



EU Update

I N T H I S E D I T I O N

June has seen Member States continue to manage the impact of the COVID-19 pandemic, whilst balancing internal and external trade and political priorities.

In **EU Foreign Affairs and Security**, States are continuing to reopen their borders, Croatia's EU Council Presidency concludes and the EU's diplomatic chief, in conjunction with foreign ministers, makes a statement regarding escalating tensions in Libya.

Developments in **European Law** include a European Court of Justice ruling in favour of Hungarian NGOs and publication of the Commission's evaluation into the GDPR.

The **Finance, Trade and (Digital) Internal Market** section discusses publication of the second investigation into the EU safeguards for steel imports, the establishment of two panels for WTO disputes and the publication of the Commission's annual Trade and Investment Barriers Report.

In terms of **Migration**, asylum applications and illegal border crossings seem to be slowly increasing again, while the European Commission increased the available financial support for migrants abroad.

Finally, the **Environment** section covers the launch of the Just Transition Platform and the release of the Commission's first assessment of Member States' abilities to tackle air pollution.

This edition demonstrates the competing priorities and wide array of challenges facing the EU as Germany commences its six month EU Council Presidency.

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Polen Türkmen—Research Associate

Border controls continue to remain on the agenda during the summer months. In a [resolution](#) adopted on 10 June, the EU's MEPs expressed concerns regarding continuing border controls in certain parts of the Schengen Area, as well as the effects of these temporary controls for businesses. [It was stressed](#) that a complete return to the Schengen Area is important to 'safeguard freedom of movement' and to assist the EU's economic recovery from the COVID-19 pandemic. The MEPs also conveyed their rejection of all EU countries undertaking uncoordinated and bilateral action, particularly drawing attention to the principle of non-discrimination in regards to border policies.

In a late June decision, regarding border policies for non-Schengen countries, [the EU named fifteen countries deemed 'safe' for citizens](#) from 1 July. The list included countries such as: Australia, Morocco, Canada the Western Balkans and China ([subject to confirmation of reciprocity](#)). The list has been subject to controversy, by excluding the United States – currently one of the worst-hit nations by the pandemic.

On 1 July, Croatia's EU Council Presidency will end, starting Germany's term. In a speech given on 29 June, [Germany's Foreign Minister Heiko Maas called for greater EU independence from the geopolitical powerplay between China and the US](#). He called for

unity in EU responses to China, especially to the pandemic and China's recent action in Hong Kong. Maas also emphasised the need for more European independence from the US in defence-related matters. This follows US [President Trump's confirmation](#) on 16 June to withdraw a third of its troops from Germany.

In response to escalating tensions, [a statement](#) made by the foreign ministers of France, Germany and Italy, and the EU's diplomatic chief called for a ceasefire in Libya. The statement urged "all Libyan and international parties to effectively and immediately stop all military operations", calling for all involved to constructively engage negotiations towards peaceful solutions.



European Law

Oliver Pollakowsky—Director

European Court of Justice (ECJ) rules in favour of Hungarian NGOs

Hungary and the ECJ – a never ending story. Once again has the [ECJ ruled against Hungary](#) and found the "Law on the Transparency of Organisations which receive Support from Abroad" to be infringing both the [Charter of Fundamental Rights of the European Union](#) and [Art. 63 TFEU \(free movement of capital\)](#). The ruling came as no surprise. The law which was [primarily targeting different NGOs funded by George Soros](#), a Hungarian-American billionaire philanthropist and [political target](#) of Hungarian Prime Minister Viktor Orban, was widely criticised, e.g. by [lawyers](#),

[organisations](#), or the [European Parliament](#). However, the ruling constitutes a further part of an entire series of rulings against Hungary. It remains to be seen whether this ruling will bring any positive change to the situation of NGOs in Hungary or if Viktor Orban will keep looking for ways to control critical voices.

Commission views GDPR as a success

According to the European Commission, the [General Data Protection Regulation \(GDPR\)](#) empowers citizens and is fit for the digital age. Two years after its entry into application, the Commission published an [evaluation report](#) on 24 June 2020. One of the key findings of the report was that a majority of individuals are aware of the GDPR, which is a strong plus given the fact that the GDPR provides citizens with many enforceable rights such as the right to data portability in Art. 20. Data Protection in the EU is indeed booming. Not only have national data protection authorities seen an over 40% increase in staff and budget, but companies are also developing compliance systems in order to avoid high fines for data protection infringements. However, while the GDPR is setting global data protection standards and can be applied to new technologies, one of the negative points in the report was that the national protection laws have yet to be harmonised, making it hard to solve the increasing number of cross-border cases.



On 30 June 2020, the European Commission [published the results](#) of its second investigation into the safeguards put in place by the European Union on steel imports. The initial safeguard measures were first introduced in July 2018 as part of efforts aimed at preventing economic damage for European steel producers following the introduction of trade restrictions by the United States on steel and aluminum products. While a first review of the measures concluded in September 2019, a second review was initiated in February 2020 to take full account of the difficult market situation triggered by the coronavirus crisis. The [Commission's adjustments](#) to the safeguard measures—which take effect 1 July 2020—will apply all available legal means (including quotas) to defend the European steel industry, including by deterring potentially harmful stockpiling behavior by foreign exporters. [According to Phil Hogan](#), Commissioner for Trade, the package will “effectively save thousands of jobs in the EU steel industry.” In line with World Trade Organization (WTO) rules and the Union’s international commitments, non-EU countries affected by the safeguards were consulted earlier in June.

