Reply of the European Commission to the Contribution of the LXXII Conference of Parliamentary Committees for Union Affairs of Parliaments of the European Union (COSAC) plenary meeting, held in Budapest from 27 to 29 October 2024

# The state of the European Union in the year of institutional transition and the 15-year application of the Treaty of Lisbon

The Political Guidelines for the Commission 2024-2029 underline that the EU must stay the course on the European Green Deal goals and that the focus will be on implementing the existing framework in the simplest, fairest and most cost-efficient way and on working closely with stakeholders. They highlight that the Commission will deliver within the first 100 days of the new mandate a Clean Industrial Deal that will focus on strengthening the EU industry's competitiveness while speeding up Europe's decarbonisation. The Commission will also prepare a Vision for Agriculture and Food which will look at how to ensure the long-term competitiveness and sustainability of our farming and food sector within the boundaries of our planet. Recognising the impact of climate change as one of the greatest risks to our security, the Commission will step up work on climate resilience and preparedness, notably through a European Climate Adaptation Plan to support Member States on preparedness and planning and ensure regular science-based risk assessments.

The Single Market is the foundation of our growth, innovation and competitiveness, and, therefore, the Commission intends to reinvigorate our efforts to strengthen it and to create a new momentum to modernise and deepen the Single Market for goods and services, based on the realities and needs of businesses, workers and citizens. By June 2025, the Commission will issue a Horizontal Single Market Strategy to promote the cross-border provision of services and free movement of goods, including essential goods, and to remove existing regulatory and administrative barriers.

The Commission agrees with COSAC on the importance of strengthening the Capital Markets Union to unleash the full potential of the EU capital markets. While significant progress has already been made on several dimensions in the framework of the 2015 and 2020 Capital Markets Union Action Plans, and as confirmed in the Political Guidelines of July 2024 of President von der Leyen, this European Commission will develop the idea in Enrico Letta's report and propose a European Savings and Investment Union, including banking and capital markets. Successfully addressing the remaining obstacles to the completion of the Capital Markets Union will entail a collaborative approach and intensive dialogue with Member States and other stakeholders.

As to COSACs call for integrating the objective of improving competitiveness into all EU policies, the Commission is taking this issue very seriously and is committed to remove structural brakes on EU's competitiveness. It will draw on the important report prepared by Mario Draghi, many of whose recommendations are already reflected in the political guidelines and mission letters. As its first major initiative of this mandate, the Commission presented a Competitiveness Compass on 29 January 2025. The Compass frames the Commission's work on competitiveness in the current mandate and builds on the three pillars of the Draghi report:

innovation gap, a joint roadmap for decarbonisation and competitiveness and increasing security and reducing excessive dependencies.

A number of proposals of the Draghi report are reflected in the Political Guidelines and mission letters. For example, the political guidelines include a new plan for Europe's sustainable prosperity and competitiveness to make business easier and deepen the single market, decarbonise and bring down energy prices, promote research, boost productivity, increase investments and tackle the skills and labour gaps. More concretely, this includes the Clean Industrial Deal, the Circular Economy Act, the European Competitiveness Fund and the Skills Portability Initiative, as well as risk-absorbing measures to promote private investments in innovation and the twin transition.

Moreover, the above-mentioned new Single Market Strategy will put particular focus on continued simplification and burden reduction efforts, as well as support to innovative companies and small and medium-sized enterprises. Furthermore, creating the right conditions for companies will be central to the Commission's competitiveness efforts. Simplification, implementation and effective and efficient policymaking are therefore at the top of the policy agenda to make business easier and faster. As underlined in the Draghi Report, taking action to increase the EU's competitiveness is a collective task, involving all EU institutions, Member States, national Parliaments and all stakeholders.

The Commission agrees with COSAC that national Parliaments have an important role within the European constitutional framework and in shaping EU policies. An active use by national Parliaments of their prerogatives described in Article 12 of the Treaty on European Union and in Protocols 1 and 2 annexed to the Treaties, as well as the political dialogue with the Commission initiated by President Barroso in 2006, can be an effective means to strengthen the democratic legitimacy of the EU. The Commission believes in strong relations with national Parliaments who are important allies to deliver on citizens' expectations and constructively shape the Union's future.

The Commission encourages national Parliaments' earlier involvement in the political process, already in the phase when new legislation at EU level is being considered and prepared. As expressed on earlier occasions<sup>1</sup>, it stands ready to strengthen the dialogue with the national Parliaments through the established channels of communication and cooperation to facilitate their input to and feedback on the Commission's political and legislative initiatives. The Commission considers that a lively political dialogue is mutually beneficial and still bears great potential for future political exchanges, including with a view to desirable future political and legislative initiatives in a strategic perspective.

