



EU Update

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

September has seen tensions rising between EU Members State and various other international actors, fires in the Moria refugee camp and increased trade between Europe and North America.

In **EU Foreign Affairs and Security** President von der Leyen has called for Qualified Majority Voting following the inability of the EU to unanimously agree to sanctions against Belarus.

For **Finance, Trade and (Digital) Internal Market** September saw the commencement of the Tariff Agreement between the US and EU and the third anniversary of the Canada Comprehensive Trade Agreement.

The **Migration** section covers the devastating Moria fires and efforts to rehouse the camp's residents.

Finally, the **Environment** section covers President von der Leyen's State of the Union Address, including her announcement that the European Commission is proposing an increase in the emissions reduction target from 40% to at least 55%.

October marks the half way point of Germany's Presidency of the Council of the European Union and will see the conclusion of Brexit negotiations in what is sure to be an eventful and interesting month.

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[Swiss voters rejected a proposal](#) to end freedom of movement for work purposes with the EU by a majority of 61.7% on 27 September 2020. The referendum was supported by the largest party in the Swiss parliament, the Swiss People's Party, known for its anti-immigration and right-wing stance. The alternative outcome would have triggered a '[guillotine clause](#)' that would have terminated seven bilateral agreements with the EU.

Ursula von der Leyen called EU member states to consider moving towards Qualified Majority Voting (QMV), particularly on topics pertaining to "[human rights and sanctions implementation](#)". QMV is achieved [when a proposal has the support of at least 55% of EU member states](#), and if the supporting member states collectively account for 65% of the Union's population. Von der Leyen's call follows the EU's failure to sanction Belarusian authorities in relation to the presidential election results that were deemed illegitimate by the bloc, as well as the State violence towards peaceful protestors in the aftermath. The failure stems from the inability to achieve unanimity, due to Cyprus' veto. "Although there is a clear will to adopt those sanctions, it has not been

possible to do that today because the required unanimity was not reached," EU foreign policy chief [Josep Borrell reported](#). Cyprus' veto arises from [its insistence to link EU sanctions](#) against Belarus on action against Turkey's activities in the Eastern Mediterranean. The EU leaders' summit, where potential sanctions on Turkey were to be discussed, [was postponed](#) due to European Council President Charles Michel's self-quarantine due to a potential COVID-19 exposure.

Although tensions in the Eastern Mediterranean have been escalating, Turkey called its exploration vessel, [Oruc Reis, back from the contested regions](#) on 13 September. This created an opportunity for [both sides to agree on resuming talks](#), with the aid of German diplomacy to de-escalate the brewing conflict.



Environment

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On the 16th of September 2020, Ursula von der Leyen delivered her first [State of the Union address](#) as President of the EU Commission, highlighting once again the central role played by climate action in both the post-COVID recovery stage, as well as in the long-term development strategy of the European Union.

Ursula von der Leyen revealed that the European Commission is proposing an increase in the emissions reduction target from 40% to at least 55%. While this is less than many climate activists who support a more aggressive approach would prefer, the Commission appears to have chosen to build a large coalition of member states by offering a realistic objective, given the current economic and political conditions. Nevertheless, this significant increase in the emissions reduction rate will put the European Union on track for climate neutrality by 2050 and thus for meeting the obligations imposed by the Paris Agreement.

The European Union is also set to introduce a [Carbon Border Adjustment mechanism](#) through which it hopes to create an international consensus. This policy tool is also expected to counter the potential for carbon leakage that might increase simultaneously with the increase in the reduction rate of greenhouse gas emissions. The Carbon Border Adjustment would

counteract this risk by putting a carbon price on imports of certain goods from outside the EU.

Lastly, the State of the Union address further revealed that 30% of the €750 billion funding offered through the NextGenerationEU will be raised through issuing EU-wide green bonds. Around 37% of the funding coming from the NextGenerationEU will be invested in European Green Deal objectives, including the production of clean hydrogen, major energy efficiency increases and the deployment of over 1 million electric charging points.



