Europe's digital compass** – a guide that will translate the EU's digital ambitions for 2030 into concrete results through key milestones, a robust joint governance structure and possible multi-country projects combining investments from the EU, Member States and the private sector. To empower and protect every EU citizen, the Commission will propose to include a set of digital principles and rights in a **solemn interinstitutional declaration**.

To underpin the digital transition, the Commission has tabled a number of key legislative proposals since last year's State of the Union address. Firstly, on 15 December 2020, it proposed an ambitious reform of the digital space through the **Digital Services Act** and the **Digital Markets Act**. The goal of the Digital Services Act is for the values we cherish in the offline world to also be respected online. At its most basic level, this means that what is illegal offline should be illegal online too. The Digital Services Act also clarifies that the largest social media platforms must have greater responsibility than a simple website or a local marketplace. The Digital Markets Act regulates the activities of large digital platforms to ensure that the European digital single market remains open and contestable.

Taken together, these two pieces of legislation create a modern rulebook for the single market, with European values at its heart. They will foster innovation, growth and competition, and will provide users with new, better and more-reliable online services.

Just some weeks earlier, on 25 November, the Commission had presented the **Data Governance Act**, to facilitate data sharing across the EU and between sectors and to support European data spaces; the new **directive on security of network and information systems**, to increase the cyber resilience of critical public and private sectors such as hospitals, energy grids, railways, data centres, public administrations, research labs and facilities that manufacture critical medical devices and medicines; the first-ever legal framework on **artificial intelligence**, to guarantee the safety and fundamental rights of people and businesses while strengthening artificial-intelligence uptake, investment and innovation across the EU; and a proposal for a **European digital identity** that will be available to all EU citizens, residents and businesses to prove their identity, share electronic documents and access online services.

Furthermore, the Commission launched a sector inquiry on the consumer-related internet of things to identify, early on, potential competition issues in this growing sector. It also continues to vigorously enforce the competition rules, with new investigations opened concerning potential abuses by digital gatekeepers in various markets, such as digital advertising. All these initiatives are at the core of making the Commission's vision of **Europe's Digital Decade** a reality.

To strengthen Europe's technological edge and support its industrial base, the Commission adopted an 11-point **action plan on synergies between civil, defence and space industries** on 22 February 2021.

Digital financial services are modernising the European economy and turning Europe into a global digital player. As such, in September 2020 the Commission proposed a **digital finance package**, for a competitive EU financial sector that gives consumers access to innovative financial products, while ensuring consumer protection and financial stability. It includes a **digital finance strategy** and proposals on **crypto assets** and **digital operational resilience**. Embracing digital finance would unleash European innovation and help develop better financial products for consumers, including for people currently unable to access financial services. It would unlock new ways of channelling funding to EU businesses, in particular small and medium-sized enterprises.

The EU needs a competitive digital financial sector that gives consumers access to innovative financial products, while ensuring consumer protection and financial stability. The European Commission and the European Central Bank, at the technical level, are jointly examining a set of legal, technical and policy questions arising in the context of the possible introduction of a **digital euro**.

## A STRONGER SINGLE MARKET FOR EUROPE'S RECOVERY

To build a stronger single market for Europe's recovery, the European Commission **updated last year's EU's industrial strategy** on 5 May 2021. New measures will greatly benefit small businesses and start-ups through a strengthened single market and reduced supply dependencies. These measures will also help to shape the acceleration of the green and digital transitions.

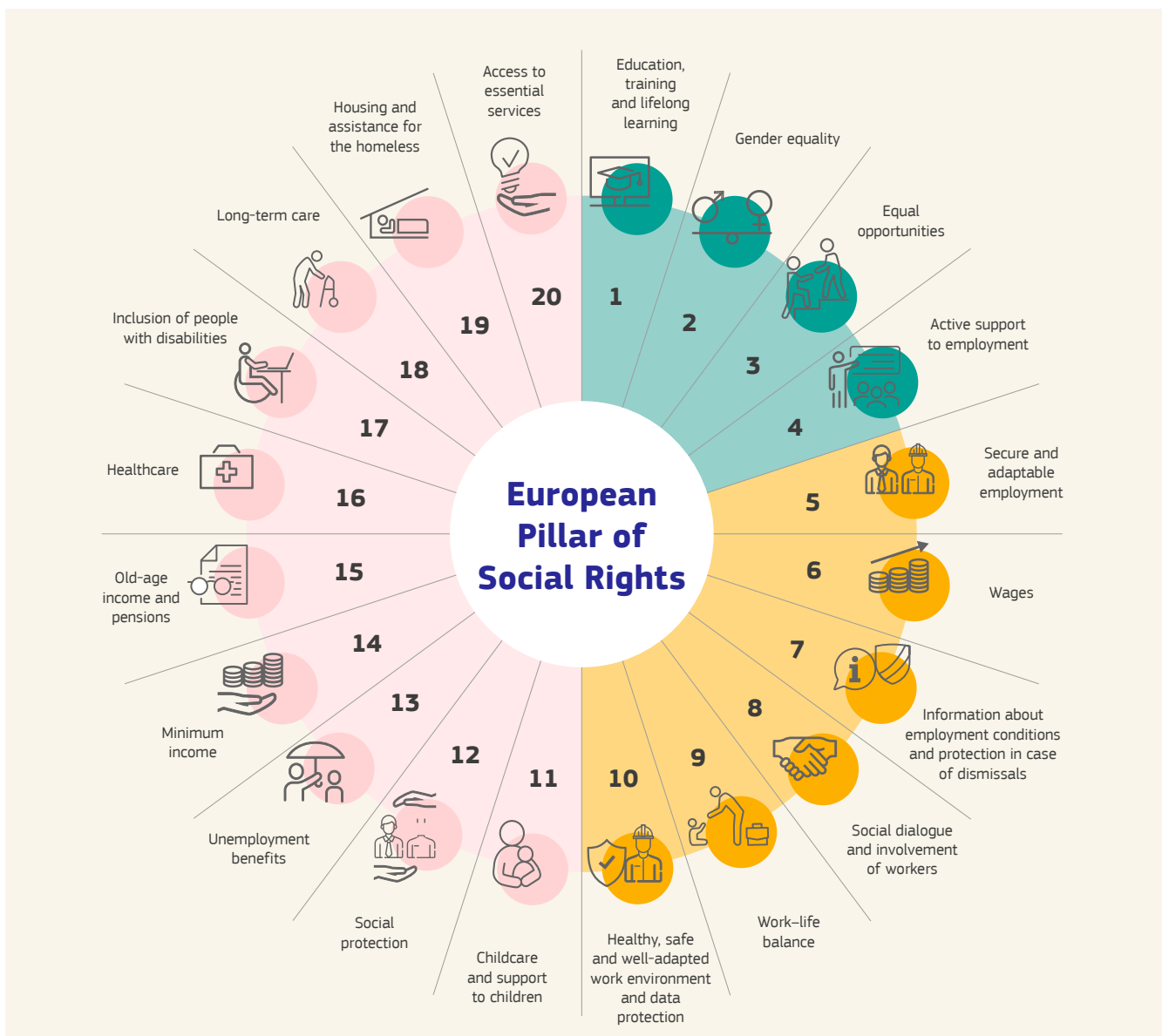
The significant progress made in developing sustainable, innovative and globally competitive value chains has been possible because of an alliance-based approach, namely the European Battery Alliance, the European Raw Materials Alliance and the Hydrogen Alliance.



