



Europe in May 2019

Preparing for a more united, stronger and more democratic Union in an increasingly uncertain world

ANNEX IV

Unfinished business: the Top 10 EU issues awaiting final agreement



FUTURE OF EUROPE

Unfinished business: the Top 10 EU issues awaiting final agreement

1 Multiannual Financial Framework 2021-2027

The Commission's proposals for a new Multiannual Financial Framework 2021-2027, presented in May and June 2018, lay the groundwork for a more modern and efficient long-term budget that helps the EU focus on key priorities.

€1 out of every €4 will be spent on climate action, while programmes for youth, such as Erasmus, will receive more than twice as much funding.

The proposals put forward are both a vision for the Union we want as well as a pragmatic plan for how to get there. It is truly about EU added value, investing even more in areas where one single Member State cannot act alone or where it is more efficient to act together. This is why funding for research and innovation, European strategic investments, the single market and space programmes will receive a total of €187.4 billion, while funding for external action will receive €123 billion, funding for border management and migration related programmes will be increased to €34.9 billion and spending for security and defence will be increased to €27.5 billion.

2 Reform of the Common European Asylum System

Europe has made great strides on migration policy in recent years and was able to navigate through the crisis of 2015-2016. There is however, still a need to create an asylum system that is fully effective, humane and capable of dealing with any future crisis. The Common European Asylum System provides common minimum standards for the treatment of all asylum seekers. It consists of a legal framework covering all aspects of the asylum process as well as a support agency — the European Asylum Support Office (EASO). The set of proposals for reforming the asylum system presented by the Commission in May and July 2016 provided for a balance between solidarity and responsibility. These measures would benefit those seeking protection through more consistent conditions and simpler, quicker decision-making. They would reduce the incentives for secondary movements, discourage asylum shopping and support more efficient returns of those with no right to stay. The rules determining which EU country is responsible for an asylum claim would be made clearer and more effective, with a more structured and predictable system for supporting Member States under disproportionate pressure. The case for a modernised asylum system equal to the pressures of the future remains as strong as ever.

3 e-Privacy

Europe leads the world in data protection standards, but its rules on online privacy are badly outdated – online services can read our communication over the internet and share it without our consent. 92% of Europeans surveyed in 2016 said the confidentiality of their emails and instant messages should be guaranteed. The Commission's proposal presented on 10 January 2017 would deliver that protection.

4 e-Evidence and prevention of the dissemination of terrorist content online

Criminals leave digital traces – in emails or cloud-stored documents – that can serve as evidence in courts. The Commission's proposal presented on 17 April 2018 provides for new rules adapted to the digital world that would make it easier and faster for police and judicial authorities in different Member States to get the evidence they need to investigate, prosecute and convict criminals and terrorists. Big internet companies such as Facebook, Twitter and Google have been increasingly taking down terrorist content online over the past few years. However, the scale of the threat is outpacing the response. The Commission's proposal, presented on 12 September 2018, would ensure a clear and harmonised legal framework to prevent the misuse of hosting services for the dissemination of terrorist content online, by imposing automatic removal of such content within one hour.

5 Schengen area – preserving both security and free movement

The rules on the temporary reintroduction of border control within the Schengen area need to be updated. The Commission's proposal presented on 27 September 2017 would ensure the right balance between facing current threats to internal security effectively, and making sure that internal border controls remain exceptional and do not unduly limit free movement in Europe.

6 Modern tax rules for a modern economy

The Commission's proposal for a common consolidated corporate tax base, presented on 25 October 2016, would make it easier and cheaper to do business across Europe's single market. It would also close many paths for tax avoidance, helping to level the playing field for multinational businesses. It would not mean common rates of tax – every EU country would still decide that for themselves. International rules on corporate taxation are particularly out of date when it comes to digital services. The Commission's proposal for a digital services tax, presented on 21 March 2018, would make it clearer that tax should be paid where the profit is made, even if there is no physical presence of giant technology companies. The Commission's proposal for an EU single Value Added Tax (VAT) area, presented on 18 January 2018, would make the VAT system more fraud-proof and protect government revenues.

7 European Deposit Insurance Scheme and the Backstop to the Single Resolution Fund

The Commission's proposal for a European Deposit Insurance Scheme, presented on 17 November 2015, would complete the Banking Union and would be an essential component of a financial system built on a common currency. It would complement the Economic and Monetary Union, improve protection of bank customers and further increase the stability and resilience of the financial system in the euro area and beyond. The backstop to the Single Resolution Fund – which is agreed in principle but not yet operational – would further increase trust in the EU's banking system by providing a credit line to the Fund and minimising even further the risk that taxpayers will have to support failing banks. The Single Resolution Fund, which is pre-financed from contributions from euro area banks, has a target size of around €55 billion. The size of the Backstop will correspond to that of the Fund.

8 Access to safe drinking water

The European Commission's proposal on drinking water, presented on 1 February 2018, was the result of the first ever successful European Citizens' Initiative. It would improve the situation of about two million people in the EU. At present, each year roughly 5% of the EU population is at risk from water-related health problems (this varies greatly between different EU countries). Water scarcity affects 11% of the EU population. The proposal would reduce the health risk to below 1% and ensure access to water for all. Safer tap water would lower bottled water consumption, saving money, plastic waste and CO₂ emissions in the process.

9 Reform of social security coordination

In 2017, 17 million Europeans — 3.3% of the EU population — lived or worked in a different Member State, which is nearly twice as many as a decade earlier. The interaction between the social security provisions in different EU countries is complex, causing a burden for workers, employers and social security administrations alike. The Commission's proposal, presented on 13 December 2016, would make the rules simpler and fairer.

10 International Procurement Instrument

The worldwide public procurement market is worth some €8 trillion each year, but more than half of it is closed to EU companies — which win only about €10 billion of contracts in third countries. Opening up the markets would be good for jobs and growth in Europe, but would also mean lower costs in the countries concerned. The Commission's revised proposal, presented on 29 January 2016, would provide for a new tool to tackle the protectionism of many countries outside Europe — including as a last resort, disadvantaging companies from protectionist countries in bids for tenders in European countries.

