



EU Update

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

July has seen a wide array of policy initiatives, consultation and collaborative strategies launched across the European Union.

In **EU Foreign Affairs and Security** there were heightened tensions with Turkey regarding developments in the East Mediterranean and Libya and the new “EU Security Union Strategy” was launched.

European Law discusses the 16 July finding that the “EU-US Privacy Shield” is invalid and demonstrates ongoing commitment to data privacy and the importance of the independence of the EU courts.

The **Finance, Trade and (Digital) Internal Market** section provides an overview of the EU’s agreement to buy the antiviral drug Veklury for the treatment of COVID-19 and the EU’s progress on a number of other trade initiatives.

In terms of **Migration**, July was again marked by the challenges facing migrants coming to the EU and calls were repeated to review reports of illegal pushbacks at the borders.

Finally, the **Environment** section details the European Commission’s unveiling of two new initiatives: the “Hydrogen Strategy” and the “Strategy for Energy System Integration”.

August begins riding on the wave of the Council’s approval of the historic €1.8 trillion budget package; hopefully the cooperation behind this agreement carries onto the successful and sustained implementation of the initiatives outlines in this edition.

August 2020

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The month of July brought new developments within the policy field of EU Foreign Affairs and Security, including a new [EU Security Union Strategy](#) outlining a “real security eco-system” for the next five years. The Strategy focuses on fostering security for all those living in Europe by bringing support to Member States. These priority areas range from combatting terrorism and organized crime, to preventing and detecting hybrid threats, promoting cybersecurity, and increasing the resilience of critical infrastructure. Three immediate initiatives to be implemented in the Security Union Strategy are: an [EU strategy for a more effective fight against child abuse](#); a new [EU Agenda and Action Plan on Drugs](#) and an [EU Action Plan on firearms trafficking](#).

The European Union has also seen heightened tensions with their EU accession candidate country, [Turkey](#), over worrying developments in the [Eastern Mediterranean](#) and regarding Turkey's participation in the conflict in [Libya](#). Over the past month a Turkish vessel found itself facing off against a French warship over suspicions of violating a UN arms embargo; and Turkey's oil and gas exploration in the Mediterranean is putting it at odds against EU Member States France, Greece and Cyprus. [Josep Borell](#) and the EU Foreign Council sent a warning to Turkey to cease and desist with its oil and gas exploration, or else fur-

ther action will be taken by way of sanctions.

Additionally, the [European Union Foreign Affairs Council](#) convened to speak on issues in regard to relations with Latin America and the Caribbean, discussing in particular how they can further revitalize the EU's political engagement with the region in light of COVID-19 Pandemic. In regard to EU Accession and Enlargement, the European Union resumed their position in assisting in mediating a dialogue between Kosovo and Serbia; and [Albania and North Macedonia](#) have initiated a draft negotiating framework to open accession negotiations.



