

# EU UPDATE



FEBRUARY 2021 | A PATH FOR EUROPE

## IN THIS EDITION

February was a mercurial month; businesses started noticing the effects of the Brexit Agreement, recriminations started flying regarding EU COVID-19 vaccination delivery and the globe was marked by events such as the Myanmar military coup. This didn't slow the pace of EU policy and developments, and, each of our EU policy areas saw its own share of turmoil.

The **Environment** section covers many initiatives promoting collaborative work towards a more sustainable future, including the announcement of the 'Make Peace with Nature' report and the 5th session of the UN Environment Assembly.

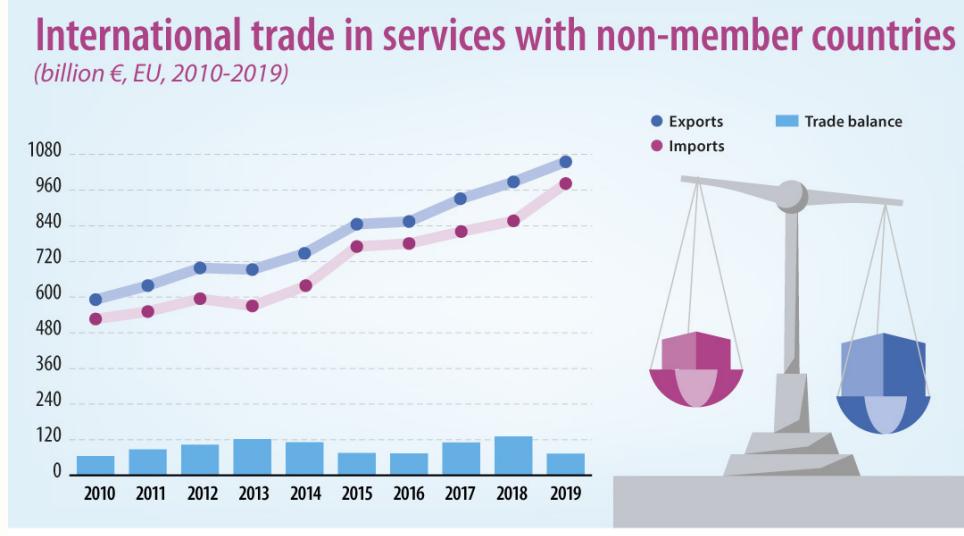
The **EU Foreign Affairs and Security** section covers the EU's response to the military coup in Myanmar, EU-Russian relations and the European External Action Service response to the wars in Ethiopia and Yemen.

The **Finance, Trade and (Digital) Internal Market** segment recaps the European Commission's new trade strategy, updated deals with China and Japan and the Union's ongoing effort to recover from the economic damage wrought by COVID-19.



The **Migration** section covers the call from the International Organization for Migration to stop violence against migrants in EU's external borders, as well as the first assessment on cooperation with third countries on readmission under the New Pact on Migration and Asylum.

## KEY FIGURE



[ec.europa.eu/eurostat](http://ec.europa.eu/eurostat)

*The statistics published by Eurostat this month show the trends and value of EU International trade of services over the past 10 years. In particular; "In 2019, the EU's leading trade partners for services were the United States and the United Kingdom. The United States was the destination for almost a fifth (19%) of the services exported from the EU Member States and was the origin of almost a quarter (23%) of the services imported into the EU from non-member countries."*



# ENVIRONMENT

Doris Wu — Research Associate

Nearly a year ago, the World Health Organization was on the cusp of announcing a global pandemic as Europe quickly became the new COVID-19 epicentre. At the time, 132,500 people were diagnosed with COVID-19 worldwide, with over 5,000 deaths. Now, a new and sobering milestone has been reached: in February 2021, confirmed COVID-19 cases surpassed 100 million, with a staggering death toll reaching over 500,000 in the US alone and over 2.4 million worldwide.

With vaccination efforts ushering in hope that we may overcome this virus, we must remember that the pandemic is a symptom of an unhealthy and unbalanced global ecosystem – and that healing it requires ambitious and coordinated actions to reshape our whole society. The World Economic Forum warns that environmental issues, including extreme weather events (on top of infectious diseases), will continue to pose greater challenges. The COVID-19 pandemic has only further highlighted systemic inequalities and widened the gap between the rich and the vulnerable.