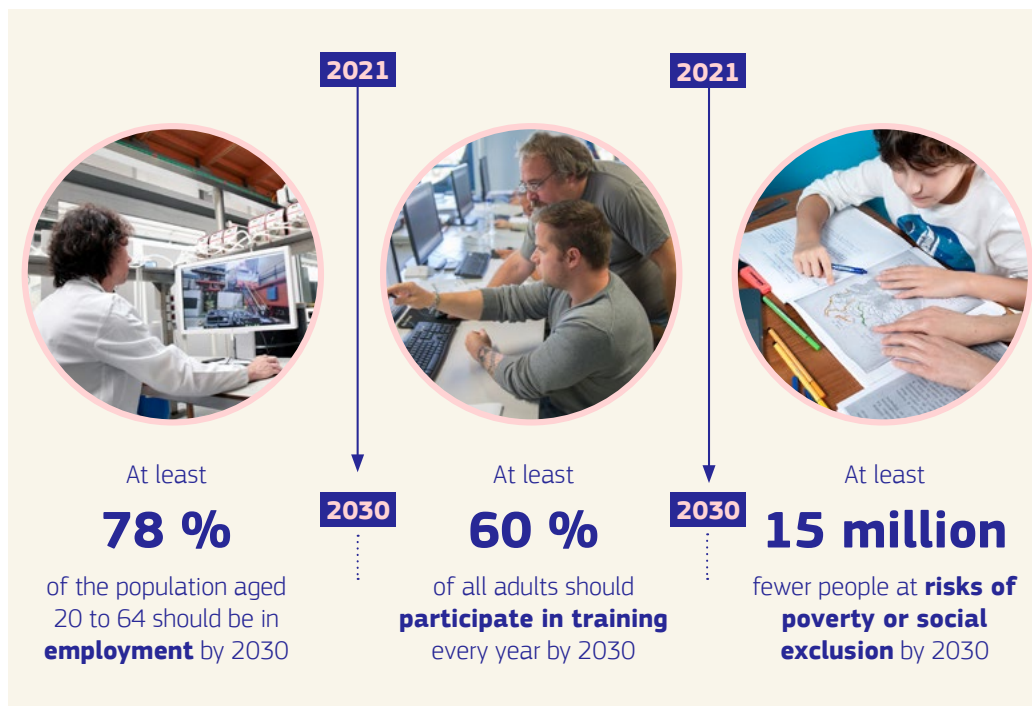
The Commission had presented the **Data Governance Act**, to facilitate data sharing across the EU and between sectors and to support European data spaces.

## BUILDING A STRONG SOCIAL EUROPE

The EU is home to a unique **social-market economy**. The pandemic brought immediate and drastic changes to our jobs, our welfare systems and our social lives. And even before the pandemic, our labour markets and economies were being reshaped by the impacts of climate change, digitalisation and demographic trends. To meet the needs of these long-term transformations, and to tackle the immediate impact of the pandemic, the EU needs a new social rulebook to ensure that, even in a changing world, the social promise of the European Union can remain the same.



The **Porto Social Summit** was a game-changer for social rights in Europe. EU leaders, social partners and civil-society representatives came together on 7 and 8 May 2021 and committed to further implementing the European Pillar of Social Rights, stating that it is time to deliver. In Porto, EU leaders endorsed the Commission's proposal to create a new set of measurable social targets to be achieved by 2030.



The proposal for a directive on **adequate minimum wages** presented in October 2020 puts in place a framework to ensure that people earning the minimum wage are not at risk of poverty and can earn a decent living promoting upward social and economic convergence. This answers principle 6 of the Pillar.

The **Pact for Skills**, launched in November 2020, brings together stakeholders from entire ecosystems to define how they can commit to reskilling and upskilling workers, so they have the right skills for the jobs of today and tomorrow. This answers principle 1 of the Pillar and will help us reach the target of 60 % of adults participating in training every year.

The recommendation on **effective active support to employment** following the COVID-19 crisis, presented in March 2021, provides concrete guidance to Member States on policy measures, backed by EU funding possibilities, to gradually transition from emergency measures taken to preserve jobs in the COVID-19 crisis to new measures needed for a job-rich recovery. It aims to help people move from declining sectors to expanding ones in order to reap the benefits of the green and digital transitions. This answers principle 4 of the Pillar and will help us meet the target of having at least 78 % of adults in employment.

The **European child guarantee**, presented in March 2021, was adopted by the Member States in record time: just 2 months. With 18 million children at risk of poverty or social exclusion before the pandemic, urgent action is needed to break the vicious cycle of disadvantage and ensure equal opportunities. The child guarantee provides free or affordable access to essential services to children in need. This answers principle 11 of the Pillar and will help us meet the target of lifting at least 5 million children out of poverty.

In Europe, life expectancy at birth has increased by

**10**

**years**

over the past five decades.

The updated **occupational safety and health strategic framework**, presented in June 2021, makes sure we are up to date with the latest changes in the world of work. It provides guidance to improve the prevention of accidents and illnesses, both physical and mental. It increases our preparedness for future health crises. This answers principle 10 of the Pillar.

The **European education area** initiative and the new 2021–2027 **digital education action plan** will ensure the inclusiveness and quality of education.

Europe has undergone and continues to face profound demographic change. Yet despite the enormous challenges of the COVID-19 pandemic, we are living healthier and longer lives. In Europe, life expectancy at birth has increased by 10 years for both women and men over the past five decades. This is a remarkable achievement, and demonstrates the strength and value of our social-market economy. Nonetheless, an ageing population has an impact on the way we live, and our social model and policies need to be adapted to the pace of this new reality. This is why the European Commission adopted the **Green Paper on ageing** early this year, and launched a broad public debate on the challenges and opportunities that deal with the long-term impacts of ageing, which affects all generations. The outcome of the public consultation will inform our upcoming policy initiatives, for example on long-term care in 2022.

The future of Europe also depends on rural areas, which are home to almost 30 % of the EU's population (137 million people) and cover 80 % of its territory. They are active players in the EU's green and digital transitions. It has been and continues to be our ambition to significantly improve their quality of life. The **long-term vision for rural areas**, launched in June 2021, sets out the path towards strong, connected, resilient and prosperous rural areas by 2040. A new **Rural Pact** will engage the voices and views of rural communities, while a **rural action plan** will kick-start a new momentum for rural areas and transform the long-term vision into a reality. Our aims are to leave no one and no place behind, and to bring the EU closer to its citizens in order to shape a common future.





## A UNION OF EQUALITY

The European Union is a Union of equality. We are a union of Member States with diverse societies: diversity is part of who we are. We can only be strong when all are included and everyone can thrive. This is what ‘United in diversity’ means.

To achieve this goal, we are putting in place policies and measures that challenge structural discrimination and the stereotypes that are often present in our societies. This aims to create the conditions for everyone to live, thrive and lead regardless of their sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

**A Union of equality** will also ensure that decision-making takes into account the needs of everyone in our societies, and will address intersectional discrimination.

The **EU anti-racism action plan adopted** on 18 September 2020 sets out a number of measures to tackle racism through EU law but also by other means, such as working with Member States, including national law enforcement, media and civil society; harnessing available and future EU tools; and looking into the Commission’s own human resources. Among other goals, the action plan calls for better enforcement of EU law; closer coordination with people with a minority racial or ethnic background, along with fair policing and protection; reinforced action at the national level through national action plans; and increased diversity among EU staff. To these ends, the European Commission appointed the first-ever **EU anti-racism coordinator** in June 2021.

All Roma should have the opportunity to realise their full potential and engage in political, social, economic and cultural life. To achieve these targets, the Commission adopted the new **EU Roma strategic framework for equality, inclusion and participation** in order to speed up progress, with clear benchmarks that need to be met by 2030. The guidance and measures range from developing support systems for Roma victims of discrimination to awareness-raising campaigns in schools, supporting financial literacy, promoting the employment of Roma in public institutions and improving access to quality medical check-ups, screening and family planning.