The Commission acknowledges national Parliaments' collective input to the strategic agenda for the period 2024-2029 through the LXXI COSAC Contribution adopted in Brussels on 24-

<sup>&</sup>lt;sup>1</sup> For example, in the Commission reply of 30 January 2023 to the Prague COSAC Contribution, available on IPEX at <a href="https://www.ipex.eu/IPEXL-WEB/download/file/8a8629a88625192f0186270b8cca0011/Annex+-+Reply+to+the+LXVIII+COSAC+Contribution.pdf">https://www.ipex.eu/IPEXL-WEB/download/file/8a8629a88625192f0186270b8cca0011/Annex+-+Reply+to+the+LXVIII+COSAC+Contribution.pdf</a>

26 March 2024 and encourages such type of collective engagement in the future. It recognises a strong alignment between the issues raised in the Contribution of the LXXI and the LXXII COSAC regarding the 2024-2029 Strategic Agenda of the European Council and the Political Guidelines of the President of the Commission.

Based on the priorities and commitments from the Political Guidelines, the Commission will prepare its annual work programmes. As part of the preparatory work, the Commission will carefully consider the views of stakeholders and those put forward by COSAC in its contribution. The Commission furthermore welcomes the opinions and information, as part of the political dialogue, from national Parliaments on their own priorities in relation to the items reflected in the adopted Commission work programme. They provide valuable insights on national priorities that are relevant in relation to the announced Commission initiatives.

Such input can also be an early element of national Parliaments' scrutiny of the respect of subsidiarity in EU legislation. This scrutiny is expressed not only in reasoned opinions, of which the number is relatively low, but also in numerous opinions that national Parliaments submit under the political dialogue and in which they address and discuss subsidiarity and proportionality aspects of Commission proposals and in many cases explicitly conclude that they comply with the subsidiarity principle<sup>2</sup>.

The Commission takes note of COSAC's proposal to further strengthen national Parliaments' subsidiarity scrutiny by extending its deadline from eight to ten weeks and by lowering the threshold for triggering the 'yellow card'. However, it believes that more immediately than such measures, which would require Treaty change, an intensification of the political dialogue and interparliamentary meetings between national Parliaments and the Commission offer already today possibilities to further improve the application of the subsidiarity and proportionality principles in EU legislation.

In this context, the Commission also takes due note of the call for the regular participation of Commissioners in COSAC meetings, which are important institutional moments for political exchange at EU level. During the last term of office, the Commission contributed to many interparliamentary events. Its members attended nine COSAC Plenary meetings (out of ten), six COSAC Chairpersons meetings (out of ten) and 16 COSAC Chairpersons extraordinary meetings. On other interparliamentary events, the Commission was represented (mostly by its Members and occasionally by senior officials) in all European Parliamentary Weeks, all Inter-Parliamentary Conferences on Stability, Economic Coordination and Governance in the EU, including those not part of the European Parliamentary Weeks, seven (out of ten) Inter-Parliamentary Conferences for the Common Foreign and Security Policy and the Common Security and Defence Policy, eight (out of ten) Inter-Parliamentary Meetings of the Joint Parliamentary Scrutiny Group on Europol and all meetings on the Evaluation of Eurojust's

<sup>&</sup>lt;sup>2</sup> See the <u>Annual Report 2023</u> on the application of the principles of subsidiarity and proportionality and on relations with national Parliaments, Chapter 4, p. 16f.

activities. It was also represented in 15 additional Inter-Parliamentary Conferences and 12 additional Inter-Committee Meetings.

## European security and defence

The Commission is fully committed to facilitate agreement and adoption by the co-legislators of the proposal for a regulation on the European Defence Industry Programme, also in view of its swift implementation. The Commission and the High Representative will also present, in the first 100 days of its new mandate, a White Paper on the future of European Defence, which will frame a new approach to defence and identify investment needs to deliver full-spectrum European defence capabilities based on joint investments, readying the EU and Member States for the most extreme military contingencies. The White Paper will also cover cooperation with NATO.

#### Ukraine

The Commission would like to stress the importance of COSAC's reiterated strong and unequivocal condemnation of Russia's unprovoked, unjustified and illegal war of aggression against Ukraine, and its solidarity with the people of Ukraine, who have demonstrated heroic resistance against the full-scale Russian invasion. The EU's unwavering commitment to support Ukraine for as long as it takes and as intensely as needed remains unchanged, in line with joint EU-Ukraine security commitments signed in June 2024.

