Topic Overviews

Trieste 2021 | Regional Session of EYP ITALY





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European Youth Parliament of Italy

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European Youth Parliament Italy



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Institutions of the European Union

The European Union, more commonly stated as the EU is a political and economic union with 27 Member States in the heart of Europe. Growing slowly over the course of the years and only reaching its current state in 1993 with the Maastricht treaty on the European Union, it aims to ensure peace, freedom, justice and security for all its citizens, work towards achieving sustainable development on the premises of economic growth, a highly competitive market and environmental protection. Other goals of the EU are more focused on combating societal issues such as social exclusion or promoting scientific and technological progress. This approach towards more political cooperation of its Member States¹ apart from the economic and monetary union built on the currency of the euro makes up for an interesting cultural combination of the countries it is composed of. In this document we will be exploring only some of the EU institutions and bodies, drawing the attention on the ones most useful in understanding how to address the topic questions. These are the European Council and the three institutions involved in EU legislation, namely the European Parliament, the Council of the European Union and the European Commission.

European Council

The European Council consists of the **leaders**

The European Union is not a Federal Union as the countries within it still form their own governments and have separate constitutions. The EU has limited authority on the Member States as it was defined within its treaties and the areas of different competence will be explored in the Competences of the European Union section. Thus, it should not be confused with other federal unions such as the United States of America.

of EU countries (heads of state or government), its president, currently <u>Charles Michel</u> and the president of the European Commission. Its role is to set the general political agenda and the priorities of the EU and it generally takes form in quarterly summit meetings between the leaders chaired by the President. The President may also call for additional meetings if urgent issues arise.

To reach a decision, the European Council but have unanimity or in some cases qualified majority and only the EU leaders have the right to vote.

European Parliament

The European Parliament represents the voice of all EU citizens and is directly elected by them. There are currently 705 Members of the Parliament- including the President- and the allocation of seats to each country is roughly proportional to its population.

The President, <u>David-Maria Sassoli</u>, represents the Parliament to other EU institutions and the rest of the world and gives the final okay to the EU budget.

The European Parliament has three main roles: legislative, supervisory and budgetary. For our session, this is the most important institution as our resolutions are written in a way from the perspective of the European Parliament.

European Commission

The European Commission promotes the general interests of the EU. It's politically independent and consists of the College of Commissioners from the 27 Member States. The current President is <u>Ursula von der Leyen</u>. The European Commission has many roles: it is the only EU institution tabling laws for adoption, it manages the EU policies and allocates EU funding, enforces EU law in cooperation with the Court of Justice and represents the EU internationally.

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Council of the European Union

The Council of the European Union is the voice of EU member governments. Its members are the government ministers of each Member State according to the policy area that is up for discussion.

The main role of the Council is to discuss, amend and adopt laws while also coordinate the policies. In order for a decision to be passed it requires a qualified majority but some topics may require a unanimous vote. It's important the the Council of the European Union is not confused with the Council of Europe which is not an EU institution.

The Legislative Procedure in the European Union

Explaining EU legislation can at times be unnecessarily complicated. Instead of reading through a big text full of terminology you can watch this animated guide to the creation of EU legislation from start to finish.

During the session it's important that you understand the three main types of secondary EU legislation:

- Recommendations: are not legally binding acts, the European Commission usually issues them as a way for the institutions to make their position known and suggest a line of action to Member States without any legal obligation.
- **Directives**: are legislative acts which set a goal for the Member States to achieve. It is up to the discretion of the countries themselves to come with laws and ways to reach these goals.
- Regulations: are legally binding legislative acts, Member States are under obligation to incorporate them within their laws and they must be applied in their entirety across the

EU.

Competences of the European Union

With the establishment of the European Union came the Treaty on the Function of the European Union. This treaty amongst other things defines the limits within which the EU and its Member States operate. Based on a clear distinction of who holds the **legislative power** there are three types of competence. If the EU is the sole legislator for a policy area then this area belongs to the **exclusive competence** of the EU. All decisions are discussed through the EU institutions and if a proposal asses and becomes legislation all Member States should ensure the harmonisation of the policy with their national laws. In some other cases there is **shared competence**, this means that Member States can come up with their own legislation on these areas but if an EU legislation is voted upon they should still adjust their laws accordingly. Finally some policy areas are under supporting competence; this means that the EU can only intervene to support, enhance or help coordinate the Member Stares under the legislation they individually have the right to

The policy areas are divided based on EU competence in the table in the following page.

Exclusive	Shared	Supporting
 the Customs Union Monetary policy for the Eurozone Conservation of marine resources Common commercial policy Conclusion of international agreements under certain conditions Competition rules necessary for the functioning of the internal market 	 Social policy Internal market Economic, social and territorial cohesion Agriculture and fisheries Environment Consumer protection Transport Trans-European networks Energy 	 Protection and improvement of human health Industry Culture Tourism Education, vocational training, youth and sport Civil protection and disaster prevention Administrative cooperation

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Committee on Agriculture and Rural Development | AGRI

With the current predominant food consumption being neither beneficial to the health nor to the environment, how can the EU reduce the impact of animal agriculture and promote healthier and environmentally friendly alternatives?

Written by Stella Imo (DE)

The topic at a glance

The EU food system has achieved high levels of food security, food safety and a wide consumer choice but is currently deemed unsustainable for our planet and our health.² Food production in general, consumes a great amount of natural resources. More specifically, it requires 71% of Europe's farmland to feed livestock³ and 23% of global available freshwater⁴. Additionally, It is one of the causes of forest destruction⁵, loss in biodiversity and a huge amount of greenhouse gases (17% of the EU's total emissions⁶). And those problems are growing and becoming more difficult to solve as the earth's population is growing, meaning demand for food is higher.

Nonetheless, current consumption patterns do not only endanger our planet but also

- Denton, C. How Does Food Impact Health?
- 3 Greenpeace. 2019. Over 71% of EU farmland dedicated to meat and dairy, new research.
- 4 Greenpeace. 2020. <u>Animal farming in EU worse</u> <u>for climate than all cars</u>
- 5 Kissinger, G., Herold, M., De Sy, V., 2012. <u>Drivers</u> 8 of <u>Deforestation and Forest Degradation</u> su
- 6 Greenpeace. 2020. <u>Animal farming in EU worse</u> 9 for climate than all cars

our health. The excessive consumption of meat- especially red meat and processed meats- is not only likely to increase the risk of obesity but also of illnesses such as cancer and cardiovascular disease⁷. In 2017 more than 950.000 people died due to unhealthy diets, often linked with a high consumption of meat. On top of that, animal agriculture can be the cause of infectious pandemics.

To summarise, If the consumption of meat decreased, it is not only the health of many Europeans which would improve but also the environmental footprint of food systems as it would be significantly reduced⁸. ⁹Food, therefore, lies at the heart of trying to tackle climate change, improve the health of the planet and of all human beings.

Core Concepts

- There is still a **lack of awareness** of the link between meat consumption and climate change. Nonetheless, the high
- 7 Kanerva, M.. 2013. <u>Meat consumption in Europe: Issues, trends and debates.</u>
- 8 European Parliament. 2020. <u>Creating a sustainable food system: the EU's strategy</u>.
- 9 European Commission. 2020. <u>Farm to Fork</u> <u>Strategy</u>.