The European Union has to be at the forefront of efforts to better protect lesbian, gay, bisexual, trans, intersex and queer (LGBTIQ) people’s rights. Therefore, on 11 November 2020 the European Commission adopted the **LGBTIQ equality strategy 2020–2025**, which addresses the inequalities and challenges affecting this community and sets out a number of targeted policies for the next 5 years. This is the first-ever EU strategy on LGBTIQ equality. The **policies** focus on four main pillars: tackling discrimination; ensuring safety; building inclusive societies; and leading the call for LGBTIQ equality around the world.



We can only be strong when **all are included** and everyone can thrive.



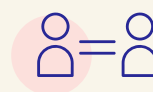
Tackling discrimination against LGBTIQ people



Ensuring LGBTIQ people’s safety



Building LGBTIQ inclusive societies



Leading the call for LGBTIQ equality around the world

In March 2021 the European Commission presented a proposal to ensure that women and men in the EU get **equal pay for equal work**.

**Gender equality** has never been so high on the EU agenda. The goal is a Union where women and men are free to pursue their chosen path in life, have equal opportunities to thrive and can participate equally in and lead our European society. To this end, on 4 March 2021 the European Commission presented a proposal to ensure that women and men in the EU get **equal pay for equal work**. The proposal sets out pay-transparency measures, such as pay information for job seekers, a right to know the pay levels for workers doing the same work and gender-pay-gap reporting obligations for big companies. The proposal also strengthens the tools for workers to claim their rights and facilitates access to justice.

Gender equality is at the heart of the EU's external action too. The **EU gender action plan**, launched on 25 November 2020, outlines a bold new operational agenda to promote equality and ensure that women and girls all around the world are empowered to participate in shaping democracy, justice, peace and security. By 2025, 85 % of the EU's new external policies, across all sectors, will contribute to gender equality and women's empowerment.

On 3 March 2021, the European Commission adopted the **strategy for the rights of persons with disabilities**, paving the way for a barrier-free Europe that will ensure people with disabilities can fully participate in society and in the economy on an equal basis with others in the EU and beyond. The strategy aims to progress on all areas of the United Nations Convention on the Rights of Persons with Disabilities, at both the EU and the Member State level.

To make Europe fit for the next generation of Europeans, the Commission put forward a new comprehensive **EU strategy on the rights of the child** on 24 March 2021.

It is built on the key principle that every child in the European Union and across the world should enjoy the same rights and live free of discrimination. The strategy entails concrete measures across six thematic priorities, including children's participation in democratic and political life; fighting child poverty and all forms of violence against children; strengthening child-friendly justice; supporting and protecting children through the digital transition; and stepping up the EU's work on children's rights in its external action. Both the strategy and the European child guarantee have been informed by extensive consultations with citizens, stakeholders and, most importantly, more than 10 000 children. This is part of a determined effort to place them at the centre of EU policymaking.



## PROTECTING EUROPEAN DEMOCRACIES AND THE RULE OF LAW

In September 2020, the European Commission presented the first annual **rule-of-law report**, which provided an overview of the rule-of-law situation in the EU, along with 27 country-specific chapters. The EU has enlarged its pre-existing toolbox and kick-started an inclusive debate on the rule-of-law culture across the EU.

In July 2021, the Commission published the **second EU-wide report on the rule of law**, which looked at the new developments since last September. The 2021 report deepened the assessment of issues identified in the previous report and took into account the impact of the COVID-19 pandemic. Overall, the report showed many positive developments in the Member States, including where challenges identified in the 2020 report are being addressed. However, concerns remain, and in fact in certain Member States they have increased, for instance when it comes to the independence of the judiciary and the situation in the media. The report also underlined the strong resilience of national systems during the COVID-19 pandemic. The pandemic has also illustrated the importance of the ability to maintain a system of checks and balances, upholding the rule of law.

The report is part of broader EU efforts to promote and defend its founding values. This work includes the European democracy action plan and the renewed strategy for the Implementation of the Charter of Fundamental Rights along with the new conditionality mechanism to protect the EU budget.

Respect for the rule of law is an essential precondition for sound financial management and effective EU funding. For the first time, the EU is equipped with a mechanism to protect its budget, including NextGenerationEU, against breaches of the principle of the rule of law. The **conditionality mechanism** allows the EU to suspend, reduce or restrict access to EU funding in a manner proportionate to the nature, gravity and scope of the breaches. The regulation **applies from 1 January 2021 onwards**, and any breach that occurs from that day is covered.

In December 2020, the European Commission presented the new strategy to strengthen the application of the **Charter of Fundamental Rights in the EU**, confirming a renewed commitment to its full application.

In a healthy and thriving democracy, citizens freely express their views, choose political leaders and determine their future. The **European democracy action plan**, presented in December 2020, set out measures to keep elections in the EU free and fair, to strengthen media freedom and to counter disinformation. With the digital revolution under way, citizens must be able to distinguish facts from fiction, and a free media and civil society must be able to participate in open debate, free from malign interference. The Commission will propose legal action on **political advertising** that will address the sponsors of paid content and production and distribution channels, including online platforms, advertisers and political consultancies, clarifying their respective responsibilities. The Commission will also recommend measures to tackle the **safety of journalists** and present an initiative to protect them from strategic lawsuits against public participation.

The EU is equipped with a mechanism to **protect its budget** against breaches of the principle of the rule of law.



The **European Public Prosecutor's Office** started its operations on 1 June 2021.

On 26 March 2021 the Commission proposed to strengthen the **Code of Practice on Disinformation** – the first of its kind worldwide – by setting out guidance to make the code a more effective tool for countering disinformation and instilling trust in online information.

The Commission has also created the **European Public Prosecutor's Office**, which started its operations on 1 June 2021. This opens a new chapter in the fight against cross-border crime. The first supranational prosecution service will protect the EU taxpayer's money: it will investigate and prosecute crimes like money laundering, corruption and cross-border VAT fraud.

## A SECURITY UNION

The Commission is committed to keeping Europeans safe, both online and offline. Since the adoption of the EU security union strategy in July 2020, the Commission has tabled important new legislative initiatives to **strengthen Europol** and to **protect critical physical and digital infrastructure**. The Commission has also adopted an **EU counter-terrorism agenda** and initiatives to tackle **organised crime**, trafficking in human beings, drugs, child sexual abuse and firearms trafficking, along with a new **EU cybersecurity strategy**. In February 2021, new EU rules restricting access to explosive precursors started to apply throughout the EU, making it harder for terrorists to build homemade explosives. In June, landmark EU rules on addressing the dissemination of terrorist content online entered into force. Online platforms will have to remove terrorist content referred by Member States' authorities within 1 hour. In July 2020, the Commission put forward a new strategy to fight child sexual abuse both offline and online. Based on a proposal by the Commission, interim rules for voluntary measures by online service providers to detect and report child sexual abuse online and to remove child sexual abuse material entered into force in 2021.

In June 2021, the Commission set out a proposal to build a new **Joint Cyber Unit**. The goal of the unit is to tackle the rising number of serious cyber incidents impacting public services, businesses and citizens' lives across the European Union.

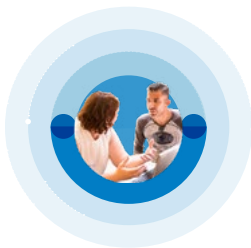
The Joint Cyber Unit will act as a platform to ensure a **coordinated EU response** to large-scale cyber incidents and crises, and to offer assistance in recovering from these attacks. Today, the EU and its Member States have many entities involved in different fields and sectors. While the sectors may be specific, the threats are often common, hence the need for coordination, the sharing of knowledge and even advance warning.