To date, the overall EU assistance to Ukraine amounts to over EUR 134 billion. This includes military support, budget support to the Ukrainian government to maintain its functions, humanitarian and emergency assistance to support the overall resilience, and funding to host Ukrainian refugees in EU Member States. The Ukraine Facility, which entered into force on 1 March 2024, will support Ukraine's recovery, reconstruction, and modernisation in a predictable and flexible way, while also tying it to the country's EU accession path. So far it has mobilised EUR 19.6 billion for both short-term state and recovery needs and medium-term reconstruction in Ukraine, enabling reforms in line with EU accession.

The EU and its Member States have provided around EUR 48 billion of military support, including via the European Peace Facility (EPF). By December 2024, Member States have delivered more than one million artillery ammunition to Ukraine. Deliveries continue and more will be coming also thanks to the EU's efforts to ramp up production. To date, the EU Military Assistance Mission (EUMAM) has completed the training of 70 000 Ukrainian soldiers with the target increased to a total of 75 000 by the end of winter 2024/25. The Council agreed on extending EUMAM's mandate for an additional two years, until 2026.

The first tranche from the 2024 revenues of Russian immobilised state assets of EUR 1.5 billion is already being implemented and provides for urgent military support (90%) and energy support (10%) to Ukraine during this winter. The second tranche of EUR 1.9 billion, expected in spring 2025, will focus on urgently needed military equipment. While systematic Russian attacks against civilian infrastructure are continuing, the EU support for the energy sector is substantial, with the Union Civil Protection Mechanism being at the core of the EU efforts,

generating power to cover the needs of 6.5 million people in Ukraine. As part of the G7 Extraordinary Revenue Acceleration Loans Initiative (EUR 45 billion), a first tranche of EUR 3 billion, out of the EU's 18.1 billion contribution, was disbursed in January 2025. These assets should remain immobilised until Russia ceases its war of aggression and compensates Ukraine for the damage caused. Russia should be held accountable and pay for the damage caused by this war.

The Commission appreciates COSAC's acknowledgment towards the 14 packages of sanctions adopted by then by the EU as a response to Russia's war of aggression against Ukraine. The 15th package was adopted on 16 December 2024, addressing, among others, sanctions circumvention and targeting Russia's shadow fleet. The 16th package was adopted by the Foreign Affairs Council on 24 February 2025, marking the third anniversary of the Russian full-scale invasion of Ukraine. It consists of individual listings targeting primarily the Russian military and defence sector, as well as measures against the shadow fleet, transaction bans on airports, banks, and entities subject to strengthened export control measures.

The EU continues to step up its efforts to broaden international support behind Ukraine's vision to achieve a comprehensive, just and sustainable peace, based on the Peace Formula and guided by the principles of international law.

As regards the enlargement, Ukraine has made significant progress in its accession path to the EU. The European Council decided to open accession negotiations with Ukraine in December 2023. The first Inter-Governmental Conference took place on 25 June 2024 in Luxembourg. The explanatory phase of the screening process with Ukraine was concluded on 31 May 2024. The bilateral phase of the screening process will continue in 2025. The Commission has shared the cluster screening report on fundamentals with the Council, which is currently assessing it.

#### The Middle East

On 17-16 October 2024, the European Council condemned once again in the strongest possible terms Hamas' brutal terrorist attacks on Israel on 7 October 2023. The EU has repeatedly expressed its concerns over the dramatic military escalation in the Middle East since then. The European Council called on all parties to exercise the utmost restraint and fully abide by international law, including international humanitarian law. The European Council also condemned in the strongest terms the Iranian attacks on Israel on 1 October 2024 and Iran's seriously destabilising actions throughout the Middle East through terrorist and armed groups – including the Houthis, Hezbollah and Hamas – which constitute a serious threat to regional stability. It reiterated Israel's right to defend itself and the EU's commitment to Israel's security and to regional stability.

The EU has warmly welcomed the ceasefire agreement in Gaza, which will allow the phased release of the hostages – ending their terrible ordeal that has lasted for more than 15 months – the end of hostilities and ease the humanitarian suffering in Gaza. The EU stresses that it is vital that the deal is fully implemented to allow all the hostages to be released, and to ensure a permanent end to hostilities. The EU has expressed its gratitude to the US, Egypt and Qatar for their efforts in negotiating the ceasefire, which the EU had consistently called for. The EU

deplores the unacceptable number of civilians, especially children, who have lost their lives, as well as hundreds of thousands of innocent civilians who have been caught up in violence which has spread across the region. The EU calls for full and unimpeded access for humanitarian aid to the Gaza strip and that aid can be effectively distributed to those in need, including by UN agencies and notably UNRWA. Displaced Gazans should be ensured a safe and dignified return to their homes.