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- consumption of meat impacts the climate as the cultivation of food for livestock leads to deforestation, livestock emits the greenhouse gas Methane that is far more harmful than CO2¹⁰ and the production of meat uses up resources like freshwater¹¹.
- Soy cultivation is a key driver for deforestation. Most of the <u>soy cultivation</u> is used for feeding livestock while only 7% is used for products such as tofu that we as humans consume.
- <u>Cultured meat</u> is grown in a laboratory from a few animal cells. It is a new technology which a lot of start-ups are trying out. It is supposed to be on the European market in 2022.
- Labelling Regulation: Since 2016
 companies are obligated to provide
 nutrition information due to a regulation of
 the EU. In 2018, the European Commission
 also approved the "Mandatory food
 labelling Non-Vegetarian/Vegetarian/
 Vegan" initiative.¹²
- Presented in May 2020 by the European
 Commission and as part of the Green Deal,
 the Farm to fork (F2F) strategy aims to
 make the food systems more sustainable.
 More specifically, the strategy aims to
 transform the way food is produced and
 consumed in Europe in order to minimize
 the negative impact of food systems on
 the environment and health while ensuring
 food is available for people today and for
 tomorrow's generations.
- The new <u>Common Agricultural Policy</u> (<u>CAP</u>) <u>2023-2027</u> will be a key tool in this transition and in achieving the targets set
- 10 McDonald, J. 2018. <u>How potent is Methane?</u>
- 11 Happer, C. & Wellesley, L. 2019. <u>Meat</u> consumption, behaviour and the media environment: a <u>focus group analysis across four countries</u>
- 12 European Commission. 2018. <u>Commission</u>
 Decision.

- by the F2F Strategy as it sets a common policy and a legal framework. For the period 2023-2027 the CAP will build around nine key objectives such as climate change, environmental care, and food health. These objectives will be the basis upon which EU countries design their CAP strategic plans, taking into account national needs and capabilities.
- Food 2030 is a policy framework that was launched at the first Food 2030 high level event and aims to transform current food systems while ensuring affordable, healthy and nutritious food for everyone.
- With the existing measures, the EU aims to align with the Sustainable Development Goals (SDGs) of the UN, especially with SDG 12 promoting the right to a healthy life through adapting our consumption and production systems in a way that is in harmony with our ecosystems.

Key Actors

- Animal task force: is a European
 Public-Private Partnership of research
 organisations, farmers, and industry
 organisations. They work together on a
 sustainable and competitive European
 livestock production sector by sharing their
 knowledge and creating innovation in the
 whole animal production chain. They do a
 lot of lobbying when it comes to topics that
 concern their members.
- European Environment Agency (EEA): is an agency of the EU. Its task is to provide independent, reliable information about the environment to the public, and to policy actors such as the European Institutions including several Committees. It aims to help society and politicians to make well-informed decisions concerning the environment and sustainability. The EEA currently has 32 member countries that include the 27 EU Member States and

- five external countries as well as six West Balkan cooperating countries.
- Food and Agriculture Organization of the UN (FAO): The FAO is a specialized agency of the UN. It is responsible for the improvement of the generation and distribution of food globally and to ensure food security. The EU and the FAO have a strong partnership based on the common interest to achieve the 2030 Agenda for Sustainable Development as well as to end poverty, hunger, and malnutrition. Together, they cooperate to create innovative approaches, tools and products trying to reach food safety and security, sustainable agriculture, and combat deforestation.
- Standing Committee for Agricultural Research (SCAR): Is formed by representatives of 37 countries and is a source of advice on European agricultural research and coordinates national research programmes.

Main Conflicts

The importance of animal agriculture within the <u>European Union</u>

Within the EU, livestock and meat production play an important economic and social role. It contributes 168 billion euros annually to the European economy and offers employment for almost 30 million people. The EU is the largest producer of dairy products in the world, with European industries linked to the production of animal goods earning 400 billion euro per annum. With livestock being present in almost every EU region and 58% of European farms holding animals people in rural areas

- Animal task force. 2017. Why is European animal production important today?
- 14 European Commission. 2020. Study on Future of EU livestock: how to contribute to a sustainable.

are highly dependent on their jobs on farms or in meat and milk processing. A reduction of the livestock sector would be harming the tradition of these regions and push for urbanisation¹⁵. Additionally, the EU standards regarding cattle breeding and the processing of meat are very high compared with those of other countries¹⁶. A possible reduction of livestock farming within the EU would lower the supply of high-quality meat in Europe and increase imports of animal products with a lower standard. In turn, those products could increase health risks as especially the use of antibiotics is not as strictly controlled and limited. These pose a risk for antibiotic resistance in humans¹⁷.

The high meat consumption among Europeans

Meat has a strong cultural and gastronomic significance as it has always been in our diet. Our ancestors were hunters and gatherers relying on hunting and fishing animals alongside foraging for wild vegetation. Thus, many people consider meat to be an important part of meals both culturally and as an indispensable source of nutrients. Moreover, consuming meat has also been linked to having good social status as in the past it used to be a once-a-week luxury¹⁸. In 2020, each European consumed 69.5 kilograms of meat annually and 236 litres of milk. The EU consumption of meat is more

agricultural sector?

- 15 BBVA. <u>Urbanization report</u>.
- 16 Hosain, Z. & Kabir, L. & Kamal M. 2021. <u>Antimicrobial uses for livestock production in developing countries.</u>

than twice the world average. Yet, it differs

- 17 CDC. 2021. Food and Food Animals.
- 18 Phys.org. 2018 <u>The link between meat and social status</u>.

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greatly from country to country with 34 kilograms of meat in Bulgaria to 62 kilograms in Luxembourg. The consumption declines and is also expected to decline further but not as much as it would need to decline to reduce its impact on our planet and health¹⁹.

Vegetarian and vegan diets have the reputation of being **inconvenient**, products difficult to buy and to cook, expensive and their ingredients not always available. This prevents low-income families from purchasing vegetarian food and instead leads them to buying cheap meat. Furthermore, individuals have higher expectations when purchasing and consuming animal product alternatives. They want them to look, taste, smell and even have the same texture as the original products. While vegetarian and vegan consumers are more likely to accept alternatives that lack, for example, meat-like qualities, people who regularly consume meat maintain much higher expectations.²⁰

The missing awareness and knowledge among the public

There is still **low awareness** among the public of the **negative impact of meat** on our health and on the climate. A survey in Finland showed that still, 17.3% of the Finns neglect that meat has an impact on the environment²¹. People are more likely to see the transport sector as the main cause for emissions compared with meat production even though the two areas contribute an almost equal number of

19 European Commission. 2020. Study on Future of EU livestock: <u>how to contribute to a sustainable agricultural sector?</u>

20 PMC. 2021. <u>Foods for Plant-Based Diets:</u> <u>Challenges and Innovations</u>.

21 Faunalytics. 2016. <u>Public awareness of the</u> impact of meat production on the environment.

emissions.²² This leads to people resisting to lower meat intake to mitigate the effects of climate change. Often, people are also reluctant to change their eating habits as they are sceptical of scientific evidence and the constantly changing dietary advice.²³ In order to get a positive response from the public to government-led interventions concerning dietary shifts, closing the awareness gap is essential and the media hold a very important role. Easily affecting the public opinion, reporting on such issues should be done appropriately so as not to misinform the citizens. For example, a thesis on soy products having a similar negative impact on the environment as meat was once presented. However, consumers were confused by such news as they were being informed that the rainforest in Brazil being destroyed for cultivating soy without knowing that most of soy cultivation goes for feeding livestock. On a positive note, the younger generation has higher awareness of the impact of the consumption of animal products. Thus, the shift towards plant-based food is being driven by them as they want to make choices which will protect the planet so that the next generations will inherit a liveable environment.24

The Future

Product Innovations for plant-based diets:

There are several start-ups trying out new innovative products that taste and smell like real animal products such as cultured meat

22 Happer, C. & Wellesley, L. 2019. <u>Meat</u> consumption, behaviour and the media environment.

23 Faunalytics. 2016. <u>Meat Eating, Climate Change, and Public Awareness</u>.

24 Rowland, M. 2018. <u>Millennials are driving the</u> worldwide shift away from meat.

which is already on the European agenda. However, culturing meat needs energy, water, and a strict hygiene installation. Thus, if we use carbon-based energy sources, it is not clear if energy costs and CO2 emissions from the cultivation of meat are worse than cattle in the long term.

