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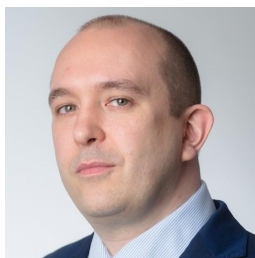
The Top 5 Biggest Changes in EU Policy and What's Left on the Agenda Before the Elections

Examining the evolution of EU policy over the last four years and insights into what's to come.

Meet the Experts

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Despite Emerging Crises, the European Commission Moved its Agenda Forward

When Ursula von der Leyen — the first woman to lead the European Commission — took office on Dec. 1, 2019, the Commission's main goals were to lay down the foundations for the medium- to long-term development of the EU. The aim was to navigate — or at least start to navigate — through the green and digital transitions, while reinforcing Europe as a global player in the context of deteriorating relations between the United States and China. "What we do now will determine what kind of world our children live in and will define Europe's place in the world," von der Leyen stressed in mission letters to her team of EU commissioners.

But the space for longer-term planning was soon squeezed — and dramatically so. COVID-19 and the associated economic hit, and then Russia's invasion of Ukraine and rocketing energy prices, pushed EU decision-makers into emergency response mode. They sought, for example, to coordinate vaccine procurement and keep within reasonable bounds the measures taken by EU governments to moderate the energy price hike.

In this, the Commission was not always successful. The scramble for coronavirus vaccines, for example, "exposed the lack of coordination at the EU level," says Geraint Edwards, managing director of FiscalNote Brussels. But the record of the von der Leyen Commission has been one of tackling problems methodically and getting to solutions in the end. "It's quite impressive how the EU managed to deal with such drastic circumstances, though obviously mistakes were made," Edwards says.

Also notable is that the Commission's crisis management state does not seem to have pushed it off course in terms of more day-to-day rulemaking. On the overarching digital and green strategies, regulatory initiatives have "progressed according to the calendar," says Doru Frantescu, CEO of EUmatrix.eu.

FiscalNote EU Issue Tracker data bears this out. By mid-May 2023, around **one-third of the legislation put forth since 2019 has been adopted, and nearly one-half of legislation is ongoing as determined from the 13 policy areas covered by EU Issue Tracker**. For these, time is running out ahead of the 2024 European elections and the end of von der Leyen's term.

Below are the four areas covered in this report and an at-a-glance view of the completion status in each.

Policy Area	Adopted (In Force)*
Digital & Connectivity	26%
Business & Consumer	15%
Environment	10%
Energy, Climate, & Transport	27%

*Out of the total of all legislative activity from the 2019-2024 Commission

Let's dive in.

Digital & Connectivity

In its bid to control the risks associated with the online world — including misinformation, cybersecurity threats, artificial intelligence, and the dominance of a few big digital giants — the EU has finalised significant framework laws, including the Digital Services Act and the Digital Markets Act.

These laws, which will take effect in 2023 and 2024, seek to protect consumers online and set behavioural standards for digital platforms, including for large platforms that are hard to avoid in the online ecosystem.

The EU also completed work on the Chips Act, which sets out measures to strengthen the resilience of its semiconductor ecosystem, increase its self-sufficiency in this sector, and bolster its technological leadership and competitiveness.

Priorities still to be completed before the 2024 European elections include:

- **Data Act**, which establishes rules on the sharing of data generated by connected devices

- **AI Act**, which lays down a legal framework for the classification as well as the trustworthy development and use of AI products and services in the EU

- **Revision of the eIDAS Regulation**, which sets out a legal framework to ensure access to secure and trustworthy electronic identification and authentication through a personal digital wallet

- **Cyber Resilience Act**, which establishes rules to ensure the cybersecurity of products with digital elements throughout their lifecycle

- **The proposed Regulation to prevent and combat child sexual abuse online**, which lays down rules and safeguards clarifying the responsibilities of providers to detect, report, and remove child sexual abuse material (CSAM) on their online services

In addition, legislative work remains underway on:

- **Interoperable Europe Act**, which lays down rules to increase interoperability and cross-border cooperation of EU public administrations

- **Gigabit Infrastructure Act**, which addresses existing challenges regarding the deployment of very high capacity networks (VHCNs) in the EU

- **The proposed Regulation laying down additional procedural rules relating to the enforcement of the GDPR**, which harmonises the administrative procedure to streamline cooperation between national data protection authorities in cross-border cases

However, there is a possibility that the work on these files is not completed before the elections in 2024, and may therefore be carried over to the next legislature.

One file in particular that has been slow to progress and potentially risks withdrawal is the **proposed ePrivacy Regulation**.

Presented under the previous Juncker Commission in 2017, the measure strives to strengthen privacy protection in electronic communications. Major disagreements between the European Parliament and the Council during trilogue negotiations regarding issues such as the capacity of law enforcement agencies to access and retain data from private electronic communications have led to the file's prolonged stagnation. If no agreement is reached soon, the file is not likely to be taken up and continued under the next legislature.