In July 2021 the European Commission presented an ambitious package of legislative proposals to strengthen the EU's **anti-money laundering and countering terrorism financing** rules. The package also includes a proposal for the creation of a new EU authority to fight money laundering. The aims of this package are to improve the detection of suspicious transactions and activities, and to close loopholes used by criminals to launder illicit proceeds or finance terrorist activities through the financial system. The EU anti-money laundering rules are among the toughest in the world. But they now need to be applied consistently and supervised closely, to make sure that they really bite.

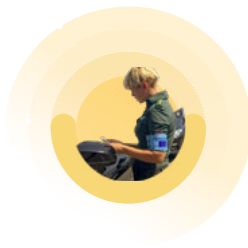


## THE NEW PACT ON MIGRATION AND ASYLUM

On 23 September 2020, the Commission presented the **New Pact on Migration and Asylum**, which offers a fresh start on migration. It combines robust and fair border management with efficient and humane rules on asylum and migration. The Pact is a new approach to responsibility and solidarity, partnerships with non-EU countries and legal pathways. The Pact is already guiding the Commission's action on migration, for example engagement with partner countries. Progress is being made on legislative changes, as the European Parliament and the Council adopted the **Blue Card Directive** and the regulation on the **European Union Agency for Asylum**.



Stronger trust fostered by better and more effective procedures



Well-managed Schengen and external borders



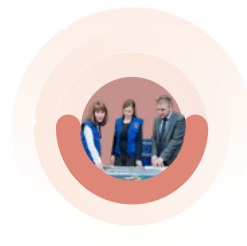
Effective solidarity



Skills and talent



Deepening international partnerships



Flexibility and resilience

To ensure more inclusive integration and further recognition of the important contribution of migrants to European Union societies and economies, in November 2020, the Commission presented the **action plan on integration and inclusion for 2021–2027**. In February 2021, it adopted a communication and a first report on return and readmission cooperation with key non-EU countries. Reflecting the importance of fostering legal mobility, the Commission also organised a high-level launch event for talent partnerships in June 2021.

The **first EU strategy on the voluntary return and reintegration of migrants** was adopted in April 2021. It aims to facilitate voluntary returns from Member States and transit countries; to improve the quality of return and reintegration programmes; and to strengthen links with development initiatives and cooperation with partner countries.





On 2 June 2021, the Commission presented a **new strategy to strengthen the Schengen area** to ensure the effective management of the EU's external borders; increase police and judicial cooperation; improve preparedness and governance; and complete the enlargement of the Schengen area.

In August 2021, **Belarus** incited a flow of irregular migrants towards the Lithuanian border (some 4120 arrivals in 2021 until 10 August, 55 times the figure in 2020 altogether) – an attempt to instrumentalise human lives and human suffering for political reasons. The EU supported Lithuania with a broad set of actions: three EU agencies supported Lithuania on the ground with more than 150 people; the Commission awarded €37.6 million in emergency funding for reception facilities, services and support for some 8000 migrants; 16 Member States and Norway sent humanitarian aid through the EU's Civil Protection Mechanism; the Commission and the High Representative of the European Union for Foreign Affairs and Security Policy reached out to countries of origin, notably Iraq; and the Iraqi Civil Aviation Authority suspended all flights from Iraq to Belarus. An IPCR meeting at ministerial level on 18 August confirmed the EU approach.

Following the developments in **Afghanistan** over the summer of 2021, the Commission outlined a comprehensive approach to address the crisis, which includes supporting people displaced within Afghanistan, supporting countries in the region hosting Afghan nationals with humanitarian and development assistance and increasing resettlement quotas to help vulnerable people while addressing risks of irregular migration, fighting against human smuggling and ensuring the management of the EU's borders. The Commission expressed its readiness to look into the necessary budgetary means to support EU Member States that will step up and help resettle refugees.

## 4. GEOPOLITICS IN A POST-PANDEMIC WORLD

In the early days of the pandemic, many leaders around the world chose a my-country-first approach. This was not the EU's choice. The European Commission has worked incessantly to bring different international players together, building new coalitions and new cooperative initiatives to fight COVID-19 and launch a sustainable global recovery.

Europe has been the pivot of global vaccine cooperation. The Commission was a leading force behind the **ACT-Accelerator** and the **COVAX** facility, the **G7's work** to share vaccines with low- and middle-income countries and the first **Global Health Summit**. On top of this, we worked with other major economies to craft a common approach to the economic crisis, putting our planet's health and the **sustainable development goals** at the heart of the recovery. We have engaged with the United Nations, the United Kingdom, the United States and other international partners to raise the global level of ambition ahead of the COP26 UN Climate Change Conference in Glasgow, and the UN Biodiversity Conference in Kunming, China. Europe has been a major driver of international cooperation.



In 2021, the EU has remained firm on its core values and interests, upholding human rights worldwide. For the first time, the EU used the **Global Human Rights Sanctions Regime** it had adopted in December 2020. Sanctions were issued against individuals and entities from China, Eritrea, Libya, the Democratic People's Republic of Korea, Russia and South Sudan. They are responsible for serious human rights violations and abuses, ranging from torture, extrajudicial executions and killings to enforced disappearance of persons, arbitrary arrests or detentions and the systematic use of forced labour.



## OPENING NEW CHAPTERS WITH OUR CLOSEST PARTNERS

At the close of 2020, the European Union opened a new chapter in its partnership with the United Kingdom. On 24 December 2020, the **EU and the United Kingdom reached a mutually beneficial trade and cooperation agreement**, designed to protect the common interests of both parties and ensure fair competition across the Channel. The agreement entered into force on 1 May 2021. At the same time, the EU will ensure additional financial support under the Brexit Adjustment Reserve for those regions and economic activities that will be most affected by the agreement.

The full implementation of the EU–UK Withdrawal Agreement, including its Protocol on Ireland and Northern Ireland, remains a priority for the EU and a prerequisite for a close and fruitful partnership on the basis of the two agreements.

The end of the year also turned a page for the United States. Shortly after the US elections in November 2020, the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy set out **a new EU–US agenda for global change**, to shape a revitalised transatlantic partnership fit for today's global landscape that spans four interconnected areas: recovering from COVID-19; protecting our planet and prosperity; enhancing our cooperation on technology, trade and standards; and working together towards a safer and more democratic world.

At the **EU–US Summit** on 15 June 2021 – the first in 7 years – EU leaders and US President Joe Biden reaffirmed the mutual transatlantic resolve. The summit demonstrates that the new transatlantic agenda is already delivering: the EU and the United States have established a high-level **EU–US Trade and Technology Council** to serve as a forum to coordinate approaches to key global trade, economic and technology issues, and to deepen transatlantic trade and economic relations based on shared democratic values so as to jointly maximise opportunities for market-driven transatlantic collaboration, strengthen both sides' technological and industrial leadership and expand bilateral trade and investment.

In parallel to the Trade and Technology Council, an EU–US Joint Technology Competition Policy Dialogue will be established that will focus on developing common approaches and strengthening the cooperation on competition policy and enforcement in the technology sector. The EU and the United States also committed to strengthening cooperation to tackle climate change, environmental degradation and the loss of biodiversity, and to promoting green growth, protecting our oceans and urging ambitious action by all other major players.

The EU and the US have established a high-level

**EU–US Trade and Technology Council.**

The Commission outlined for a comprehensive plan of economic support for a future democratic **Belarus**.

