

On 18 October 2022, the European Commission (EC) published its 2023 Work Programme, entitled "A Union Standing Firm and United", which summarises the key new and existing policy initiatives the EC wants to advance in the coming year. The new programme lists 43 new policy initiatives intended to further guide the EU towards its six headline ambitions, while addressing the challenges stemming from rising energy prices and the Russia/ Ukraine conflict.

As is done every year, the Work Programme informs the public, and the co-legislators at the EU level, of the EC's political commitments to present new initiatives, withdraw pending proposals and review existing EU legislation.

On 14 September 2022 the EC president, Ursula von der Leyen, delivered her annual State of the Union. During the speech, von der Leyen placed considerable emphasis on the Russia/ Ukraine conflict. The president asserted that Europe would prevail in the conflict with Russia, and stressed that "sanctions are here to stay". The corresponding energy crisis was also front and centre. With this regard, von der Leyen provided assurance that the EC would propose temporary relief measures, among them a cap on the revenues of energy companies, and a new gas market benchmark. Further, in the context of the stabilisation of energy markets, the president underlined the importance of steering the European economy towards the use of renewable hydrogen. Von der Leyen announced the establishment of a "European Hydrogen Bank", and set an annual production target of renewable hydrogen at 10 million tonnes (starting from 2030). Among other announcements during her address, the president emphasised the importance of efforts to conserve biodiversity, and pointed to efforts to secure supplies of lithium and rare earth minerals. Finally, President von der Leyen backed the Parliament's request to reform and modernise the EU treaties, as a follow-up on the one-year long Conference on the Future of Europe.

The president of the EC sent a <u>letter of intent</u> to the presidents of the European Parliament and Council of the EU, in which she detailed actions intended to be carried out in the following year.

This Commission's Work Programme contains 43 new policy initiatives across all six of the headline ambitions of President von der Leyen's political guidelines, building on her 2022 State of the Union speech and letter of intent.

To help our clients get a better overview of the 2023 Work Programme, we have highlighted key initiatives in various policy areas, categorised by ambition headlines and expected rollout date.

If you have any questions or comments on our summary, please do not hesitate to reach out to us – we are here to help.



A European Green Deal

As most of the legislation to deliver the European Green Deal has already been proposed by the EC (please see Client Alert regarding 2022 Work Programme), it will now be crucial for the EC to table the remaining legislative proposals, the so-called Circular Economy Package II. The package will address, in particular, microplastics pollution and the sustainability of packaging. Its adoption by the college of the EC is planned for the end of November 2022.

The EC envisages further legislative works stretching transition towards green and sustainable economy, but adapted to events and problems arising in recent times.

In early 2023, the EC will propose a comprehensive reform of the EU's electricity market, including the decoupling of gas and electricity prices, to lessen the price effect of gas on electricity. The EC will take measures to promote more sustainable energy sources. With a view to scaling up production and market availability of green hydrogen, the EC will propose establishment of a European Hydrogen Bank, which will invest €3 billion into initiating a hydrogen market in the EU.

The EC will also take legislative action to reduce waste and the environmental impact of waste generation. The efforts will concentrate around the improvement of recycling of textiles and the prevention of food waste.

Further, in order to promote sustainable chemicals and enhance innovation, the EC will propose targeted revision of the legislation on the registration, evaluation and authorisation of chemicals (REACH).

Finally, the EC will table legislative proposals to further stimulate development of smart and sustainable mobility, including the "Greening Freight Package".

Energy Markets

Q1 2023

 Revision of the EU's internal electricity market rules (legislative)

Q3 2023

• EU Hydrogen Bank (legislative or non-legislative)

Circular Economy

Q2 2023

 Revision of food waste and textiles aspects of the Waste Framework Directive (legislative)

Q4 2023

- REACH revision Targeted amendments of Regulation EC/1907/2006 on the Registration, Evaluation and Authorisation of Chemicals (legislative).
- Revision of EU rules to improve access to and availability, sharing and re-use of – chemical data for the purpose of chemical safety assessments (legislative).

Sustainable Transport

Q3 2023

 Greening corporate fleets initiative (legislative or non-legislative)

A Europe Fit for the Digital Age

The EC is planning to develop important legislative proposals to ensure safe digital transformation of the European economy. To tackle current and future risks of strategic dependencies, the EC will table the Critical Raw Materials Act. Said piece of legislation will ensure diversified supply of critical raw materials, laying foundations for further steps towards green transition.

Further, the EC plans to identify implementation gaps and draw up future legislative priorities in the area of the single market. The EU plans to foster the EU companies' uptake of digital solutions with regards to their tools and processes in company law, which is supposed to encourage the crossborder expansion of EU firms. The EC will as well as put in effort to revamping digitalisation in the mobility sector, for which it will propose a common European mobility data space. Finally, in order to reduce economic burdens on small and medium-sized enterprises (SMEs), the EC will revise the Late Payment Directive.

The EC's interest will also focus around the topic of sustainability in the textile industry. The EC will revise the textile labelling regulation and introduce rules for physical and digital labelling – including sustainability and circularity parameters.

The EC will increase its efforts to eliminate asbestos from buildings across the EU. As a consequence, the EC will come up with a proposal on asbestos screening, registering and monitoring, which will result in the establishment of a comprehensive tracking system.