The main remaining digital initiatives to be proposed by the current Commission are more technical in nature and would include an update to radio spectrum rules in the context of digitalisation, as well as a possible initiative addressing the future of the electronic communications sector and its infrastructure (i.e., the 'fair share' debate).

EU measures on digital technologies, especially the largest online platforms, are being introduced in the context of a growing understanding of the "hidden social costs" and other downsides of the internet, says Edwards. "Not too long ago, everyone was criticising the EU for over-regulating the tech industry, but strong regulatory frameworks are now seen as essential."

Business & Consumer

Competitiveness

Competitiveness is one area in which the EU has had to be reactive since 2019. The push for greater self-sufficiency in the face of crises, and international developments — in particular, the United States Inflation Reduction Act with its subsidies for U.S. companies — have led the EU to take measures to reinforce homegrown business. These include the proposed **Net-Zero Industry Act**, which seeks to boost European cleantech, and the **Critical Raw Materials Act**, which sets out goals for European domestic sourcing of vital minerals, including through more recycling. In addition, the state aid framework has been loosened in response to crisis, and the single market emergency instrument, which contains provisions speeding up the time to market of goods needed in crises, was proposed.

Taxation

On taxation, EU countries, after some disagreements, approved a minimum effective tax rate of 15 per cent for large multinationals, thereby writing into EU law an Organisation for Economic Co-operation and Development agreement. Rules on reporting crypto transactions for tax purposes have also been agreed upon, and the European Commission has proposed an update of value-added tax rules, especially as they relate to online buying and selling, and to the activities of some online platforms.

Still to come are a proposal on withholding taxes and a plan for a single market tax reform under which large companies would be subject to a common EU tax base, with their profits allocated to EU countries for taxation purposes, and a possible share of those taxes taken for the EU budget. The reform, known as BEFIT (Business in Europe: Framework for Income Taxation), will be another attempt to harmonise corporate taxes in Europe, following stalled initiatives such as the Common Consolidated Corporate Tax Base, which was proposed in 2011.

Digital Euro

A potentially significant issue for both consumers and businesses is the digital euro — an electronic form of cash that will be issued by the European Central Bank. The European Commission will make regulatory proposals for the digital euro in mid-2023, while the ECB will take a final decision in October on whether or not there should be a digital euro.

Environment

A deluge of environmental legislation has spilled out from the von der Leyen Commission, triggered by the need to upgrade environmental laws generally in the context of the European Green Deal and the overarching goals of transitioning to a more circular economy, cutting pollution, and restoring biodiversity.

Proposed updates to existing laws have included:

- Waste shipments
- Wastewater management
- Packaging and packaging waste
- Eco-design standards
- The Industrial Emissions Directive

- Vehicle emissions
- Forest protection
- Air quality
- Pollutants in water

Almost no area has gone untouched.

In the context of crisis and the need for growth-stimulating measures, however, there has been some resistance to environmental measures from some EU countries and right-of-centre groups in the European Parliament.

"Energy performance of buildings is one of the most controversial outstanding files," says Frantescu. Proposed in late 2021, this update, which will imply major costs for energy renovation of buildings, has moved slowly and is yet to be agreed.

"The Commission is aware of the changing mood and has been delaying the publication of key files, especially on agri-food," Frantescu says. "A similar pushback is observed on the other main environmental pillar, which is the circular economy, especially on the packaging proposal by the Commission."

Nevertheless, the Commission has promised a continued flow of new environmental rule proposals during 2023, including measures to reduce food and textile waste, and legislation on soil protection and restoration — an issue on which EU legislation was previously floated in 2004, but was blocked as breaching the bloc's subsidiarity principle.

Hazardous Substances

The main law through which the EU regulates hazardous substances is the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). This is one area in

which there has been significant delay under the von der Leyen Commission. Proposals for a reform of REACH should have been published in late 2022, but have been set back a year to the end of 2023 — meaning the reform will be taken forward under the next European Commission and European Parliament.

REACH's delay due to the focus on crisis and economic recovery could spell trouble ahead. "The next European Parliament is likely to be even less supportive of such a revision," Frantescu says. The REACH revision "would be the final part of the Green Deal package," adds Edwards.

The Commission was also slow to act on a REACH restriction that will limit intentionally added microplastics in products such as facewashes and abrasive polishes. The European Chemicals Agency proposed the restriction (in effect, a ban) in January 2019, but it took until August 2022 for the Commission to propose a rule to bring the restriction into effect. The decision-making process on the rule is now in its final stages. The Commission is also supposed to propose measures to limit unintentional releases of microplastics into the environment.

But despite the delays, some steps to more tightly control hazardous substances have been taken since 2019. Measures include a clearer definition of what constitutes a nanomaterial, and a proposed revision of chemicals classification and labelling rules.