During a time of "crisis and fragility", countries must work together to build a more equitable and sustainable future. Importantly, UN Secretary-General António Guterres emphasised, "We must put the health of the planet at the centre of all our plans and policies. The economics are clear" and warns that, "we all know that words are not enough. Commitments must be underpinned by clear and credible plans".

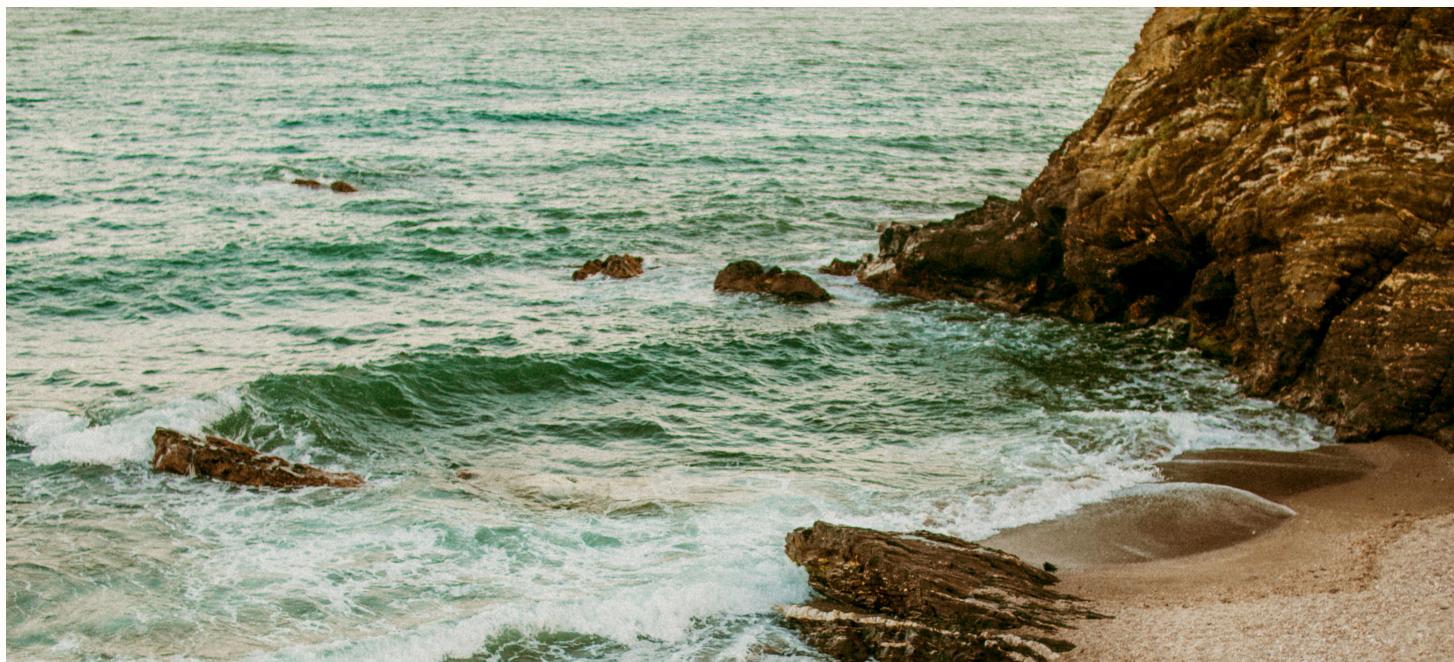
With this in mind, a comprehensive synthesis report, "Make Peace with Nature: A scientific blueprint to tackle the climate, biodiversity and pollution emergencies", was announced on 18 Feb by UN Secretary-General Guterres and United Nations

Environment Programme (UNEP) Executive Director Inger Andersen. This report analyses the latest global scientific assessments and identifies current environmental and developmental gaps and challenges. It also offers possible comprehensive roadmaps towards a sustainable future and the prevention of future pandemics.