On 19 December, the European Council welcomed the ceasefire agreement of 27 November 2024 between Israel and Lebanon, following the mediation efforts undertaken in particular by France and the United States. It urges the parties to implement the ceasefire as agreed and calls for the full and symmetrical implementation of UN Security Council Resolution 1701. The European Council recalls in that context the fundamental stabilisation role of the United Nations Interim Force in Lebanon (UNIFIL) in southern Lebanon. The EU will continue to support the Lebanese State's sovereignty, territorial integrity and State-building efforts, including by contributing to the strengthening of the Lebanese Armed Forces. The European Council calls on Lebanese political leaders to take the necessary action to overcome the political and economic impasse, including the swift formation of a new government, now that a President has been elected and a Prime Minister designated.

The EU remains committed to continue its needs-based assistance to people in the Middle East with particular attention to the most vulnerable, scaling up its humanitarian engagement given the increasing needs.

Since the beginning of the crisis, the Commission has allocated over EUR 330 million in humanitarian aid to respond to the needs in Palestine, supporting humanitarian organisations working in both Gaza and the West Bank, including East Jerusalem. On 16 January, the EU has announced a new EUR 120 million humanitarian aid package for Palestine.

In Lebanon, the EU has allocated an extra EUR 45 million in humanitarian and non-humanitarian assistance following the escalation in Lebanon. In terms of humanitarian assistance alone, regular programming plus additional support available to respond to the needs of conflict-affected populations through the provision of critical food, protection, shelter, and health services finally brought the total amount of humanitarian funding to over EUR 92 million in 2024. EUR 80 million of humanitarian aid have also been allocated to Lebanon in 2025 as part of the EUR 235 million package announced for the Syrian crisis covering vulnerable Syrians both in Syria and in its neighbouring countries. This comes on top of EUR 500 million adopted in August supporting the Lebanese security sector and border management. The EU, with its Member States, also remains the largest international donor of aid to the Palestinians.

Following the fall of Assad's criminal regime in Syria, the European Council stresses the historic opportunity to reunite and rebuild the country and underlines the importance of an inclusive and Syrian-led political process that meets the legitimate aspirations of the Syrian people, in line with the core principles of UN Security Council Resolution 2254. In this respect, the European Union supports the work of the UN Special Envoy for Syria. Syria's

independence, sovereignty and territorial integrity within secure borders should be fully respected, in accordance with international law. The European Council underlines the need to ensure respect for human rights, including women's rights, non-sectarian governance and the protection of members of religious and ethnic minorities, and to safeguard Syria's cultural heritage. It calls on all parties to preserve national unity and ensure the protection of all civilians and civilian infrastructure, and the provision of public services, as well as the creation of conditions for an inclusive and peaceful political transition, and for safe, voluntary and dignified returns of Syrian refugees, as defined by the UNHCR. The European Council also emphasises the importance of the fight against terrorism, of the prevention of re-emergence of terrorist groups, and of the destruction of Syria's remaining chemical weapons stockpiles. Together with its Member States, the EU has mobilised more than EUR 33.3 billion in humanitarian, development, economic and stabilisation aid since the beginning of the Syrian crisis. Of this amount, more than EUR 4.3 billion has been mobilised in humanitarian aid to Syrians and vulnerable host communities in Syria and the region, including over EUR 1.7 billion in Syria alone. The EU's total humanitarian allocation for Syria in 2024 amounted to EUR 163 million at the end of the year 2024 including financial top ups. On 17 January, Commissioner for Equality, Preparedness, and Crisis Management, Hadja Lahbib, visited Damascus in Syria to reaffirm the EU's commitment to providing critical humanitarian assistance. A new package of EUR 235 million in humanitarian aid for Syrians was announced, including EUR 142.5 million for inside Syria. As part of the EU's continued commitment to the crisis in Syria and its people, the European Council of 1 February 2024 decided to allocate EUR 2.6 billion for the support of Syrian refugees in Türkiye, Syria, Lebanon and Jordan for the period of 2024-2027.