World Food Day: This is an international day celebrated every year worldwide on 16th October. It brings together governments, businesses, NGOs, the media and the public at various events and activities. It tackles a different topic every year to highlight areas where action and more focus is needed. This year's topic was "Safe food now for a healthy tomorrow".

- Should environmental, social and economic sustainability be the central objective of all policies relevant to food?
- How can the EU reduce the CO2 and environmental footprint of food systems while making them resilient to climate change?
- Is simply reducing EU livestock production the solution to the problem? Or will this just shift the impacts from the EU to other parts of the world?

Additional Material

- <u>Planetary Health Diet</u> a commission with experts created a diet that is both healthy for us and the planet
- <u>"Meatless Mondays"</u> is an international campaign that encourages people to not eat meat on Mondays. This has been adopted by some public schools in an effort to improve children's eating habits.
- Quick tips on how to integrate climate change and the environment in the agriculture and food systems
- <u>Fact sheet</u> about the Farm to Fork Strategy of the EU at the heart of the Green Deal
- Speech from the Farm to Fork opening

conference Fact sheet about the CAP 2023-2027

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Committee on Economic and Monetary Affairs | ECON

With the EU setting ambitious goals with the European Green Deal, how can the EU further promote investments and use its financial system to achieve the aforementioned goals?

Written by Raya Giger (CH)

The topic at a glance

The current climate crisis is having irreversible long-term effects on people's lives.²⁵ Even though countries all over the world have pledged to reduce their carbon footprint in the 2015 Paris Agreement, 26 the CO2 emissions over the world have steadily been rising.²⁷ To meet the Paris Agreement goals, the EU has presented the European Green Deal (EGD). The EGD aims towards a 'third industrial revolution' led by Europe, 28 making it the first carbon neutral continent by 2050. To implement these ambitious plans, the EU foresees a financial need of €1 trillion for sustainable investments in a green future. Thereby, high hopes are set on other actors, such as investors, to contribute their part as well.

However, in previous years, there has been a high hesitancy of investors, with only 1.3%

of the EU's GDP²⁹ being invested in green activities.³⁰ In order to reach the €1 trillion goal, the investment of the EU's GDP in sustainable projects must **rise to at least 3.7%** over the next decade.³¹ The current **lack of incentive** makes the fulfilment of the EGD's targets seem an unrealistic goal. Finding a **solution for the financing issues** is crucial for the EU to be able to achieve the objectives of the EGD.

Core Concepts

• Climate change is defined as 'long term shifts in temperature and weather patterns', 32 such as global warming. As this naturally occurring process has been heavily accelerated by human actions, 33

33 Ibid.

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²⁵ National Geographic. 27.01.2019 https://www.nationalgeographic.com/environment/article/global-warming-overview

²⁶ Global Climate Change. https://climate.nasa.gov/evidence/

²⁷ Worldbank. 2018 https://data.worldbank.org/ indicator/EN.ATM.CO2E.KT

²⁸ European Commission. https://ec.europa.eu/ info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal en#leading-the-third-industrial-revolution

²⁹ GDP (Gross Domestic Product): 'the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period' according to Investopedia. https://www.investopedia.com/terms/g/gdp.asp

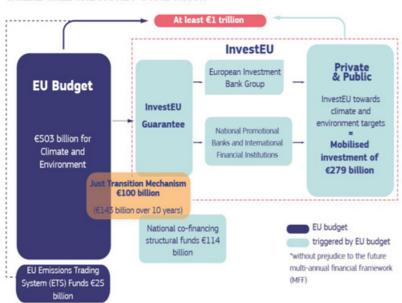
³⁰ EIB Investment Report 2020/2021: Building a smart and green Europe in the COVID-19 era (Executive Summary). https://www.eib.org/attachments/efs/economic investment report 2020 executive summary en.pdf

³¹ Ibid.

³² UN. https://www.un.org/en/climatechange/what-is-climate-change



WHERE WILL THE MONEY COME FROM?



*The numbers shown here are net of any overlaps between climate, environmental and Just Transition Mechanism objectives.

it is crucial to find ways to decrease each nation's impact on the climate to reduce long-term damage.

- The Paris Agreement is a legally binding treaty that was signed in 2015 by 196 parties aspiring to counteract climate change and its consequences. The ultimate aim is to reach a climate neutral world by mid-century. However the changes following the Paris Agreement appear slow, as carbon emissions continue to rise. The stream of the paris Agreement appear slow, as carbon emissions continue to rise.
- Since December 2019, the European Green Deal (EGD) sets the new guidelines for Europe to ultimately become the first climate neutral continent by 2050. Steps towards this include reducing Europe's CO2 emissions by 55% until 2030, by following

- strategy plans in different sub-sections.³⁶
- This plan incorporates a **green recovery** from the COVID-19 crisis.³⁷
- National Energy & Climate Plans of Member States (NECPs) make up the framework of Member States regarding their approach to the fulfilment of climate goals. Each Member State has drafted and submitted its own NECP for the period of 2021-2030.
- on July 29th 2021 as the key binding legislation supporting the EGD. It reaffirms the goals of the EGD and introduces measures to track its process.
- The financing strategy for the EGD the European Green Deal Investment Plan

(EGDIP)³⁸ - consists of raising €1 trillion for sustainable investments. EU funds and associated instruments used will in turn incentivise public and private investors who will operate with the EGDIP as an enabling framework.

• The initiative New European Climate Pact is designed to animate the various actors, including citizens, to learn, share knowledge and come up with solutions to problems caused by climate change. For this purpose, events encouraging the exchange between the actors are organised.

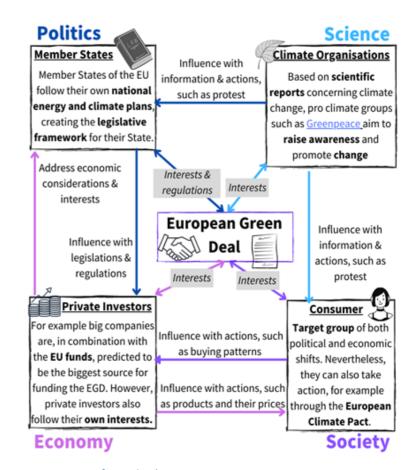
Main Conflicts

As visible in the EGDIP, a major part of the funds is predicted to come from **private and public** investors. However, there are two main obstacles in the way of fulfilling this goal:

Lack of funding

The investment rate in sustainable projects has only been rising very slowly, the current figure being allocated at around €175 billion.³⁹

Key Actors



<u>Infographic</u> by Raya Giger, For Greenpeace

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³⁴ United Nations Climate Change https://unfccc. 36 European Commis info/strategy/priorities-2019 paris-agreement deal en#highlights

³⁵ Our world in data. 2020 https://ourworldindata.org/co2-emissions

³⁶ European Commision. https://ec.europa.eu/ https://ec.europa.eu/ https://ec.europa.eu/ https://ec.europa.eu/ https://ec.europa.eu/ https://ec.europa.eu/ https://ec.european-green-deal_en#highlights

³⁷ European Commission. https://ec.europa.eu/ info/strategy/recovery-plan-europe en

³⁸ Infographic of European Commission. https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_24



While the field of renewable energy has been experiencing an upswing in funding, other areas such as energy efficiency have been stagnating.

Although there are many green options due to the EGD strategies⁴⁰ and most potential investors would have the capacity, they simply experience a lack of incentive. 41 The yield expected from financing green projects does at the current state of development - not seem to have an attractive enough return. Instead, one of the highest areas of subsidisation and profit currently is the fossil fuel industry, 42 a sector whose impact is counterproductive⁴³ to the EGD goals.