## DEALING WITH CHINA AND RUSSIA

The end of 2020 marked the end of intense negotiations with China that resulted in an agreement on an ambitious comprehensive agreement on investment. **China** is an economic competitor, even a systemic rival, but also a cooperation partner for the EU in terms of tackling global environmental challenges and trade with 1.4 billion consumers. The **comprehensive agreement on investment** aims to level the playing field for EU companies and inject sustainability obligations into investment relations with China.

To ensure everyone plays by the same rules in the single market, in May 2021 the Commission put forward a proposal for a regulation to control **distortive subsidies** granted by foreign governments to companies active in the EU. We can no longer accept that companies in the EU that are subject to our State aid rules are put at a disadvantage against those who benefit from uncontrolled support from elsewhere.

Actions by China led to the application – for the first time – of **EU sanctions** against Chinese officials responsible for human rights violations against the Uighur population.

A **high-level environment and climate dialogue** with China has also been established in recognition of China's critical role in and increasing commitment to the global fight against climate change.

In June 2021, the European Commission and the High Representative presented recommendations on how to update the **EU's policy on Russia**. We proposed that the EU simultaneously push back, constrain and engage Russia. Constructive engagement from the Russian leadership is indispensable in order to turn the current unproductive tide in this important relationship. The EU has continued to strenuously oppose human rights violations and to speak up for democratic values. In March 2021, the EU introduced sanctions against four people for their direct link to the arbitrary arrest, prosecution and sentencing of Russian opposition politician Alexei Navalny by the Russian authorities, as well as their crackdown on peaceful protests.

In May 2021, the Commission presented to the Council its outline for a comprehensive plan of economic support for a future democratic **Belarus**, worth up to EUR 3 billion. Since October 2020, the EU has progressively imposed restrictive measures against individuals and entities responsible for the fraudulent nature of the presidential elections of August 2020, and for the intimidation and violent repression of peaceful protesters, opposition members and journalists. A total of 166 people and 15 entities are currently subject to restrictive measures, which comprise an asset freeze applicable to both individuals and entities and a travel ban on individuals.

The EU also responded firmly to the forced landing on 23 May of a Ryanair jet in Minsk by introducing a ban on the overflight of EU airspace and on access to EU airports by Belarusian carriers of all kinds, and by adopting targeted economic sanctions.

## ENGAGING WITH OUR NEIGHBOURS IN THE WESTERN BALKANS AND THE MEDITERRANEAN

In a renewed effort to affirm that the home of the Western Balkans is within the EU, the Commission adopted the annual enlargement package in October 2020, which sets out the reform priorities that candidate countries and potential candidates must address. In parallel, the Commission also adopted an **economic and investment plan for the Western Balkans** backed by up to EUR 9 billion of funding for investment flagships. The plan, together with its accompanying green agenda, aims to spur a long-term recovery backed by the green and digital transitions. On 2 June 2021, a political agreement was reached between the Parliament, the Council and the Commission on the Instrument for Pre-accession Assistance III, paving the way for pre-accession support, including through the implementation of the abovementioned economic and investment plan.

In March 2021, the Commission and the High Representative presented a joint communication to the European Council on the state of play of **EU–Turkey** political, economic and trade relations. Taking a phased, proportionate and reversible approach, the EU is ready to engage with Turkey to enhance cooperation in a number of areas. These are in our common interest and can be pursued in incremental steps, provided that the constructive efforts by Turkey are sustained and reinforced. Recognising the importance of continuing to support Syrian refugees and host communities in Jordan, Lebanon, Turkey and other parts of the region, Commission proposed in June 2021 to continue providing EU funding, including EUR 3 billion up to 2024 to support actions in Turkey. Dialogue on the respect for democracy, the rule of law and women’s rights remains an integral part of the EU-Turkey relationship.

An ambitious and innovative **new agenda for the Mediterranean**, adopted on 9 February 2021, is helping to relaunch and strengthen the strategic partnership between the EU and its Southern Neighbourhood. The new agenda includes a dedicated economic and investment plan to spur a long-term socioeconomic recovery in the Southern Neighbourhood. Under the EU’s new Neighbourhood, Development and International Cooperation Instrument, up to EUR 7 billion will be allocated to its implementation for 2021–2027, which could mobilise up to EUR 30 billion in private and public investment in the region over the next decade.

The **African Union** is a close partner of the EU. Together we are building a more prosperous, peaceful and sustainable future for people on both sides of the Mediterranean. The fight against COVID-19 and the need to address its economic impact make it necessary to double down on developing various partnership priorities with our African partners, to reach a joined-up approach at the summit with the African Union in 2022. Together, the EU and the African Union also aim to successfully implement the United Nations sustainable development goals.







## WORKING WITH LIKE-MINDED DEMOCRACIES WORLDWIDE

On 8 May 2021, at the **EU–India Summit**, the two parties agreed on a connectivity partnership and to resume negotiations on a balanced, ambitious, comprehensive and mutually beneficial trade agreement as well as to start negotiations on a stand-alone Investment Protection Agreement and on a separate agreement on Geographical Indications.

The **EU–Japan Green Alliance** was announced at the summit on 27 May 2021, following a connectivity partnership agreed last year. Through the Green Alliance, both sides intend to accelerate the transition of their economies towards becoming climate neutral, circular and resource efficient in the coming decades. The EU and Japan will also hold a high-level health dialogue, with a focus on sustainable finance, later this year.

On 14 June, EU leaders met with Prime Minister Justin Trudeau at the **EU–Canada Summit**, resulting in the establishment of an ambitious **Strategic Partnership on Raw Materials** and a high-level health dialogue, which will lead to mutual benefits. The meeting confirmed the high degree of common ground between the EU and Canada on key issues including health, vaccines, climate action, biodiversity, trade, digital issues, and foreign affairs.

## EUROPE, THE BEATING HEART OF GLOBAL COOPERATION

The **EU–NATO strategic partnership** continues to deliver concrete results to the benefit of the Euro-Atlantic democratic community.

In February 2021 the Commission and the High Representative presented a strategy to strengthen the EU's contribution to **rules-based multilateralism**. The strategy called for the enhancement of the EU's partnerships through new alliances with third countries, regional and international organisations and other actors, such as civil society organisations, to foster inclusive multilateralism. In June 2021, UN Secretary-General António Guterres's visit to Brussels – his first following his re-election – was an opportunity to take stock of the EU–UN partnership and to pave the way for enhancing the cooperation between the two.

The first-ever meeting of the **NATO Secretary General, Jens Stoltenberg** with the College of Commissioners, in December 2020, hailed the unprecedented level of cooperation between the two organisations. The EU–NATO strategic partnership continues to deliver concrete results to the benefit of the Euro-Atlantic democratic community in a wide range of areas, including military mobility, hybrid threats, foreign malign interference and cyber defense. With the strong support of Member States and allies, cooperation is being further strengthened in the areas of resilience, emerging and disruptive technologies, climate and defence.

In a world where the footprint of crises is expanding rapidly and the principles of humanitarian aid are being challenged as rarely before, the EU's global responsibility as a humanitarian actor has never been more important. On 10 March the Commission adopted a renewed **strategic EU humanitarian outlook**, setting out a plan aimed at strengthening the European Union's global humanitarian impact.



The EU is at the forefront of efforts to strengthen rules-based multilateral trade. The Commission's 'Trade policy review' of February 2021 – for an open, sustainable and assertive trade policy – intends to shape a new system of global governance and develop mutually beneficial bilateral relations, while protecting the EU from unfair and abusive practices. It sets out the Commission's approach to the **reform of the World Trade Organization** to improve its key functions: dispute settlement, rule-making and monitoring.