The report was launched as a run-up to the 5th session of the UN Environment Assembly (UNEA-5) held virtually 22-23 Feb under the theme of "Strengthening Actions for Nature to Achieve the Sustainable Development Goals". UN Secretary-General Guterres stated that, "Governments and people need to understand in their very DNA that all environmental, social and economic challenges are interlinked. And they must be tackled together".

During UNEA-5, the Global Alliance on Circular Economy and Resource Efficiency GACERE was launched as one of the deliverables of the EU's Circular Economy Action Plan adopted March 2020 as part of the European Green Deal. Commissioner for the Environment, Oceans and Fisheries, Virginijus Sinkevičius, noted that GACERE shows the EU's commitment towards "spurring innovation and making the transition more equitable by creating green jobs and lowering environmental impacts".

Still, after one arduous year, another lies before us. However, continued global efforts show room for cautious optimism: UNEP Executive Director Andersen observes, "There is indeed no precedent for what we must do, but if 2020 was a disaster, 2021 can and must be the year humanity began making peace with nature and secured a fair, just and sustainable future for everyone."



# EU FOREIGN AFFAIRS AND SECURITY

Nicola Farina — Permanent Author

Earlier this month, the High Representative/Vice President Josep Borrell has condemned in the strongest terms the military coup carried out in Myanmar and the violence against civilians. On behalf of the European Union, he called for all those detained in the coup to be released and supported the Myanmar people's fundamental rights to expression, assembly, and to peacefully protest against the military coup. Together with the Member States Foreign Affairs Ministers, Borrell declared the decision to withhold direct government financial assistance and to continue to support civil society and basic services.

On February 5, the High Representative/Vice President Borrell met with the Russian Foreign Minister to discuss EU-Russia relations, which he admitted were at the lowest point after the poisoning and imprisonment of Navalny, Russian opposition leader, and activist. During the meeting, on behalf of the EU, he requested an impartial investigation on the assassination attempt but, at the same time, Russia expelled three European diplomats with the allegation of conducting activities incompatible with their status as foreign diplomats. In the previous days, they had attended a protest in support of Navalny. Borrell condemned this decision and issued a declaration stating that Russia did not want to build a constructive dialogue with the EU, calling for consequences. A few days later, three EU Member States Germany, Poland, and Sweden, each expelled one Russian diplomat and the European Court of Human Rights (ECHR) ruled that Navalny should be released immediately. Russia is still a signing country to the European Convention on Human Rights and, therefore, it is supposed to comply with this ruling. On February 22, Borrell stated that the EU will, for the first time, make use of the "Global Human Rights Sanctions Regime" which allow the EU to adopt restrictive measures in response to human rights violations.

Concerning two wars unfolding respectively in Yemen and Ethiopia, European External Action Service (EEAS) advocated, firstly, for a concerted action to unlock the stalled peace process in Yemen both by working with all parties to implement a permanent cease-fire and by fostering political talks. Secondly, related to the Tigray war in Ethiopia, the EEAS called for the withdrawal of Eritrean troops, which are currently fueling the conflict in Tigray. They also advocated the Ethiopian government for full support to the independent investigation of the Ethiopian Human Rights Commission on the violations of human rights and international law. In the last months, the Ethiopian government has not supported such an investigation which aims to ensure full accountability for the war crimes committed.

## WANT TO READ MORE?

Head to our [Foreign Affairs and Security Page!](#)



Protesters at a rally in Munich in support of Alexei Navalny in January. The European Court of Human Rights has ruled the Russian opposition leader should be released "immediately"

With the aim of defeating the COVID-19 pandemic, the EU contributed €1 billion to COVAX, a global initiative aimed at rapid, equitable, and universal access to COVID-19 vaccines.

Finally, at the Munich Security Conference, the EU leaders and the newly elected American President reaffirmed the trans-Atlantic partnership and called for greater cooperation and multilateralism in foreign policy.