Alarmingly, current numbers suggest that the €1 trillion allocated will by far not cover the financial resources needed. Estimates go up to additional €160 billion per year between 2021-2027⁴⁴ to the €279 billion needed from

- EIB Investment Report 2020/2021: Building a smart and green Europe in the COVID-19 era (Executive Summary). https://www.eib.org/attachments/efs/ economic investment report 2020 executive summary en.pdf
- European Commission. https://ec.europa. eu/info/strategy/priorities-2019-2024/european-greendeal en#highlights
- Alphalex Consult. 24.04.2020. https://alphalexconsult.eu/the-financial-and-non-financial-challengesof-the-green-deal/
- Euronews. 30.04.2021. https://www.euronews. com/green/2021/04/19/climate-now-what-is-europedoing-to-tackle-climate-change
- Client Earth. 11.11.2020 https://www. clientearth.org/latest/latest-updates/stories/fossilfuels-and-climate-change-the-facts/
- Alphalex Consult. 24.04.2020. https://alphalexconsult.eu/the-financial-and-non-financial-challengesof-the-green-deal/

investors. Considering the already too low investment rates, the fulfilment of the EGDIP is hanging in the air.

<u>Legislative framework and economic theory</u>

The EGD by itself has **no legislative power**. This means that especially private actors are not bound to the deal, but only to the NECP's. Member States, 45 however, often create policies based on the theory of an individual free market economy. This concept is also a fundamental right captured as **freedom** to conduct a business in the Charter of the Fundamental Rights of the European Union.46 Thus, the **clash of interests** between the private economy and the need for funding becomes visible. Stricter regulations, demanded due to the lack of investment, run the risk of limiting the freedom to conduct a business, which would be a breach of fundamental rights. Yet, if no legislative action is taken, the EGDIP cannot be implemented to its full capacity.

In conclusion, if not tackled within the given economic framework, the lack of incentive for change will ultimately be the downfall of the EGDIP and the EGD as a whole.

The Future

As the EGD has recently entered into force, some actors and several strategies are still in the works. This includes the current establishment⁴⁷ of the European Scientific

- For entire list see: Global Finance. 18.05.2020 https://www.gfmag.com/global-data/economic-data/ economic-freedom-by-country
- Charter of the Fundamental Rights of the European Union. Article 16. https://eur-lex.europa.eu/ legal-content/EN/TXT/?uri=CELEX:12012P/TXT

Advisory Board on Climate Change, which will be working independently from Member States and EU institutions. By acting as a point of reference on scientific knowledge about climate change, it will support the implementation of the European Climate Law and support the EU on its way to carbon neutrality.

However, while from a legislative standpoint, the last steps towards a 'greener Europe' are being taken, the insecure economic aspects endanger the success of the EGD. Therefore, the key questions are:

- With what means can incentives for investing in sustainable projects be increased?
- Can this be done without heavily restricting the market economy we live in?
- Thus, are there ways to combine ideas for an outcome balanced in interests?

Additional Material

- Some general information on <u>climate</u> change, including statistics concerning the EU and its Member States,
- Watch this video, for a recapitulation of the EGD and its meaning,
- The factsheets of the European Climate Law, European Climate Pact and EGDIP offer a summary of the three regulations and their aims.
- This <u>article</u> offers a more in depth explanation of the different actors involved in the EGDIP,
- For more information on how some concepts of our economy work and what regulatory options there are, watch this <u>Crash Course Video</u>. Keep in mind that the examples provided in this video are from the US and thus only applicable to this

https://www.eea.europa.eu/about-us/climate-advisory-

- topic to a limited extent!
- This explanation offers a small insight into what environmental economics is and what some ideas for strategies are.

European Environment Agency. 27.09.2021 board/european-scientific-advisory-board-on

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Committee on the Environment, Public Health and Food Safety I | ENVI I

With the International Energy Agency warning that future fossil fuels projects must be abandoned in order for the world to reach net-zero carbon emissions by 2050 and environmental protection issues starting to present national and international security implications, what stance must the EU have towards its updated Arctic framework in regard to exploiting natural resources of the region?

Written by Gabriele Scrima (IT) and Fiona Hafferl (ES)

The topic at a glance

The Arctic's temperature is currently warming up at twice the global average rate, causing the ice caps and glaciers to melt. Scientists predict that if it continues warming at this rate, the Arctic won't have any ice left by the summer of 2040⁴⁸. This will lead to a future filled with climate catastrophes and environmental disasters⁴⁹; sea levels will rise, coastal cities will be flooded, and we will experience frequent hurricanes, heavy rain falls and droughts. Moreover, a high percentage of the world's undiscovered petroleum lies in the Arctic⁵⁰, and as the ice melts these reserves become more **accessible**⁵¹. Currently, the Arctic holds about 10% of the world's oil and 25% of our natural gas. This attracts private companies to exploit the region. The method they use to extract these resources is known as 'oil drilling'. It has been a controversial topic for

many years, since one of the main risks in oil explorations is spilling. Oil spillage is deadly to Arctic **wildlife** and impacts the life of the **indigenous** people that live there⁵². Another large oil spill like the one in May 2020 would be catastrophic for the Arctic Region, and without any counter measures in place, the consequences could be irreversible.

Core concepts

- Arctic Region: The Arctic can be defined as the semi enclosed sea, surrounded by water. Countries which have direct access to the Arctic are the United States, Canada, Greenland, Finland, Norway, Russia, and Sweden.
- has its own Arctic policy, the EU has also developed its own policy. It highlights the need for regulations on pollution prevention and oil and gas operations; the need for cooperation between the states for research on the Arctic; the importance of safety and freedom of navigation through the Arctic Sea; the need for proper budget allocation for the EU- Arctic

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⁴⁸ Lorin Hancock (2021) Why are glaciers and sea ice melting?

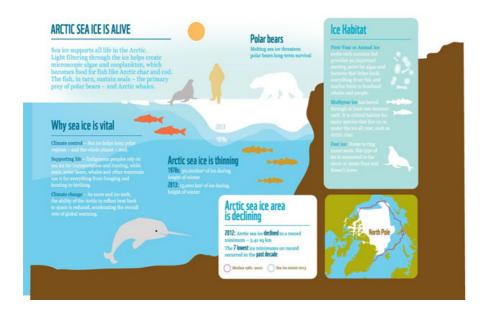
⁴⁹ Stephanie Osmanski (2020) <u>Here's What Will</u> <u>Happen, if the Arctic's Ice Caps Actually Melt</u>

⁵⁰ U.S Geological Survey (2008) <u>Huge amount of fossil fuels in the Arctic</u>

The Guardian (2015) *The New Cold War*

⁵² John Ahni Schertow (2011) <u>Oil drilling</u> <u>threatens Arctic ecosystem; infigenous ways of life</u>





Educational infographics, Arctic sea

- strategy⁵³.
- Offshore oil drilling: Not all natural resources are available on land or shallow waters, so to access reserves in deep waters, the offshore drilling technique is used. A wellbore is drilled beneath the seabed and extracts the petroleum that lies in the rocks. Oil tankers or pipelines transporting oil run the risk of damaging, causing leaks in the ocean which are damaging to the environment.
- Arctic permafrost: There exists a frozen layer on our planet's surface composed of soil and ice, which is commonly referred to as the permafrost. It is located in extremely cold areas, which means it can be found in the Arctic regions. When its temperature rises above 0°C, the permafrost thaws and transitions from the solid to liquid state. Thawing permafrost not only results in the rising of sea levels, but it also releases carbon gases that contribute to global warming⁵⁴.
- Naja Bentzen (2019) Integrated Arctic Policy
- 54 National Geographic (2019) Arctic permafrost

• Ocean acidification: The burning of fossil fuels causes the carbon dioxide levels in our atmosphere to increase. This CO₂ is absorbed by the oceans and leads to a decrease in pH (which translates to an increase in acidity). Corals and planktons are the most susceptible to this phenomenon, and since they're at the bottom of their food chain, any threat to their existence is a threat to the ecosystem. Due to their lower temperatures, polar seas will be the first to suffer from ocean acidification⁵⁵.