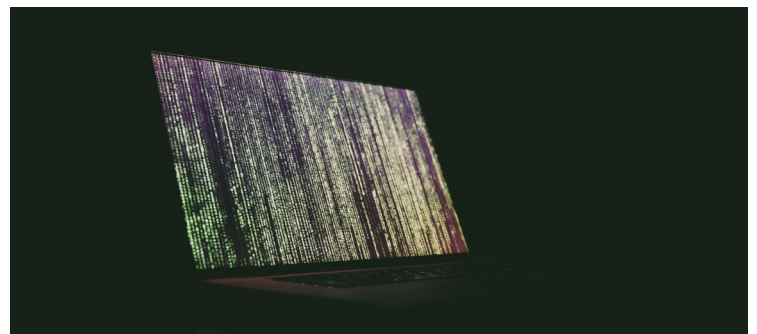
European Law

Oliver Pollakowsky—Director

European Court of Justice brings down EU-US privacy agreement

The European Court of Justice (ECJ) declared the EU-US “[Privacy Shield](#)” invalid on 16 July 2020. Subject of the case was the framework for regulating data transfers for commercial purposes between the EU and the US. The [ruling](#) is the result of long-term battle against American surveillance laws fought by Austrian lawyer and privacy activist Max Schrems. The “Privacy Shield” was the successor of the Safe [Harbour Agreement](#) which was concluded between the US Department of Commerce and the EU, and which was eventually found to be invalid in 2015 as well ([Schrems-I](#)). In [Schrems-II](#), the ECJ found that US laws did not satisfy the “essential equivalent” requirement. Pursuant to Article 45(1) of the GDPR, the European Commission may authorise data transfers to a third country if the third country ensures an adequate level of protection. The level of protection must be essentially equivalent to the EU level.

In the US, the United States Foreign Intelligence Surveillance Court can authorise surveillance programmes (like PRISM, UPSTREAM) in order to obtain foreign intelligence information. Internet service providers are required to supply intelligence services like the NSA with all communication to and from an individual person. The Privacy Shield contains mecha-



nisms that were intended to mitigate these harms to individuals, in particular when the surveillance was potentially unlawful. However, the Court found these mechanisms were not “essentially equivalent” to the EU level of protection and hence found the Privacy Shield invalid.

As noted by [others](#), the ruling is a strong commitment to privacy in the digital age and the protection of personal data in a globalised digital economy. With the GDPR the European Union was able to set a global standard for data privacy. The recent ruling confirms that the EU is the strictest data privacy regulator world-wide. However, it must be noted that all EU Member States had actually agreed to the Privacy Shield. This demonstrates the importance of independent EU courts.

On 28 July 2020, the European Commission [signed a contract](#) with the American biopharmaceutical company [Gilead Sciences, Inc.](#) securing doses of the antiviral [Veklury](#). Also known by the brand name Remdesivir, Veklury became the first medicine to be authorized at the EU-level for treatment against COVID-19—specifically for adults and adolescents (from 12 years of age and weighing at least 40 kilograms) who have pneumonia and require supplemental oxygen. The drug received its [conditional marketing authorization](#) on 3 July 2020 after being first submitted to the European Medicines Agency (EMA) on 8 June 2020. As Veklury [displayed](#) a clinically meaningful effect on recovery time while being tolerated with mild side effects, it was determined that the medicine addressed an unmet and urgent medical need for effective coronavirus treatment and the benefit of its immediate availability outweighed the risks that accompany less comprehensive data. The Member States endorsed EMA's recommendations and the drug will continue to be monitored for effectiveness and safety.

Worth a total of €63 million, the contract will be financed by the Commission's [Emergency Support Instrument](#) and ensure approximately 30,000 patients with severe COVID-19 symptoms receive vital treatment. From early August onwards, Veklury will be available to Member States and the UK based on an allocation key and in accordance with advice from the [European Centre for Disease Prevention and Control](#). These measures will enable fair distribution at the EU-level and be supported by the Commission, which is also preparing a joint procurement for further supplies of the drug. Currently, there are [several other potential COVID-19 treatments and vaccines](#) undergoing clinical trials. These trials were a major

focal point of the [second global regulatory workshop on COVID-19 therapeutics](#) co-chaired by the EMA and Japanese Pharmaceuticals and Medical Devices Agency (PMDA) on 20 July 2020. The workshop was quickly followed by another on [COVID-19 real-world evidence and observational studies](#), which took place on July 22, 2020 and was co-hosted by the EMA and Health Canada. In general, these efforts demonstrate the essential role EMA has played in facilitating [quick and coordinated regulatory action](#) to the coronavirus crisis.