# FINANCE, TRADE AND (DIGITAL) INTERNAL MARKET

Niamh Saunders — Intern

This month the European Commission has set out its new 'open, sustainable and assertive' trade strategy for the coming years. Emphasising the idea of open strategic autonomy, the EU's strategy focusses on economic recovery through green and digital transformations and reform of the WTO to reflect current challenges. Reforms include global commitments on trade and climate, new rules for digital trade, reinforced rules to tackle competitive distortions, and restoring its system for binding dispute settlement. Looking forward, the Commission's goals are determined to deepen partnerships with neighbouring enlargement countries and Africa. The recent EU-China Investment Agreement (CAI) illustrates this autonomous trade strategy and its emphasis on sustainability and a level playing field. Yet, it has also been criticized for its impact on the EU's tradition of value-based trade and potential impact on transatlantic relations.

With EU values-based trade at stake, the Commission's reiterated commitment to trade rules through updates to the Trade Enforcement Regulation is an important step in enforcing commitments from its trade partners. As a reaction to obstructions in processes of the WTO Appellate Body, the revised regulation enables the EU to react even without a ruling from the WTO. Additional improvements were also made in the introduction of an anti-coercion mechanism and strengthening of implementation and enforcement provisions.

Further in the area of trade, February 1 marked the second anniversary of the EU-Japan Economic Partnership Agreement (EPA) and was celebrated by further strengthening ties between the two parties. Improvements to the agreement see greater ease in trade of vehicles and wine, as well as the protection of a further 28 Geographical Indications (GIs).

Following the 2020 establishment of the EU's emergency temporary recovery instrument, NextGenerationEU, the European Council has approved its central pillar, the Recovery and Resilience Facility (RRF). It is the main instrument to fund the recovery plans of Member States, designed to combat the economic and social effects of the COVID-19 pandemic and make the European economy more resistant to future shocks. The RRF will have a financial provision of EUR 672.5 billion, of which 312.5 billion will be in the form of grants, and the remaining 360 billion in loans. The funds will be used to finance the reforms and investments included in Member States plans, following their approval from the Commission and Council. Aspects of the green and digital transitions, fundamental components of the 2021 Annual Sustainable Growth Strategy, are also to be included in Member State plans.

Looking forward and more broadly at the European economy, the Executive Vice President Dombrovskis suggests that growth will be seen in Spring as vaccination efforts gain momentum, with the economy returning to pre-pandemic levels by 2022.

EU efforts should be monitored closely in the coming months to ensure that the Commission's trade strategy extends beyond just rhetoric and maintains its tradition of values-based trade.

## WANT TO KNOW MORE?

Check out Niamh Saunders's article on the new EU-China Investment Agreement



# MIGRATION

Maria Pulliam — Research Associate

After receiving reports of human rights violations, the International Organization for Migration called on the EU to take action to end violence against migrants and refugees at its external borders. Amid mounting evidence and reports of pushbacks, which are illegal under EU and international law, chief of staff Eugenio Ambrosi said in a statement on February 10 that the use of excessive force and violence against civilians at the external border is unjustifiable.

At the beginning of this month, following a decision by the Civil Liberties Committee coordinators, a European Parliament Frontex Scrutiny Group was established to monitor all aspects of the border agency and set up recommendations to address the current situation. Members of the European Parliament, however, opted for a smaller investigation instead of a standard inquiry because of political divisions among groups. The working group will conduct a fact-finding investigation with a special focus on Frontex's "fundamental rights compliance, the agency's internal management and its transparency and accountability towards the European Parliament"

The European Commission presented its first assessment on cooperation with third countries on readmission, as part of the "comprehensive approach to migration policy outlined in the New Pact on Migration and Asylum". The assessment details the degree of EU engagement with each partnering country and the efforts made to improve cooperation on readmission. Results show that many of the obstacles to return lie inside the EU and its Member States and that improved procedures that reduce the fragmentation of national approaches are required to overcome the existent obstacles on readmission.



## IN CASE YOU MISSED IT

In January, A Path for Europe held its first official Policy Paper launch on the future of EU/UK relations. If you couldn't make it to the event, you can watch the videos on our YouTube channel.

Session 1: EU-UK Cooperation on External Migration Policy

Session 2 : EU-UK Security Cooperation post-Brexit

Session 3: Antitrust Mergers and State Aid post-Brexit

Session 4 : The Future of the EU-UK Emission Trading System

**The Future of EU-UK Relations: Towards A Strong Partnership**

Policy Paper Launch

21 January 2021