Key Actors

 United Nations Framework Convention on Climate Changes (UNFCCC) - Provides technical expertise and assists in the analysis and review of climate change information. It also assists with the

is thawing fast. That affects us all.

55 BioAcid (2017) <u>Biological impacts of ocean</u> acidification

- implementation of the Kyoto mechanisms while maintaining the registry for the NDC under control of the Paris Agreement.
- <u>European Environment Agency</u> provides relevant and accessible knowledge to help policymakers and the public to act on timely, relevant, and robust information on climate change.
- The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change. It provides policymakers with regular scientific assessments on climate change, its implications and potential future risks, as well as puts forward adaptation and mitigation options.
- The Council of the European Union
 brings together government ministers of
 each EU country from the relevant area.
 Environment Council (ENVI) is responsible
 for EU environment policy, including
 environmental protection, use of resources
 and the protection of human health. It also
 deals with international environmental
 issues, especially in the area of climate
 change.
- Private companies (such as Royal Dutch Shell, Exxon Mobil, ConocoPhillips) in the oil and gas sector having business operations in the arctic. These companies are responsible for the extraction of natural resources, such as oil and natural gases, and their actions often entail environmental costs.

Main Conflicts

Climate change is undoubtedly one of the biggest global challenges that humanity will have to face in the next decades. The Arctic is a key area for this issue: the melting of the permafrost is one of the biggest contributors to the rising of sea levels, which in turn will have many other negative effects on the climate. However, the Arctic is one of the largest

resources of undiscovered oil⁵⁶ and other greatly valuable natural resources and this causes all sorts of tensions, at a domestic as well as international level.

Offshore drilling: proponents vs detractors

At the domestic level, the conflict can be located mainly between private companies which have an interest in extracting more and more resources from the Arctic framework, as that is a great source of revenue, and governments and governmental agencies that are increasingly committing to a significant reduction of emissions and a greater attention to environmental problems.

Proponents of drilling insist that increasing

Proponents of drilling insist that increasing domestic production along the coasts would lower gas prices and diminish the country's reliance on foreign oil, creating jobs at the local level and reducing taxpayers' liabilities. An increase in offshore drilling leads to an overall economic growth and this would give a government more discretionary income to spend on addressing societal issues. Oil and natural gases are also essential goods for energy supply, while the use of renewables as a percentage of total world energy consumption only increased by 0.07% from 1973 to 2009⁵⁷. Oil is directly responsible for about 2.5% of world GDP, but accounts for one third of humanity's primary energy supply, and it's over half if including natural gas.

Detractors argue just as strongly that any oil found would have a minimal impact on prices and domestic supply and would devastate surrounding ecosystems. Oil spills have direct effects not only on the environment and local wildlife, but also on humans which

Arnfinn Jørgensen-Dahl, Arctic Oil and Gas (2010) ARCTIS | Arctic Oil and Gas (arctis-search.com)

57 Forbes (2013) What Are The Top Five Facts
Everyone Should Know About Oil Exploration? (forbes.
com)

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are directly affected by frequent water and food contaminations. Furthermore, offshore oil rigs are very expensive: their cost is 15 to 20 times higher than land drilling, with the least expensive offshore rig typically amounting to \$200 million⁵⁸, without even considering additional costs such as costs of equipment, site preparation, allowances and rig mobilization.

<u>The Interests of the EU vs the Interests of foreign stakeholders</u>

There are also geopolitical rivalries⁵⁹ in place. Although there is a consensus amongst the bordering states to maintain stability in the Arctic, there are no overarching agreements or treaties over the area, and this causes friction between the interested parties. In fact, the legal framework of the region is a convoluted accumulation of standards, traditions, settlements and soft law governing the actions of governments in their usage of the Arctic waters, the most important one being the United Nations Convention on the Law of the Sea⁶⁰.

Previously, the inhospitable conditions made any legal disputes to claim territory over the area almost meaningless, but this is not the case anymore due to the changing climate. While the EU has pledged to protect the region for its environmental significance, Russia has sought to assert its influence over wide areas of the Arctic in competition with the United States, Canada, Denmark, and Norway, with China also showing an increasing interest in the region.

- 58 How much does cost (2021) <u>How Much Does</u> an Oil Rig Cost? (Complete) How much does cost?
- 59 AP news (2021) <u>EU looks to strengthen ties</u> <u>with Arctic, protect environment (apnews.com)</u>
- 60 United Nations Convention on the Law of the Sea (1982) UNCLOS+ANNEXES+RES.+AGREEMENT

The Future

The discussion on how to tackle environmental problems often seems to put us in front of a prioritisation problem. Should we prioritise economic growth, or the protection of our planet and its delicate ecosystems? Figures like Bjorn Lomborg⁶¹, president of the Copenhagen Consensus⁶², argue the former, stating that as countries get richer and richer they are better able to face and adapt to changes in their environment. He also stresses the importance of investments in scientific research in bringing down the environmental costs of human action.

On the other end of the spectrum, the activist Greta Thunberg, leader of the "Fridays for Future"63 movement, argues that climate change is such a massive threat to humanity that we should do everything we can to drop all our emissions now, even at the expense of our economic growth in the short run. The exploitation of natural resources in the Arctic is a perfect example of this dilemma, as it is a great economic resource which would bring great environmental costs. Would the reduction in economic growth outweigh the environmental benefits of reducing human action in the Arctic framework? What's the best course of action for the EU, also considering the increasing geopolitical tensions over the area? Should we drastically reduce the exploitation of

61 Bjorn Lomborg's website, <u>Get the facts straight</u> | <u>Bjorn Lomborg</u>

natural resources in this area, or protect our

economies? Is there an optimal balance?

- 62 Copenhagen Consensus website, <u>Copenhagen</u> Consensus Center | Copenhagen Consensus Center
- Friday For Future website, <u>Fridays For Future</u> is an international climate movement active in most countries and our website offers information on who we are and what you can do.

Additional material

- Offshore drilling: The US Arctic Ocean by Oceana (2015). This campaign site explains the risks of oil drilling in the Arctic.
- Why is offshore drilling so controversial? by Jennifer Horton (2008). A website on the offshore drilling debate which outlines its pro's and con's.
- Copernicus for EU Arctic Policy by Copernicus Marine Service (2019). Short video on the EU's initiatives regarding the Arctic.
- Study: Warmer Arctic led to killer cold in Texas, much of US by Seth Borenstein (2021). Article on the extreme weather caused by the warming of the Arctic
- Protect the Arctic by Greenpeace (2021).
 Greenpeace's Arctic campaign website covers the problems the Arctic faces and what causes them.
- Why is exploitation of Arctic offshore oil and natural gas resources ongoing? by Maria Morgunova (2020). A case study on the Russian and Norwegian objectives in the Arctic
- Integrated Arctic Policy by Naja Bentzen (2019). A summary on the EU's strategy in the Arctic, and the overall environmental and political situation.
- Bjorn Lomborg: Global priorities bigger than climate change YouTube by Bjorn Lomborg (2007). TED Talk by Bjorn Lomborg, president of the Copenhagen Consensus, in which he proposes a framework on how to tackle large scale global issues and how to establish priorities among them.

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Committee on Environment, Public Health and Food Safety II | ENVI II

With access to mental health support for young people being heavily disrupted since the beginning of the pandemic, young people's mental health has declined significantly. How can the EU and its Member States tackle the structural inequalities in access to mental health and improve their mental health systems for their future generation?