The World Trade Organization has played a key role in keeping global supply chains open during the COVID-19 crisis and paving the way for equitable access to vaccines and treatments. The EU has led the way by proposing a trade and health initiative, focusing on trade facilitation, eliminating export restrictions and maximising the potential of the intellectual property system to share vaccines and treatments.

Following the appointment of the first **Chief Trade Enforcement Officer** in July 2020, the Commission has increasingly focused on implementing and enforcing EU trade agreements. The amended enforcement regulation entered into force in February 2021, empowering the EU to protect its trade interests in the World Trade Organization.

On 19 January 2021, the European Commission presented a **new strategy to foster the openness, strength and resilience** of the EU's economic and financial system for the years to come. The strategy aims to better enable Europe to play a leading role in global economic governance, while protecting the EU from unfair and abusive practices.

Between 11 and 13 June 2021, President von der Leyen and Charles Michel, President of the European Council, represented the EU at the **G7 Leaders' Summit** in Carbis Bay, United Kingdom. At the summit, leaders agreed on further commitments regarding vaccine sharing, climate finance and making concrete progress towards a global solution for digital taxation and for the reform of the World Trade Organization. The EU increased its support to the Global Partnership for Education to EUR 700 million for 2021–2027.

The EU is at the  
forefront of efforts  
to strengthen  
**rules-based**  
**multilateral trade.**

## 5. SHAPING THE FUTURE OF EUROPE, TOGETHER

One key for European democracy is for citizens to know whom the decision-makers are meeting and who is trying to influence new legislation and policy. On 20 May 2021, the Commission signed the new interinstitutional agreement on a mandatory transparency register with the European Parliament and the Council. The agreement, which entered into force on 1 July 2021, expands the scope of the **transparency register** and establishes principles and rules for a coordinated approach to the transparent and ethical representation of interests at the EU level, building a common culture of transparency while taking into account the signatory institutions' respective specificities.

To foster Europe's recovery, it is more important than ever to legislate as efficiently as possible, while adapting EU laws better to the needs of tomorrow. To this end, in April 2021, the Commission put forward a proposal to update and streamline the EU law-making process. With the adoption of the **communication on better regulation**, the Commission continues to make its approach to law-making as inclusive as possible to ensure that our initiatives are fit for purpose and improve citizens' and businesses' daily lives.

The **Conference on the Future of Europe** is an innovative exercise in participatory and deliberative democracy. The conference answers citizens' calls for a greater say in what the EU does and how it works for them. It is about what matters to EU citizens. The conference provides new pathways for citizens to deliberate on and to have a greater say in the shaping of the EU's future priorities. It is open to citizens from all backgrounds and from all corners of the European Union, with a special focus on young people. It is an opportunity for the "silent majority" to engage with the EU.

In a joint declaration signed on 10 March, the Joint Presidency of the Conference, consisting of the Presidents of the European Parliament, the rotating presidency of the Council of the European Union and the European Commission, pledged to translate the conference's conclusions into future policymaking.

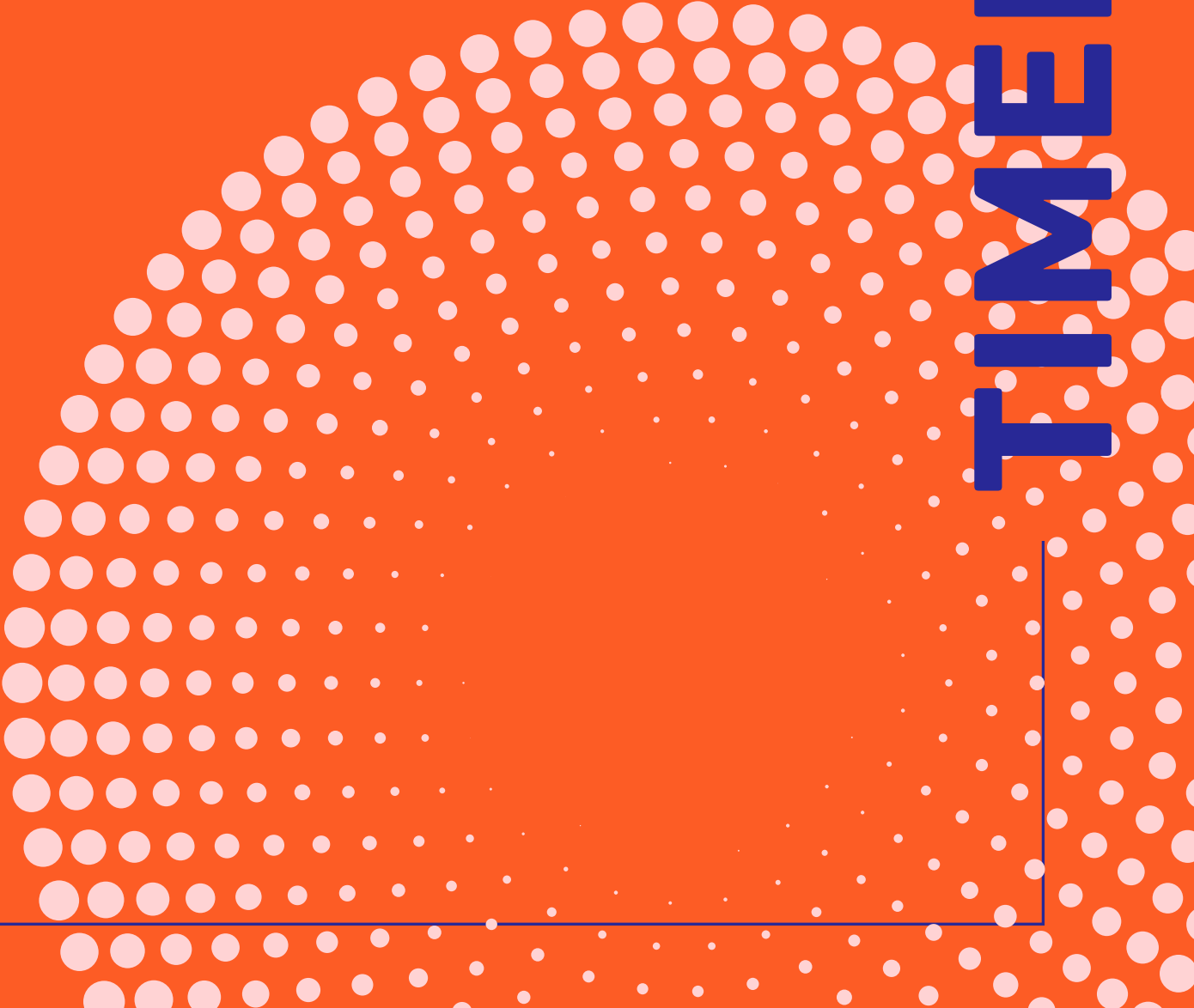
The conference's activities kicked off on 19 April, when the Executive Board, made up of representatives of the three institutions, launched the conference's **digital platform**, available in the EU's 24 official languages. This was followed by an inaugural event in the European Parliament in Strasbourg on Europe Day. The digital platform is the conference's central hub, and is the first of its kind at the European level in terms of scale, interactivity and multilingualism. It brings together all conference-related contributions, including from deliberative EU citizens' panels and conference plenaries.

The first EU citizens' event took place in Portugal on 17 June and the inaugural plenary session took place in Strasbourg on 19 June. Citizens of all ages and backgrounds are now engaging with the EU in an unprecedented manner. As President von der Leyen said in her 2020 State of the Union address, 'The future will be what we make it. And Europe will be what we want it to be.'



**STATE OF  
THE UNION**

**TIMELINE**



# SEPTEMBER

2020

## 18.9

A Union of Equality: the Commission puts forward the first ever EU anti-racism action plan.