Supplies of Critical Raw Materials

Q1 2023

 European Critical Raw Materials Act (legislative and non-legislative)

Sustainable Textiles

Q4 2023

• Revision of the textile labelling regulation (legislative)

Phasing out of Asbestos

Q2 2023

 Screening and registration of asbestos in buildings (legislative)

Company Law Digitalisation Initiatives

Q1 2023

 Directive to further expand and upgrade the use of digital tools and processes in company law (legislative)

Internal Market Initiatives

Q1 2023

• The Single Market at 30 (non-legislative)

Digitalisation of Transport

Q2 2023

A common European mobility data space (non-legislative)

SME Relief Initiatives

Q3 2023

• Revision of the Late Payment Directive (legislative)

An Economy That Works for People

Significant EC legislative work will be dedicated to improving the economic situation resulting from elevated market uncertainty.

Primarily, the EC will carry out a review of economic governance framework to ensure it is still fit for purpose. The EC will also perform a mid-term review of the EU budget for 2021-2027.

In the latter half of 2023, the EC will present "Business in Europe: Framework for Income Taxation" (BEFIT) – a new legislative framework for corporate taxation. Through that instrument, the EC will be aiming at introducing a single set of tax rules for doing business in Europe, and consequently to attain greater coherence in corporate taxation.

Further, the EC will bolster consumer participation in capital markets by proposing a set of measures under the Retail Investment Package.

In terms of digitalisation of EU currency, the EC will table a proposal laying down a set of principles for a digital euro before its possible issuance by the European Central Bank (ECB). The EC will also focus on revision of the Payment Services Directive in order to – on the one hand – facilitate use of online payment services, and, on the other hand, to enhance the safety of such transactions.

Economic Governance Initiatives

• Economic governance review (legislative or non-legislative)

Multiannual Financial Framework

• Review of the functioning of the Multiannual Financial Framework (non-legislative and legislative).

Corporate Taxation Initiatives

Q3 2023

BEFIT (legislative)

Data Access in Financial Services Initiatives02 2023

• Revision of EU rules on payment services (legislative)

Stronger Euro

Q2 2023

• Digital Euro (legislative)

Retail Investment Package Q1 2023

• Improving the retail investment framework (legislative)



A Stronger Europe in the World

In view of the dynamically changing situation in international relations, the EC will be seeking EU allies on various levels.

A new agenda, reinvigorating EU relations with Latin America and the Caribbean, is planned to be delivered by the EC. At the same time, cooperation with candidate countries in the Western Balkans, along with Ukraine, Moldova and Georgia, in view of their future accession to the Union, will be continued. The EC will strengthen the effort for ratification of trade agreements with countries such as Chile, Mexico or New Zealand

International Relations

Q2 2023

 Joint communication on a new agenda for Latin America and the Caribbean (non-legislative)

Promoting Our European Way of Life

A significant role will also be played by proposals focused on improving healthcare and mobility as well as the skills and competencies of people.

To build further the European Health Union, the EC will propose a comprehensive approach to mental health, one of the key initiatives from the Conference on the Future of Europe. The EC will also deliver a new recommendation on vaccine-preventable cancers.

The EC will table a proposal recognising the qualifications of non-EU nationals in order to tackle problem of work shortages.

Finally, in order to ensure secure borderless travel in the Schengen area, the EC will propose laws digitalising EU travel documents and facilitating travel.

Learning mobility

Q3 2023

 Council recommendation on updated learning mobility framework (non-legislative)

EU Year of Skills

Q3 2023

 Recognition of qualifications of third-country nationals (non-legislative and/or legislative)

Travel

Q3 2023

 Digitalisation of travel documents and facilitation of travel (legislative)

Health

O2 2023

 A comprehensive approach to mental health (non-legislative)

Q3 2023

 Council recommendation on vaccine-preventable cancers (non-legislative)

A New Push for European Democracy

In 2023, the EC will put forward a defence of democracy package, aiming to tackle the problem of disinformation and to support free media and its pluralism. Proposed legislation will be also aiming at strengthening consumer protection in both online and offline markets by enhancing cooperation between competent authorities. Furthermore, the focus in the coming year will continue to be on promoting the democracy and sovereignty of the EU, and fighting corruption.

Protection of democratic pillars

Q2 2023

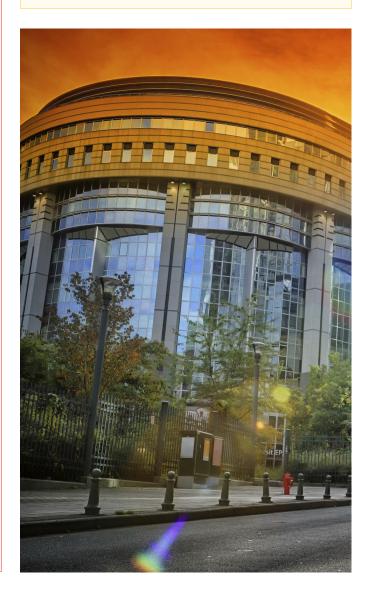
 Defence of democracy package, including an initiative on the protection of the EU democratic sphere from covert foreign influence (legislative and non-legislative)

Q3 2023

 Update of the anticorruption legislative framework (legislative)

Q2 2023

 Revision of alternative dispute resolution and online dispute resolution framework to improve the enforcement of consumer law (legislative)



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