Written by Sean Hennessy (IE), Elena Petsa (GR)

The topic at a glance

In September 2021 the World Health Organisation (WHO) and the EU declared the launch of the pan-European Mental Health Coalition⁶⁴, dedicated to improving mental health across Europe. The EU has said that mental health conditions are the **leading** cause of disability in Europe today and that the quality care for such conditions has long suffered from insufficient resources and attention. This neglect towards the universal access to mental health assistance has only been worsened by the COVID-19 pandemic. According to a survey carried out by the WHO, mental health services have been disrupted in 93% of countries worldwide due to the COVID-19 pandemic.⁶⁵ It has been estimated that **84 million people** within the EU have been **negatively affected** by these disruptions⁶⁶. Additionally, between March 2020 and March 2021 there has been a noticeable increase

The Pan-European Mental Health Coalition. 2021. <u>Launch of the Pan-European Mental Health Coalition.</u>

World Health Organization. 2020. <u>COVID-19</u> <u>disrupting mental health services in most countries.</u>

66 Nicolàs-Sàbchez, E..2020. Revealed: <u>Hit to EU</u> mental health services during COVID-19.

of parent-reported symptoms of attention difficulties and other problematic behaviours in their children⁶⁷. With 40% of young people expressing feeling uncertainty about their future, emotions of stress and fear are very high, raising concern about a **wellbeing crisis** amongst young people globally⁶⁸.

Core Concepts

- This topic centres around how the mental health of young people have been affected during the pandemic. Symptoms of stress, anxiety and depression have <u>risen</u> <u>dramatically</u> in young people more than in any other age demographic.
- Mental disorders are illnesses with significant psychological or behavioural manifestations which can be associated to painful or distressing symptoms or an impairment in one or more important areas of functioning.
- According to the constitution of WHO,

67 Creswell, C., Shum, A., et al. 2021. <u>Young</u> people's mental health during the COVID-19 pandemic.

68 European Youth Forum. 2020. <u>The hidden</u> health crisis: the dramatic impact of COVID-19 on young people's mental health.

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"health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity". For Thus, mental health is not simply the lack of mental disorders or disabilities as it can be affected by environmental, biological, and socioeconomic factors.

- Mental health prevention has been defined as an intervention used to minimise mental health problems through addressing their determinants before the actual problem is identified.
- The European Commission has issued the Union of Equality: Strategy for the Rights of Persons with Disabilities 2021-2030 in 2021 to help with equal access and nondiscrimination as well as ensuing a decent quality of life and living independently.

Key Actors

- Member States are currently called to respond to the ongoing COVID-19 pandemic. It is important, however, that mental health is integrated within the national recovery plans as mental health issues will far outlive the pandemic.⁷¹ Additionally, national governments hold the power of integrating aspects of mental health into their educational systems.
- The <u>EU-Compass for Action on Mental</u> <u>Health and Wellbeing</u> is a web-based mechanism used to collect, exchange and analyse information on policy and
- 69 World Health Organization. 2018. <u>Mental health: strengthening our response</u>.
- 70 Miles, J., Espiritu, R.C., Horen, N., Sebian, J., & Waetzig, E.. 2010. A <u>public health approach to children's mental health: A conceptual framework.</u>
- 71 European Commission. 2021. Mental health and the pandemic: living, caring, acting!

- stakeholder activities in mental health.
- Mental Health Europe is one of the largest independent organisations that cooperates with the EU and other organisations for the protection of people's mental health and human rights. It provides recovery services and organises projects and campaigns.
- Minds Foundations is a Non-Governmental Organisation (NGO) that provides services for people with mental illnesses and aims to promote mental wellness for all. Their vision according to them is "to eliminate the stigma surrounding mental illness through education, training and providing access to cost-effective, high-quality care."

Main Conflicts

Access to mental health services in the EU

While COVID-19 did impact access to mental health services through disrupting their normal processes, it is not the only reason people do not get the health they need. An online survey in 2020 showed that 38% of respondents feared going to a treatment centre while 26% could not afford⁷². Another issue individuals often face is long waiting times in the more affordable options. In countries such as France and Estonia, only psychiatrist costs are covered by the public health care system and even in Member States where the public health care systems cover costs for psychologists, people still must pay for additional fees.

This combination of additional costs and long waiting times add a socioeconomic factor on mental health treatment with services being mostly accessible to those who can afford an option within the private sector instead of relying on their public health system.⁷³

- 72 Stewart, C.. 2021. <u>Reasons for not accessing</u> mental health services in Europe in 2020.
- 73 DW. 2021. Pay up or put it off: Europe fails to

Some EU countries make patients pay for public psychologists

Austria

an average public therapy session costs €50, or around 5 hours of work on minimum wage

Italy €19

Denmark €51

Estonia €5

Greece €3

Hours of minimum wage work needed to pay for one session with a public psychologist

Patients have to wait longest for therapy in the richest EU countries

Austria

Austria

Germany

Italy €19

Sweden

Netherlands

Czech Republic

Spain

Denmark

Italy

Lithuania

Poland

Source: Civio

On the other side of the coin, **online professional mental health support** has been available in Europe for quite a while. Nonetheless, 41% of Europeans taking part in a survey were not aware they could access it, while the 51% which was aware of the existence of online options had never used them⁷⁴. Applications such as <u>Better Help</u> may reduce fear of physical interaction, but they can also be quite costly with one therapy session per week ranging from EUR 50 to EUR 70.

<u>Stigma and quality of life for individuals with</u> mental health issues

Nowadays, the importance of mental health is rather widespread and individuals with mental disorders can seek treatment with more ease than in the past decades. Nonetheless, there is still some **stigma** surrounding mental disorders. Such stigma which can be either observed as the rejection of people with mental illnesses and their **stereotyping** or a general shame associated with having such

treat mental health.

74 Stewart, C. 2021. <u>Awareness of online</u> <u>professional mental health support in Europe in 2020.</u>

an illness oftentimes prevents people from seeking help. Thus, the stigma can negatively impact the **quality of life** of individuals with mental disorders.⁷⁵

An intensive report in 2011 explained that whether individuals with mental disorders could benefit from non-discrimination laws and reasonable accommodations greatly depended on the existence or absence of the **definition** of disability and the scope of the **transposing** legislation. In Greece, the lack of definition lead to confusion on if people with mental illnesses could benefit from legislated employment accommodations whereas in countries such as France, Spain and Slovenia, reasonable accommodations could only be provided to individuals officially recognised as having a disability.⁷⁶

Moreover, these reasonable accommodations mostly found in the fields of employment are also much needed in education, mobility,

75 Stuart, H.. 2016. <u>Reducing the stigma of mental illness</u>

76 European Union Agency for Fundamental Rights. 2011. <u>The legal protection of persons with</u> <u>mental health problems under non-discrimination law.</u>

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and housing systems to ensure that people with mental illnesses enjoy equal rights and opportunities. Member States do already cover to some extend some measures for schools as well as higher education institutions. Whereas educational institutions (especially those for primary and secondary education) do act towards promoting mental health and wellbeing while also providing students with skills to self-seek help when needed.

minor are coping with the pandemic.

The Future

The discussion on mental health may have been ongoing since the beginning of the millennium, however, there are still many areas which could be improved. With an unstable economy raising concerns about the future of societies all in the midst of a pandemic, strain is put on the mental health of citizens and especially young people who sometimes feel as if their future is disappearing. Ensuring the wellbeing of the youth and the future generations through reducing stigma alongside making it more accessible should be the priority of the EU and Member States alike if they want to maintain healthy citizens and societies.

Additional Material

- Living, working and COVID-19: Mental health and trust decline across EU as pandemic enters another year is a factsheet by Eurofound explaining the economic and social effect of the pandemic and its impact on well-being as well as other things.
- This documentary by 23abc sheds some light on mental illnesses and how they affect their sufferers as well as their surroundings.
- This german documentary explains how mental health services have been impacted by COVID-19 restrictions and overall, how

Committee on Development | DEVE

With the EU aiming to help partner countries recover from COVID-19 repercussions, how can it further the post-Cotonou Partnership Agreement with the Africa, Caribbean and Pacific Region?