## 24.9

The European Commission adopted a **digital finance package**, including a digital finance strategy and legislative proposals on crypto-assets and digital resilience, for a competitive EU financial sector that gives consumers access to innovative financial products, while ensuring consumer protection and financial stability.



## 23.9

A new **Pact on Migration and Asylum** envisages improved and faster procedures throughout the asylum and migration system and sets in balance the principles of fair sharing of responsibility and solidarity.

# OCTOBER

2020

## 6.10

A **comprehensive economic and investment plan** is adopted to spur the long-term recovery of the Western Balkans and foster regional integration.

## 7.10

The Commission adopts a new **10-year plan to support Roma in the EU**.



## 8.10

The Commission approved the contract with the pharmaceutical company Janssen Pharmaceutica NV allowing EU countries to purchase vaccines for 200 million people and the possibility to purchase vaccines for an additional 200 million people. The Commission has already reached a first agreement with the pharmaceutical company AstraZeneca on 14 August. This agreement represented the basis for the purchase of 300 million doses of the vaccine, with an option to purchase 100 million more, on behalf of EU Member States.

**14 . 10**

The European Green Deal: the Commission adopts a **new chemicals strategy** to work towards a toxin-free environment.

**21 . 10**

The Commission issues a **EUR 17 billion inaugural social bond** under the EU's SURE instrument to help protect jobs and keep people in work.

**27 . 10**

**EUR 17 billion** is disbursed to **Spain, Italy and Poland** as the first instalment of financial support to Member States under the SURE instrument. SURE has so far benefited up to 30 million workers and 2.5 million firms. The EU has already provided a total of around EUR 90 billion to 19 Member States.

**28 . 10**

The Commission proposes an EU Directive to ensure that the workers in the Union are protected by adequate minimum wages allowing for a decent living wherever they work.

# NOVEMBER

2020

**11 . 11**

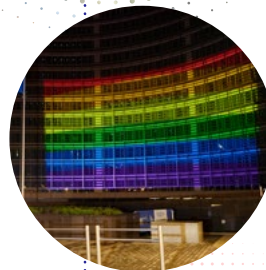
The **new consumer agenda** is launched to empower EU consumers to play an active role in the green and digital transitions.

**11 . 11**

The first steps are taken towards building the **European Health Union**, which will ensure stronger preparedness and response during the current and future health crises.

**11 . 11**

The Commission approved the contract with the pharmaceutical companies **BioNTech and Pfizer**, which provides for the initial purchase of 200 million doses on behalf of all EU Member States, plus an option to request up to a further 100 million doses.

**12 . 11**

The Commission presents the first-ever **EU strategy for LGBTIQ equality**.

**25 . 11****25 . 11**

A **gender action plan** is put forward to promote gender equality and women's empowerment through all facets of the EU's external action.



The Commission approved the contract with the pharmaceutical company **Moderna**, which provides for the initial purchase of 80 million doses on behalf of all EU Member States, plus an option to request up to a further 80 million doses.



# DECEMBER

2020

**2 . 12**

**EU–US relations:** the EU proposes a new, forward-looking transatlantic agenda for global cooperation.



**3 . 12**

The Commission presents a **European Democracy Action Plan** to empower citizens and build more-resilient democracies across the EU.



**10 . 12**

The European Green Deal: a proposal is made for a **regulation on sustainable batteries** for a circular and climate-neutral economy.



**15 . 12**

The **Digital Services Act** and the **Digital Markets Act:** an ambitious reform of the digital space is proposed, along with a comprehensive set of new rules for all digital services.



**17 . 12**

The EU's **long-term budget for 2021– 2027**, amounting to EUR 1.211 trillion in current prices, is adopted in the Council.

**21 . 12**

The Commission authorises **the first safe and effective vaccine** against COVID-19.



**24 . 12**

After intensive negotiations, the Commission reaches an **agreement with the United Kingdom** on the terms of its future relationship with the EU.



**27 . 12**

The first Europeans are vaccinated against COVID-19.



# JANUARY

2021

6 . 1

The second safe and effective vaccine against COVID-19 is authorised.



18 . 1

The Commission launches the design phase of the 'New European Bauhaus' initiative, aiming to combine design, sustainability and investment to help deliver the European Green Deal.



29 . 1

The Commission authorises the third safe and effective vaccine against COVID-19.



29 . 1

The Commission puts in place a transparency and authorisation mechanism for the export of COVID-19 vaccines.

# FEBRUARY

2021

9 . 2

The EU proposes a new agenda for the Mediterranean, to strengthen the strategic partnership with its Southern Neighbourhood partners.



10 . 2

The European Parliament confirms the political agreement reached on the Recovery and Resilience Facility, the key instrument at the heart of NextGenerationEU.

**17.2**

To prepare Europe for the threat of new variants, the Commission proposes a new bio-defence preparedness plan, the **HERA incubator**.

**17.2**

A new strategy is presented to strengthen the **EU's contribution to rules-based multilateralism**.

**18.2**

The Commission sets out an open, sustainable and assertive **EU trade policy** for the coming years.

**19.2**

At the G7 Summit, Commission President Ursula von der Leyen announces the **doubling of the EU's contribution to COVAX**, the world's facility for universal access to vaccines, from EUR 500 million to EUR 1 billion.

**MARCH**

2021

**3.3**

**A Union of equality:** the Commission presents its 2021–2030 strategy for the rights of persons with disabilities, to ensure their full participation in society.

**4.3**

**Pay transparency:** the Commission presents a proposal on pay transparency to ensure that women and men in the EU get equal pay for equal work.

**4.3**

**European Pillar of Social Rights Action Plan** sets out an ambition for a strong social Europe.

**9.3**

**Europe's Digital Decade:** the Commission sets course towards a digitally empowered Europe by 2030.

**10.3**

European Parliament President, David Sassoli, Prime Minister of Portugal António Costa, on behalf of the Presidency of the Council, and Commission President von der Leyen sign the **Joint Declaration on the Conference on the Future of Europe**.

**11.3**

The **fourth safe and effective COVID-19 vaccine** is authorised for use in the EU.

**18 . 3**

The **European Innovation Council** is launched to help turn scientific ideas into breakthrough innovations.

**17 . 3**

The Commission proposes the creation of a **digital certificate** to facilitate safe and free movement within the EU during the COVID-19 pandemic.

**25 . 3**

The **European Green Deal**: the Commission presents measures to **boost organic production**.

**24 . 3**

The EU sets out a new comprehensive policy framework to ensure that **all children's rights are protected** and proposes to establish a **European Child Guarantee**.

**APRIL**

2021

**14 . 4**

To disrupt the cross-border business models of criminal organisations, the Commission presents an **EU strategy to tackle organised crime**, together with a new **strategy on combating trafficking in human beings**, intended to help prevent crime, bring traffickers to justice and empower victims.

**15 . 4**

The new partnership agreement between the EU and members of the **Organisation of African, Caribbean and Pacific States** sets out the framework for political, economic and sectorial cooperation for the next 20 years.

**21 . 4**

The Commission proposes new rules and actions for **excellence and trust in artificial intelligence**, aiming to turn the EU into the global hub for trustworthy artificial intelligence.

**21 . 4**

**Sustainable finance and EU taxonomy**: the Commission takes further steps to channel money towards sustainable activities.



MAY

2021

## 5.5

The EU's industrial strategy is updated to ensure that Europe's industrial ambition takes full account of the new circumstances following the COVID-19 crisis and helps drive the transformation to a more sustainable, digital, resilient and globally competitive economy.