#### **Migration**

Migration is a European challenge that requires European solutions. In the legislative term 2019-2024, the EU took a significant step with the adoption of the Pact on Migration and Asylum, aimed at managing migration effectively and in an orderly manner, offering protection to those who need it and enhancing the security of the EU's external borders. The implementation of these measures will be a priority for the new Commission, in line with the Common Implementation Plan adopted in June 2024.

The Commission welcomes COSAC's support for enhancing cooperation with third countries to address the root causes of migration. Comprehensive partnerships with third countries, including those bordering the EU, are a fundamental pillar of the EU's 'whole-of-route' approach to migration, in order to reduce the number of irregular arrivals at our external borders and prevent people from embarking on dangerous journeys to Europe.

The Commission works with Member States to deepen existing tailor-made strategic and comprehensive partnerships based on mutual interests, and to establish new ones. Implementation of the strategic and comprehensive partnerships in North of Africa with Tunisia and Egypt is ongoing and covers key policy areas, including economic stability, investment, trade, security, human capital development and comprehensive migration cooperation, including support for border management, the fight against migrant smuggling, return and

readmission, reintegration, protection, labour migration and mobility. In March 2023, the Commission also established a migration partnership with Mauritania.

Reinforced cooperation at both European and international level is essential to dismantle the business model of migrant smugglers networks. To this end, in November 2023, the Commission put forward an Anti-smuggling package and launched a Global Alliance to Counter Migrant Smuggling. The Commission is committed to continuing to tackle migrant smuggling across all dimensions and welcomes the support of COSAC in intensifying EU actions in this regard.

In addition, as stated by President von der Leyen in her letter ahead of the European Council of 17 October 2024, the EU migration policy can only be sustainable and fair if those who do not have the right to stay in the EU are effectively returned. The Commission will work on a new common approach on returns, including through new legislation aimed at simplifying and speeding up the return process, while respecting fundamental rights. The EU already provides significant support to assist migrants along the key migratory routes with their voluntary return to their countries of origin before they reach the EU.

Finally, the Commission welcomes COSAC's acknowledgment of the importance of lifting reintroduced temporary internal border controls, which should be an exceptional and limited in time measure of last resort, to preserve the integrity of the Schengen Area.

## The enlargement of the European Union

The Commission appreciates COSAC's recognition of the importance of the 20th anniversary of the largest ever enlargement in the EU's history and the success it has proven to be. It is crucial to keep the momentum around the enlargement policy and reiterate the importance attached to the fundamentals and progress in reforms, based on fair and rigorous conditionality and the principle of own merits. The Commission welcomes that COSAC's commends the creation of the Ukraine Facility and the announcement of the new Growth Plan for the Republic of Moldova. Moreover, proposed last year, the legislation for the Growth Plan for the Western Balkans was adopted in record time. By October 2024, the submitted reform agendas of five out of the six beneficiaries were approved. The release of the pre-financing should take place as soon as possible in 2025. The EU's enlargement policy is and will remain one of the top political priorities in the Commission's new term of office. This is clearly reflected in the recently adopted 2024 Enlargement Package (COM (2024) 690). In terms of concrete progress, the Fundamentals cluster was opened with Albania on 15 October 2024, the opening of the Cluster 6: External relations followed on 17 December 2024. The screening process with Ukraine and Moldova is ongoing, and the Commission hopes to be able to open first clusters with the two countries in 2025. For Montenegro, on 16 December 2024 three further negotiating chapters – on intellectual property law, information society and media, as well as enterprise and industrial policy – could be provisionally closed, after the country had met the interim benchmarks for the rule of law chapters.

In parallel, the Commission is also working on ensuring the EU is ready to enlarge, through pre-enlargement reforms and its pre-enlargement policy reviews of which it will present the results in the spring of 2025. It will then focus on individual sectors such as the rule of law, the Single Market, food security, defence and security, climate and energy, and migration, as well as social, economic and territorial convergence more broadly.

### European demographic trends and responses at national and European level

The Political Guidelines 2024-2029 confirm the need to tackle the root causes of demographic change and adapt to new realities. The Commissioner for the Mediterranean will work on the further implementation of the Demography Toolbox and on increasing the labour market participation of underrepresented groups. Moreover, the Commissioner for Intergenerational Fairness, Youth, Culture and Sport will steer the preparation of a Strategy on Intergenerational Fairness. The Executive Vice-President for Cohesion and Reforms will strive for all citizens to have an effective right to stay in the place they call home and will tackle regional disparities, providing tailor-made solutions to regional and local challenges and supporting regions to catch up.

\*\*\*