Written by Michele Rivetti(IT)

The topic at a glance

With the Covid-19 pandemic having long lasting effects on societies and economies alike, new rules and balances are emerging in the geopolitical chessboard. With, post-colonial states⁷⁷ having so far agreed to maintain relationships under the concepts of active cooperation, economic alignment, as well as democracy, the post-Cotonou Agreement, initialled in April of 2021, represented a new era of cooperation.

As stated above, the Cotonou and post-Cotonou Agreements were put into place to promote values such as democracy and respect of human rights as well as to focus on other important issues such as sustainable development and climate change. For these arduous undertakings to be implemented, however, political and financial effort is required from both the EU and the 79 African, Caribbean and Pacific (ACP) countries. All areas of interest have been hardly hit by the pandemic, particularly because of the halt in international tourism and the dependency on foreing investments from developed economies, which simply could not afford to keep the flow of money coming during the hardest months of lockdowns.

Core Concepts

A <u>post-colonial state</u> is a term applied to the new nation states that emerged out of the process of decolonization in the post Second World War period.

- The Cotonou Partnership Agreement (CPA) between the 27 EU Member States and 78 African, Caribbean and Pacific countries (ACP) is the current framework (until November 31st 2021) for relations between the EU and its signatories over topics such as trade, human rights and democracy.
- Multilateralism represents a key concept to this topic, as all countries that undertook the Agreement are to some extent committed to multilateralism, be it in their neighbouring area, continent of sovranational organisation.
- The **negotiations** that brought about the post-Cotonou agreement started in 2018 within the framework of the **United Nations** General Assembly in New York.
- A Stronger Europe in the world is one of the Commission's top priority agendas, aiming to strengthen the role and the presence of the EU as a global player. This Is to be achieved through the aforementioned values of multilateralism, and rule-based international relations, in order to reach its objective in a sustainable and conflict-free way.

Key Actors

• The **Pacific Islands Forum** is an organisation comprising of countries in the Pacific area which aims to become the primary political, economical and legal beacon for the region. Not all members

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- of the organisation are also part of the post-Cotonou Agreement (most notably Australia).
- The African Union is an <u>organisation</u> very similar to the EU, made up of 55 nations. Having the aim of bringing the respective countries together regardless of ethnicity and nationality.
- The organisation of African Caribbean and Pacific States (OACPS): formerly known as African Caribbean and Pacific Group of States (ACP), it is the organisation that brings together the 78 signatories of the post-Cotonou Agreement (Cuba is a member of the organisation but not a signatory of the treaty). This organisation has a particular focus on the sustainable development of its members and their gradual integration into the world economy, together with a reduction of poverty and a more equitable world order.

Main Conflicts

<u>Is Africa slowly drifting away from this agreement?</u>

As we have seen before, the African continent has seen in the past few decades, the birth and growth of an integration process within the framework of the African Union (AU): its members strongly support the "One Africa Policy⁷⁸" and as a result the African Continental Free Trade Area (AfCFTA) was created. It is worth noting that within the AU's leadership, a powerful minority of states (Rwanda, Chad and South Africa) has proposed to abolish the ACP framework, as they deemed it unfit to fulfill Africa's regional integration needs⁷⁹.

78 <u>Pan African Parliament's President stance</u>

79 Does the Agreement make sense for Africa?

This hard stance most likely originates from the vneed for further negotiations, as this minority was aiming at striking a better deal, similar to those acquired by North African States that are not part of the post-Cotonou framework. This, however, will unlikely produce a sudden break in relations, as these countries are heavily reliant of foreign trade and investments⁸⁰.

<u>Can countries as different as Tuvalu and Niger be included in the same framework?</u>

The post-Cotonou Agreement has made steps into elaborating a more regional-based framework, in order to fulfil the needs of different actors in an accurate way. This need has aroused from the different impacts the pandemic has had on these countries, as well as the stark differences that one is able to deduce, even when analysing neighbouring countries.

This lack of homogeneity can certainly be the origin of difficulties and setbacks, as the countries represented make up more than 1.5 billion people with different cultural, social and economic needs⁸¹: even though the financial flow resulting from the Agreement is more than welcome, how would countries react if this were to be halted?

Considering that a regional approach would generally be more efficient, especially if it tailored its action to the region's needs.

However, chances are that such an approach would cut the global perspectives of the agreement as a whole, as its scope would naturally fall under regional eyes, risking to cut off less developed and influential areas.

The Future

80 <u>Africa's foreign investment dependency problems</u>

81 Raw Data on the Agreement

Ultimately the fate of this framework lies in the will of its stakeholders to sustain it against the challenges the future will present. With influential and economically sound China representing a potential difficulty⁸² to the EU's interests in the African continent will this legal framework fall under the blows of other international actors?

Additionally, the drift between Sub-Saharan and North African countries goes directly against the geopolitical interests of the African Union and it does not seem like the countries will reach a compromise anytime soon. This means that the EU would also have to prepare for "internal differences" of the ACP countries alongside a united Africa.

Moreover, the post-colonial imprinting of this agreement was more evident in light of Brexit. Partner countries which are also part of the Commonwealth will be influenced by the EU losing one of the most politically motivated members in this regard. Nonetheless, only the future will tell what the UK's intentions are with Commonwealth countries and how this will be affecting their relations with the EU⁸³.

ambitions and legislation, useful to understand the framework and intentions within which this agreement was reached.

Additional Material

- Cotonou and Post Cotonou Agreement: a brief overview on raw data and policy of both the new agreement and the previous framework, useful for a quick look at the essential data and knowledge.
- After Cotonou: Towards a new agreement with the African, Caribbean and Pacific states: a more in depth analysis of the process that took place in order to achieve the new agreement.
- A Stronger Europe in the World: the Commission's page for its foreign policy,

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^{82 &}lt;u>China's projects for Africa</u>

^{83 &}lt;u>Does the Agreement still make sense for</u> Africa?



The Committee on the Internal Market and Consumer Protection | IMCO

With the Digital Services Act and the Digital Markets Act being the first step towards fair and open digital markets, how can the EU and its Member States further assist the digital transition and post-pandemic recovery of SMEs?

Written by John McCrohan (IE)

The topic at a glance

The Digital Services Act and the Digital Markets Act were proposed on the 15th of December 2020 to establish a level playing field in the European Single Digital Market and to create an environment where the fundamental rights of all users of digital services are protected. Digital Gatekeepers who "bottlenecked" information were targeted to limit the development of digital monopolies with those who do not comply with the new obligations risking fines up to 10%84 on their worldwide turnover. These measures, however, adopt a one-size-fits all approach which must be amended to allow for the digital transition of Small to Medium sized Businesses. Following the Covid-19 pandemic, it is more crucial than ever for SMEs to be given support to decentralize market dominance by "Big Tech⁸⁵" companies such as Facebook and Apple. The EU must rectify its approach to governing digital services with its commitment to supporting SMEs in the digital environment.

Core Concepts

84 Sànchez Nicolàs, E.. 2020. <u>Online giants could face 10% fines under new EU law.</u>

Rosencrance, L. 2021. Big Tech.

- Digital Markets Act (DMA) addresses digital market imbalances in the EU, which the European Commission considers to arise from the gatekeeper role of large online platforms, so-called gatekeeper platforms
- Digital Services Act (DSA) aims to create a safer digital space where the fundamental rights of users are protected and to establish a level playing field for businesses.
- Platform Economy is the tendency for commerce to increasingly move towards and favour digital platform business models. The Platform Economy, however, leads to the domination of the market by larger firms.
- understood to represent firms that have acquired a disproportionate level of economic power and control over platform ecosystems. Their influential position allows them to bottleneck information in key market areas.
- Created by the European Commission, the EU Digital Single Market aims at removing virtual borders, boosting digital connectivity, and making it easier for consumers to access cross-border online content.
- Small and medium-sized enterprises
 (SMEs) Are generally accepted to be businesses with less than 250 staff employed. They are the firms most in need of support in the Digital Market.