As briefly mentioned in [last month's update](#), August marked the announcement of a Tariff Agreement between the United States (US) and the European Union (EU). As the [first reductions in duties](#) to be negotiated between the two entities in over two decades, the tariff reductions are expected to increase access to both EU and US markets by an estimated [€200 million per year](#). The agreement was put into effect earlier this month when, on 8 September 2020, the European Commission adopted a [proposal](#) for a regulation of the European Parliament and the Council on the elimination of customs duties on certain imports to the EU. It will entail eliminating tariffs on imports of US live and frozen lobster products, which were worth about [\\$111 million](#) in 2017. Moreover, the US will reduce tariffs on [EU exports \(e.g., prepared meals, crystal glassware, surface preparations, propellant powders, lighters and lighter parts\)](#) by 50%. These goods amount to an average annual trade value of €160 million.

Tariff reductions for both countries will be implemented on a [Most Favored Nation](#) basis in accordance with World Trade Organization principles and retroactively begin 1 August 2020. Noting the importance of the EU-US economic partnership—which trades in goods and services worth over €1.3 each year—Executive Vice President and acting Trade Commissioner Valdis Dombrovskis called the agreement a [“true win-win outcome,”](#) especially in light of the growing coronavirus-related economic crisis. Beyond creating additional trade opportunities, the [agreement aims](#) to improve relations with the US.

September also saw the third anniversary of the EU-Canada Comprehensive Trade Agreement ([CETA](#)). As a result of CETA, bilateral trade between the EU27

and Canada has grown by [27% and 47%](#) for goods and services respectively—surpassing increases observed between the EU and the rest of the world during this time. In discussing the agreement, [Dombrovskis highlighted](#) its significance in establishing a “framework for stronger cooperation on sustainability and climate action.” Moving forward, CETA will be a valuable platform from which the EU can address pandemic-induced economic issues.

Relatedly, on 22 September 2020, the Commission launched an initiative aimed at advancing sustainability in the cacao sector. A multi-stakeholder effort, the [new dialogue brings together](#) representatives of Ghana, Côte d'Ivoire, the European parliament, EU Member States, cocoa growers, and civil society in an attempt to foster collective action on the issue. The world's largest cocoa importer, the EU consumes [approximately 60%](#) of global imports. Meanwhile as the world's largest exporters of raw cocoa, Ghana and Côte d'Ivoire [account for 70%](#) of the world's cocoa production. As part of the dialogue, these countries will also receive technical support.

In addition to furthering key sustainability issues, the [initiative endeavors](#) to feed into other Commission activities, particularly around due diligence and deforestation. [Other topics of concern](#) include eliminating child labor and trafficking and ensuring a living income for local farmers. Cocoa is [the main livelihood source](#) for about six million farmers in the two African countries and contributes to the livelihoods of a further 50 million people. The [next steps](#) for the process are a series of thematic groups that will meet between October 2020 and July 2021, followed by a plenary session in Autumn 2021 and public report with recommendations.



[During the nights of 8 and 9 September](#), multiple fires destroyed the Moria refugee camp on the island of Lesbos, Greece, which was known for its [dire conditions](#). Built to house around 3,000 people, it was hosting more than 12,500 asylum seekers, who are now homeless and in need of emergency shelter. [NGOs, IOs, as well as Greek and European officials](#) claim that the asylum policy impasse, together with Europe's approach to migration, has led to this dramatic situation. The [MEPs](#) urged EU intervention to address this crisis. The Commission responded by providing Greece with [operational and financial support](#) to address the immediate humanitarian needs. Subsequently, it announced the establishment of a [dedicated taskforce](#) to improve the situation of the Greek islands. Ten Member States (Belgium, Bulgaria, Croatia, Finland, France, Germany, Luxembourg, Netherlands, Portugal, Slovenia) have also committed to taking part in [relocation efforts](#).

On September 23rd, the Commission released the long-awaited [New Pact on Migration and Asylum](#), which seeks to represent a fresh start on migration in Europe. It aims to supersede the Dublin Regulation and is based on [three pillars](#): strengthening partnerships with countries of origin and transit, reinforcing the management of external borders, and stronger solidarity among European countries. However, it

does not provide a compulsory mechanism for migrants' relocation and does not remove the contentious rule that the first-entry country must deal with an asylum-claim. Furthermore, it seems [more focused on border management](#) rather than the rights of people in need of international protection. For these reasons, the [MEPs](#) question whether this new Pact will be capable of bringing real change. IOs, NGOs, and [migration experts](#) strongly criticize it as well, claiming that it does not represent a decisive solution to the problem. Moreover, [Poland, Hungary and the Czech Republic](#) already said they will oppose it due to the migrant quota it contains.