In other COVID-related news, the European Union has [initiated calls](#) for more transparency on trade-related measures introduced by World Trade Organization (WTO) members in response to the pandemic. Backed by ten other members of the organization, the joint communication was created with the purpose of avoiding unnecessary obstacles to trade that could hinder economic recovery. To aid such recovery, the Commission has furthered other important trade initiatives this month. These include the [EU-Vietnam trade agreement](#), which entered into force on 1 August 2020 and will abolish duties on 99% of all goods traded between the two parties. The Commission also participated in the [second round of negotiations](#) with five Eastern and Southern African partners (Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe) and held their [8th High-Level Trade and Economic Dialogue](#) (HED) with China. Finally, on 24 July 2020, the Commission appointed Mr. Denis Redonnet as the Union's first Chief Trade Enforcement Officer (CTEO). Not only is [this appointment](#) critical to strengthening the EU's implementation and enforcement agenda, but the CTEO role is expected to help the Union derive more value from partner markets.



Migration

Margherita Pisoni—Permanent Author

On 22 July, the European Commission launched an [EU-wide public consultation](#) to investigate ways to promote [integration](#) and social inclusion of migrants. The consultation highlighted the need for an expert group to inform the formulation and implementation of migration, asylum and integration policies. The aim is to bring migration to the forefront of policy development and involve a greater number of stakeholders to effectively manage the current situation.

The European Commissioner for Home Affairs, [Ylva Johansson](#), highlighted the importance of guaranteeing fundamental rights and monitoring [illegal pushbacks](#) of migrants. The [UNHCR](#) repeatedly urged Greece to investigate the behaviour of its border authorities. Moreover, the [IOM](#) reiterated a call for solidarity between European countries and concerns on the safety of Libyan ports, pushing the Commission to end the return of vulnerable individuals to Libya.

According to the European Union Agency for Fundamental Rights ([FRA](#)), the COVID-19 pandemic is posing migrants and asylum seekers additional challenges in their attempt to enter the EU. Many European countries are still denying access to third-country nationals. Some require self-quarantine or a negative COVID-19 test upon arrival, requirements these individuals cannot always meet. [The Border Violence Monitoring Network](#) reported 20 illegal pushbacks in



June causing a total of 351 rights violations.

During the launch of a new [report](#) on this matter by the UNHCR and the Mixed Migration Centre, [Filippo Grandi](#), UN High Commissioner for Refugees, stated “for too long, the harrowing abuses experienced by refugees and migrants along these overland routes have remained largely invisible”. The controversial dynamics behind [collective expulsions](#) of refugees indicate the Commission’s responsibility and necessity to implement a new system to monitor and verify reports of pushbacks and abuse at EU borders.

Environment

Vlad Surdea-Hernea—Permanent Author

The European Commission announced strategies towards a cleaner, more efficient and interconnected European energy sector, a major step towards the goal of a carbon-neutral economy by 2050.



[A hydrogen strategy for a climate-neutral Europe](#)

On [8 July 2020](#), the EC unveiled its Hydrogen Strategy, outlining a comprehensive investment agenda. The agenda includes investments in the development of electrolyzers and in new power generation capacity necessary to produce clean hydrogen. For many industrial processes, electrification is not a viable so-

lution. Hydrogen represents the best known alternative as it can be used as a feedstock, a fuel or carrier for stored energy. Thus, this strategy aims to gradually boost clean hydrogen production for sectors where it is hard to reduce emissions, such as in the production of steel. The first target will be the decarbonization of existing hydrogen production, ramping up toward larger objectives like the integration of hydrogen in the European energy system.

[Powering a climate-neutral economy: An EU Strategy for Energy System Integration](#)

On the same day, the Commission [revealed](#) the Strategy for Energy System Integration which aims at proving the framework for the transition to green energy. The European energy system will be planned and operated as a whole, linking different energy carriers, infrastructures, and consumption sectors in a flexible manner. The strategy is based on three policy pillars: supporting a more circular energy system, promoting direct electrification of end-use sectors and promoting clean fuels such as hydrogen and biogas in sectors where electrification is not viable.

Ultimately, the Commission was eager to point out that both strategies serve not only the long-term goal of carbon neutrality, but are also an essential tool to combat the economic downturn caused by COVID-19 by creating work opportunities and fostering growth.