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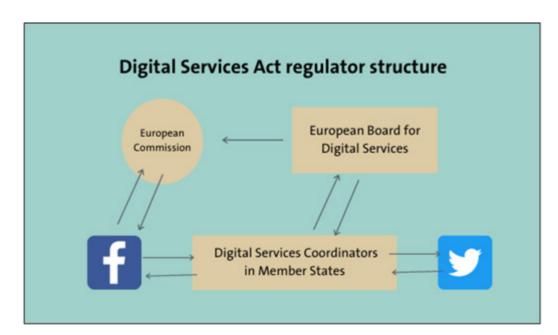


- Big Tech is a term that refers to the most dominant and largest technology companies in their respective sectors. IE: Google, Apple
- Bundling is the practice of Gatekeepers pre-attaching various company applications to owned devices as a means to indirectly influence the market choices of consumers. This may be implemented through direct pre-installation or the use of third parties.
- E-Commerce Directive of 2000: The sole guiding directive in relation to an Internal Market framework for online services in the EU before the proposal of the Digital Services Act. It aimed to facilitate crossborder online transactions in the EU internal market and provide legal certainty for businesses and consumers.
- Digital Service Coordinator: As part of the proposed Digital Services Act, the Commission would require a coordinating service consisting of national and EU-level cooperation, which will supervise how online intermediaries adapt their systems to DSA requirements. Each Member State will be required to appoint a Digital Services Coordinator, an independent authority which will be responsible for supervising the intermediary services established in their Member State and/or for coordinating with specialist sectoral authorities.

Key Actors

• SMEs: There are growing calls for measures that target the dominant position Big Tech companies hold in the digital market, while at the same time allowing smaller businesses to thrive without additional burdens. Similarly, policymakers must recognise the opportunity of the DSA to contribute to a more open and competitive internet ecosystem. The EU must find the right balance between tackling the

- market-distorting influence of tech giants while strengthening SMEs and start-ups in their pursuit of market access and fair competition rules.
- "Big Tech" Companies: The Digital Services
 Act and the Digital Markets Act aim to
 revamp the way Big Tech companies and
 digital services operate, from moderating
 illegal and harmful content to reining
 in competition oversteps. They are the
 corporations whose influence on the
 digital market must be limited to prevent
 antitrust practices and the development of
 an oligopolistic market structure within the
 digital sector.
- Member States: The Digital Services Act, if enacted, will be a unitary approach for the entire EU, allowing for EU citizens to have a common enforcement system. This "unified" approach may be resisted in certain member states as they wish to maintain control over their own digital market regulations. For instance, the French government has introduced a requirement that platforms provide a single point of contact to "streamline" the communication with the French broadcasting authority, thereby undermining the role of the Digital Service Coordinators. Other member states argue that national specificities be accounted for in the DSA's development.
- Digital Gatekeepers: The DSA will allow third party consumers to inter-operate with the gatekeeper's own services in certain specific situations, allowing their business users to access the data that they generate in their use of the gatekeeper's platform. However, at a national level certain Member States are experiencing a disparity in digital security and market balance leading to the ever-increasing dominance of Digital Gatekeepers in the digital market. It is critical for the digital gatekeepers to be held to account in terms of anti-competitive business practises⁸⁶.



Main Conflicts

Big Tech vs SMEs

The proposed Digital Services Act and the Digital Markets Act intended to clarify the policing responsibilities and restrain the power of Big Tech respectively Thus, they have been billed as urgent pieces of needed EU regulation as concerns about "Big Tech companies" such as Facebook and Google exerting too much power in the digital market have grown. For example, in 2017 Google was fined €2.42 billion after the European Commission claimed it had "abused its market dominance" by giving an advantage to its own comparison-shopping platform on its search engine. The EU must effectively balance limiting the tremendous influence of Big Tech companies while providing a free market for the development of SMEs. The creation of Digital Markets Units to oversee a pro-competition regime for platforms in dominant positions is critical for implementation of policies that govern digital businesses behaviour when interacting with

86 European Commission. 2020. <u>The Digital</u>
Markets Act: ensuring fair and open digital markets.

competitors and users.

Considering the position of SMEs given post pandemic recovery, the EU must ensure that the limitations applied to the digital market do not stunt the growth of smaller players operating within the market structure. There is also pressure from some small businesses within the EU, which argue that proposed rules intended to support them threatened to damage them. The App Association⁸⁷, a trade body representing hundreds of small app developers in the bloc, warn that the DSA and DMA legislation could deter large platforms from buying small rivals therefore limiting expansion options for SMEs. The question remains, how may the EU limit the power of Big Tech companies while maintaining its commitment to support SMEs?

Differences between Member States

The experience and attempts of recent years have shown that national based action to rein in the problems related to the spread of illegal content online, in particular when influential platforms are involved, fall short of

87 ACT. 2021. <u>Digital Services Act Position Paper.</u>

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effectively addressing the challenges at hand and protecting all Europeans from online harm. Moreover, uncoordinated national action puts unnecessary strain on the smaller online businesses and start-ups who face significant compliance costs to be able to align themselves with new legislation. For example, on the 14th of June 2021 the Commission stated in response to France's new Digital Market actions: "Increasing fragmentation poses a risk to the single market in digital services and to Europe's prosperity and makes it more difficult to ensure that all Europeans benefit from a comparable level of effective protection online". A unified approach to digital legislation will better protect and empower all Europeans, both individuals and businesses. The Digital Services Act proposes one set of rules for the entire EU. This means standardised procedures for notifying illegal content, the same access to complaints and redress mechanisms across the single digital market. However, the enforcement of this unified approach is not guaranteed with certain member states resisting the implementation of the DSA for the purpose of national benefit⁸⁸. The implementation of the DSA and DMA is a

88 Member States Reaction to DSA: https://bit.ly/3FMZNcJ

significant move for the protection of human rights in the digital sphere however it must be implemented at an EU wide level to work most effectively. How may the EU harmonise its implementation of its Digital strategy with the varied interests of its Member States.

The Future

The issues raised by the implementation of the DSA and DMA clearly demonstrate the need for further legislation and clarification in relation to the EU's digital strategy. Major problems faced by the DSA include the market-distorting influence of tech giants which threatens to stamp out the development of SMEs and start-ups. However, the limitation of these Big Tech companies must not come at the expense of small-scale enterprise and their pursuit of market access and fair competition rules. Similarly, the national strategies of member states must be aligned with an EU wide digital strategy to ensure the safety of the Digital Single Market.

The position and safety of the European digital environment as of yet is unsure therefore the issues presented are of the utmost importance and must be dealt with accordingly. How may the digital transition of SMEs be ensured while

limiting the powers of influential digital market players while being implemented as an EU wide unified approach?

Additional Material

- European Commission <u>Question and</u>
 <u>Answers</u> in relation to the Digital Services
- Member States <u>Reaction</u> to the implementation of Digital Services Regulation.
- <u>Formation process</u> of Digital Services Act by legislative train schedule.
- <u>Draft Report</u> on the proposal for a regulation of the European Parliament and of the Council Contestable and fair markets in the digital sector (Digital Markets Act)
- European Think Tank, Online platforms: <u>Economic and societal effects</u>
- European Parliament on <u>Regulating</u> <u>Gatekeepers</u>
- Big Tech Company Facebook's <u>reaction</u> to the DSA
- Digital Europe <u>position paper</u> on the DSA

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