## 8.5

At the EU–India Leaders' Meeting in Porto, and via videoconference, the EU and India conclude a comprehensive connectivity partnership, confirming their commitment to collaborate on supporting resilient and sustainable connectivity both in India and in third countries and regions.



## 12.5

To steer the EU towards the 2050 goal of a healthy planet for healthy people, the Commission adopts the EU action plan 'Towards zero pollution for air, water and soil'.



## 17.5

The European Green Deal: the Commission proposes a sustainable blue economy in the EU for industries and sectors connected to oceans, seas and coasts.



## 7-8.5

The EU institutions, the European social partners and civil-society organisations pledge to do their utmost to build a more inclusive, more social Europe at the Social Summit in Porto.

## 9.5

On Europe Day 2021, the inaugural event of the Conference on the Future of Europe takes place in Strasbourg.

## 15.5

At the Summit on Financing African Economies, Commission President Ursula von der Leyen announces a Team Europe initiative in support of Africa's recovery from the COVID-19 pandemic.

## 18.5

A communication on business taxation for the 21st century is adopted to promote a robust, efficient and fair business tax system in the EU.



## 20.5

The Commission signs a **third contract with the pharmaceutical companies BioNTech and Pfizer**, reserving an additional 1.8 billion doses of their vaccine on behalf of all EU Member States between the end of 2021 and 2023.



## 20.5

EU Member States agree to **reopen to vaccinated travellers from outside the EU**.

## 21.5

Commission President Ursula von der Leyen announces a **EUR 1 billion Team Europe initiative** on manufacturing and access to vaccines, medicines and health technologies in Africa.



## 21.5

At the **Global Health Summit** co-hosted by Commission President Ursula von der Leyen and Italian Prime Minister Mario Draghi, G20 leaders commit to a series of actions to accelerate the end of the COVID-19 crisis everywhere and to better prepare for future pandemics.

## 25.5

EUR 14.1 billion is disbursed to 12 Member States as the seventh instalment of **financial support under the SURE instrument**.



## 26.5

The Commission presents guidance to strengthen the **Code of Practice on Disinformation**, the first such tool worldwide.

## 28.5

The EU outlines a EUR 3 billion economic support package for a future democratic **Belarus**.



## 31.5

The **own-resources decision** is ratified by all Member States, enabling the Commission to start borrowing to finance the recovery under NextGenerationEU.

# JUNE

2021

## 1 . 6

The launch of the **European Public Prosecutor's Office**, a new chapter in fighting cross-border crime.



## 2 . 6

The Commission presents a new strategy to make the largest free travel area in the world – the **Schengen area** – stronger and more resilient.



## 3 . 6

The Commission proposes a framework for a **trusted and secure European digital identity** that will be available to all EU citizens, residents and businesses.



## 15 . 6

At the Summit in Brussels, **the EU and US leaders** commit to ending the COVID-19 pandemic and driving forward the global recovery.



# JULY

2021

## 6.7

To increase its level of ambition on sustainable finance, the Commission adopts the **European Green Bond Standard** proposal creating a high-quality voluntary standard for bonds financing sustainable investment.

## 14.7

The Commission adopts a package of proposals to make the EU's climate, energy, land use, transport and taxation policies fit for reducing net greenhouse gas emissions **by at least 55% by 2030**, compared to 1990 levels.



## 16.7

The new **EU forest strategy** aims to ensure healthy and resilient forests that contribute significantly to biodiversity and climate goals.

## 20.7

**2021 Rule of Law:** EU report shows positive developments in Member States but also points to serious concerns.



## 20.7

**Beating financial crime:** the Commission overhauls anti-money laundering and countering the financing of terrorism rules.

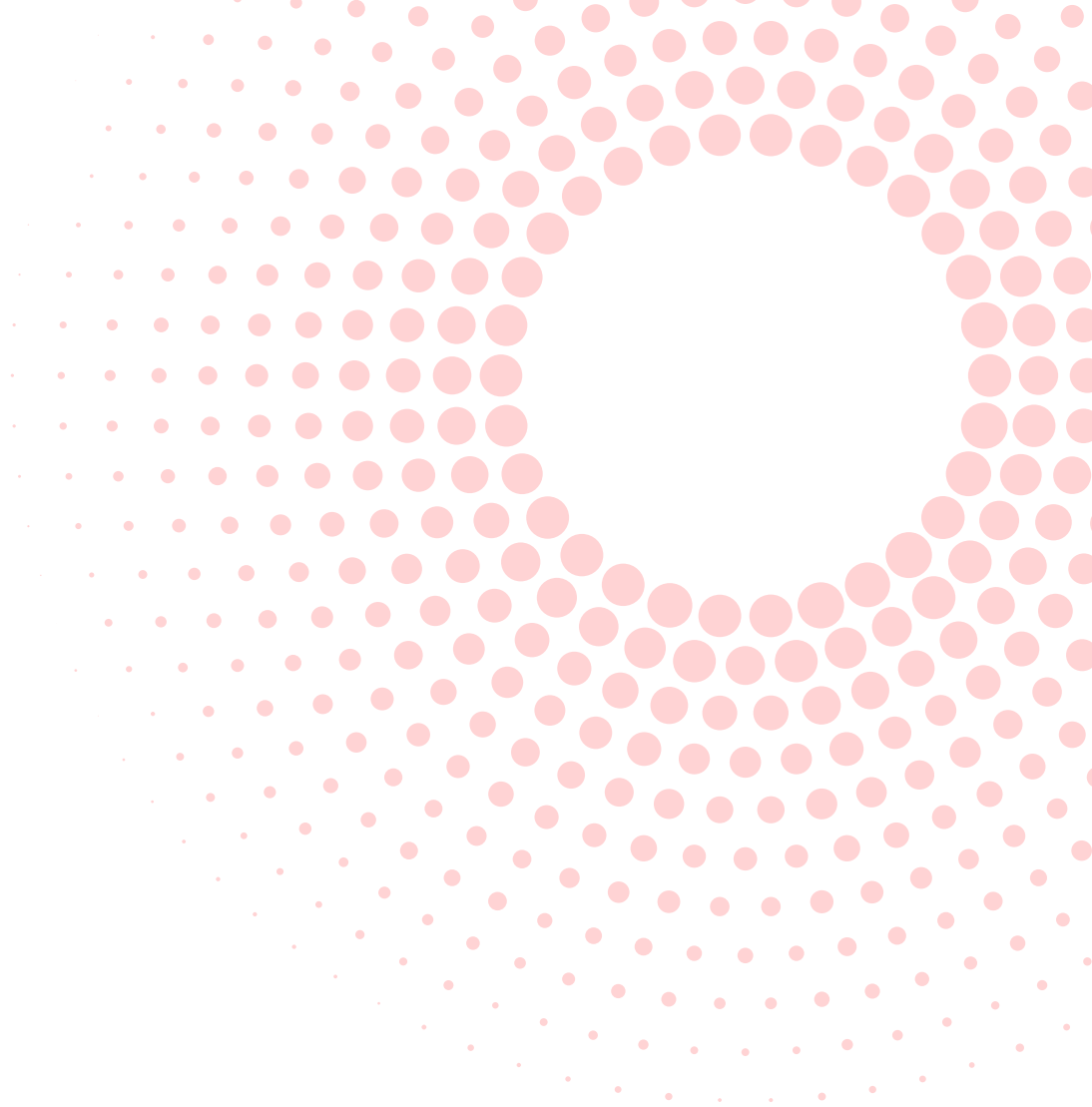
# AUGUST

2021

## 25.8

**522.4 million vaccine doses** have been administered in the EU since December 2020, and more than 250 million EU citizens are fully vaccinated.





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