On a related note, the [WTO Dispute Settlement Body \(DSB\) recently established panels](#) for two disputes. The first is with [India](#) and concerns tariffs of up to 20% on exports of information and communication technology products (e.g. cellphones and telephone handsets). India’s actions are in contrast with its WTO duty-free commitments and impact exports worth around €400 million a year. The second, with [Colombia](#), regards anti-dumping duties of 3% to 8% on fro-

zen fries from Belgium, Germany, and the Netherlands in the Colombian market, which are estimated to be worth over €19 million a year. The EU first requested the establishment of these panels on 17 February 2020.

To address the global gaps in crisis-preparedness revealed by the COVID-19 pandemic, the [Commission has backed an international initiative](#) to facilitate trade in affordable healthcare products with a group of WTO partners. A future agreement could include abolishing tariffs on pharmaceutical and medical goods and/or establishing a scheme of global cooperation in times of health crisis. Such an initiative will be crucial to formulating a stronger collective response from the international community in response to future health shocks.

In other news, on 18 June 2020, the Commission [published its annual Trade and Investment Barriers Report](#), which found that European companies generated €8 billion in additional exports in 2019 due to successful EU interventions. These gains come despite [rising protectionism in global trade](#). A separate [economic analysis](#) conducted by the Commission determined that over 13 million people are employed by small businesses exporting outside of the Union. The paper also established that small and medium size companies form a large majority of EU exporters. The [results suggest](#) that any post-coronavirus recovery measures ensure these businesses remain strongly engaged in their export activities. Finally, the Commission published its reports on the recent negotiation rounds with both [Chile](#) and [Australia](#).



Migration

Michela Pellegatta—Research Associate

The COVID-19 pandemic continues to have a profound impact on mobility within and towards Europe. On 11 June, the [European Commission](#) recommended lifting internal border controls in the Schengen Area by 15 June. This proposal was backed up by the [European Parliament](#), who called for a full re-establishment of free movement across borders. Further, the [Commission](#) proposed the extension of temporary restriction on non-essential travel into Europe until 30 June.

Border closures and travel restrictions have exacerbated the challenges of people fleeing war and poverty, making it more difficult to reach Europe. As reported by the [European Asylum Support Office](#), after a drastic drop between February and April, asylum applications seem to be slowly increasing again. The same true of [illegal crossings into Europe](#) due to the easing of lockdowns. Increasing concerns are being raised by European border states regarding these trends.

The [UN Refugee Agency](#) reported that Greek authorities are illegally returning migrants who reached their territory to Turkey. Moreover, [new evidence](#) of violent pushbacks and torture of migrants by Croatian police on the border with Bosnia has been reported. Despite the credible reports of human rights abuses and the repeated calls by the European Par-

liament, the Commission [remains silent](#) on the issue. Malta and Italy are no longer willing to accept migrants rescued at sea, and are requesting solidarity from other European states. 425 migrants, after being rescued, were held for weeks at sea off the coast of Malta until [Portugal, France and Luxembourg](#) agreed on their relocation on 8 June. A few days afterwards, [Germany](#) declared its willingness to begin accepting migrants rescued from Malta and Italy again.

The [European Commission](#) increased support for migrants abroad. On 3 June, it proposed additional support for refugees and host communities in Jordan, Lebanon and Turkey to a total of €585 million. The proposal was approved by the [European Parliament](#) on 24 June.



Environment

Doris Wu—Research Associate

As Germany takes over the EU presidency on 1 July, Svenja Schulze (Minister of Environment, Nature Conservation and Nuclear Safety) [reiterated](#) a commitment towards European Green Deal ambitions, despite current economic instability. In the proposed €750 billion coronavirus recovery fund, the European Commission emphasised investments should be made with green goals in mind. Supporting this, the European Parliament adopted [new legislation](#) on sustainable investments to counter “greenwashing”, by developing a uniform set of criteria to assess whether an economic activity is actually environmentally sustainable.

On [29 June 2020](#), Frans Timmermans (Executive Vice President of the European Commission) launched the [Just Transition Platform](#) that will support Member States (especially coal and carbon-intensive regions) in the development of their Just Transition Plans. The European Green Deal’s [Just Transition Mechanism](#) will provide over €150 billion to assist the transition to a carbon-neutral society—ensuring that no one is left behind.

The Platform comes at a critical time; the Commis-

sion released its [first assessment](#) on Member States’ abilities to tackle air pollution—finding that most would not meet 2030 emission reduction goals. EU Commissioner for Environment, Fisheries and Oceans, Virginijus Sinkevičius, therefore urged for more effective measures—particularly concerning agriculture, transport and energy emissions. Furthermore, [a report](#) on the Marine Strategy Framework Directive also determined that Member States would fall short in achieving Good Environmental Status across all marine waters. Hans Bruyninckx (Executive Director of the European Environment Agency) appealed for quick and conclusive action towards restoring marine ecosystems before reaching the point of no return.

While many ambitions were derailed by the COVID-19 crisis, leaders should aggressively pursue measures ensuring a green and sustainable recovery; Timmermans [emphasised](#), “today’s crisis is a lesson of resilience to us all: when facing challenges, we need to be prepared, to get ahead of issues, and to act decisively to ensure that we protect our citizens and our economy.”