Meanwhile, the European Chemicals Agency is overseeing a major initiative that could see thousands of highly persistent chemicals effectively outlawed in the EU: a draft REACH restriction on per- and polyfluoroalkyl substances (PFAS), proposed by several EU countries, is presently being evaluated. In 2022, the Commission also proposed new rules on the more sustainable application of pesticides.

Energy, Climate, & Transport

Arguably, the most impactful policy area for the European Commission under Ursula von der Leyen has been climate and energy. In June 2021, the European Climate Law was finalised, making it a legal obligation for the EU in 2050 to be climate neutral. In the meantime, by 2030, the EU must cut its greenhouse gas emissions by 55 per cent compared to 1990. "Riding the wave of increased attention for climate issues, the Commission proposed the 'Fit for 55' package, which substantially overhauled the EU framework on environment, transport, energy, agriculture and more," Frantescu said.

The planned emissions cuts mean wide-reaching changes to the EU's economy that will touch everyone in the bloc. The war in Ukraine and rising energy prices have also thrown the EU's green goals into sharp relief, reinforcing the push for renewables as the EU decouples itself from Russian energy supplies.

The main climate and energy laws progressed by the EU since 2019 include updates to the bloc's emissions trading system (ETS), emissions cuts in non-ETS sectors, tightening of renewable energy targets, more stringent energy efficiency requirements, and carbon dioxide emissions limitations on vans and trucks. There have also been initiatives on hydrogen, methane, and electricity system design. A particularly high-profile dossier has been the carbon border adjustment mechanism, agreed in principle at the end of 2022, under which carbon levies will be chargeable on certain energy-intensive goods entering the EU (iron, steel, cement, aluminium, fertilisers, electricity, and hydrogen).

Some reforms, however, are proving tougher than others. For example, in mid-2021, the Commission proposed a revision of EU minimum energy taxation rates, but there has been little progress amid concerns about rising energy prices. It is unclear if there will be substantive progress in this area — on which EU countries must agree unanimously — before the 2024 European elections.

In transport, some initiatives are intended to contribute directly to the EU's green goals, while others deal with improving transport networks generally or tackling new technology. Still to come in 2023 are a reform of airport slot rules, measures to reduce pollution from freight transport, and a regulatory framework for the hyperloop — a high-speed system in which pods carrying people or goods whizz through pressurised tunnels.

Navigating Challenges and Shaping the Future With the EU's Upcoming Elections

The past four years have been significant for policymaking and EU affairs. The European Union has faced numerous challenges and opportunities, leading to important decisions that will shape a more resilient future. From economic recovery plans to climate change mitigation efforts, the EU has demonstrated its commitment to addressing pressing issues facing its member states and the global community.

The upcoming elections have the potential to redefine the political landscape and set the course for future policies, offering a chance for citizens to actively participate and voice their concerns, aspirations, and visions for the EU. Election outcomes will determine the direction of policymaking and the EU's priorities in the coming years.

Looking ahead, the EU will continue to prioritise areas such as economic growth, social cohesion, environmental sustainability, and digital transformation. By focusing on these areas, the EU can foster innovation, create job opportunities, and address societal inequalities.

Anticipated vs. Delivered Legislation Over The Last Four Years

Results from EU Issue Tracker*

Policy Area	Anticipated (Future)	Adopted (In Force)	Ongoing (Current Proposals)	Total
Agriculture**	1	2	4	7
Business & Consumer	9	4	14	27
Digital & Connectivity	1	6	16	23
Employment & Social	6	2	7	15
Energy & Climate	2	6	8	16
Environment	5	2	15	22
Financial Services	4	6	22	32
Food & Drink	4	1	2	7
Hazardous Substances	14	0	3	17
Health & Pharma	2	11	4	17
Institutional	4	13	4	21
Trade	1	3	3	7
Transport	13	6	10	29
Total	**66**	**62**	**112**	**240**

*This covers all legislative activity from the 2019-2024 Commission

** Excluding CAP & CFP Legislation from Agriculture

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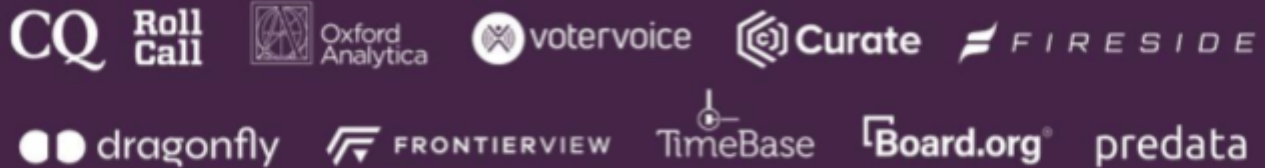
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EU Matrix is mainly based in Brussels with a network of experts across the EU and the world.

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