

# Positioning For a More United Europe: Implementing a Strategic Agenda on Key Priorities and Assessing EU-China Relations

February 2020

The European Commission affirms its resolve that this Union works for all Europeans and that we build on our successes, learn from our failures, and continue to strive to better the lives of our citizens. We are committed to ensuring that this organization's destiny is to lead across Europe and beyond while pursuing policies that create lasting peace and prosperity. In a time of fractured alliances, rising nationalism, and demographic changes, we pledge to protect the rules-based international order, strengthen democratic reforms, and adopt policies that meet the hopes and dreams of our citizens. During this summit, we welcome additional progress to meet key strategic milestones in Europe's strategic agenda over the next five years. In addition, we intend to better define our bloc's relationship with China that simultaneously acknowledges the latter's political and economic rise without compromising our need for an assertive and multifaceted policy approach on relevant issues. **To address the broad range of policy matters that demand our attention, the following stipulations are proffered for collective consideration:**

## PREAMBLE

**WHEREAS** the European Union (EU) has consistently sought to deepen integration among member states and declare our shared commitment to promoting democratic principles, the following should be taken into account:

- 1) That we are a broad, diverse community historically divided by conflict and misgivings for centuries, now dedicated to jointly overcoming strategic challenges.
- 2) That the EU is an institution that stands for human freedom, democratic principles, the rule of law, and the upholding of fundamental rights.
- 3) That closer integration between member states will strengthen our shared values and create greater benefits for our citizens.
- 4) That this bloc will continue to build economic, political, and social partnerships that enhance Europeans' standard of living and reinforce the EU's global influence.
- 5) That we adopt policies that position Europe to withstand future economic or political crises through sound economic reforms, responsible foreign policies, and technological cooperation.

## EU Strategic Agenda 2019-2024

### Current Situation

**WHEREAS** the conclusion of the most recent European Parliament elections in late May and the impending change of political leadership across EU institutions—including the European Council, the European Commission and the European Central Bank—reinforces the need for

this body to set forth its policy priorities going forward and clearly engage with our citizens to explain how these focuses will strengthen our Union. This holistic examination of our policy posture forms the basis of our contribution to the next strategic agenda for 2019-2024.

**WHEREAS** five years ago, the European Council crafted a strategic agenda and this Commission developed ten political priorities that have remained a key framework in delivering policy outcomes. The Juncker Commission made 471 new legislative proposals and carried over an additional 44 proposed by its predecessor. During its mandate, nearly 350 proposals have been agreed or adopted by the European Parliament and the European Council, including in around 90 percent of cases by consensus votes.

**WHEREAS** Europe's economy has grown for six consecutive years, over 12 million jobs have been created during this Commission, and government deficits across the EU have decreased by around 6 percent over the last decade. Tailored economic planning, such as the European Fund for Strategic Investments, reversed the downward investment trend and provided visibility and technical assistance to much-needed investment projects. Nearly €400 billion in investments for small and medium-sized enterprises have supported infrastructure, research, renewable energy, environment, and digital and social projects.

**BE IT HEREBY RESOLVED** that ahead of the 60th anniversary of the Treaty of Rome, we released a White Paper on the Future of Europe and unveiled a roadmap detailing concrete steps for the EU to tackle global challenges. Building from this, we call on the adoption of new and ambitious goals that reflect the evolution of this bloc and recognize the need for transparency and streamlined decision-making. We are prepared to use this strategic agenda to plan the work of the European Council and to serve as a framework for other EU institutions.

**BE IT HEREBY RESOLVED** that we outline the need for the EU to focus on five main areas: expanding defense cooperation to better secure Europe; encouraging continued economic reforms to increase competitiveness, foster growth, and accelerate innovation; promoting social inclusion and equality to sustain our shared values; modernizing our economy to implement climate-conscious and sustainable consumption and production practices; and emphasizing consistent support for a multilateral and rules-based international order in our foreign engagement.

### **Prioritizing Next Steps**

**WHEREAS** the EU recognizes the need to cooperate more closely on an array of security and defense areas by effectively consolidating resources to counter terrorism, organized crime, cyber crime, and hybrid threats. Such cooperation, especially across industry and research, cyber defense, crisis management, and operations abroad will bring tangible benefits to our citizens and raise our situational awareness of the most pressing security issues.

**WHEREAS** there are now 240 million people at work in Europe – more than ever before – and unemployment is at a century record low, enabled by sound EU policies, including the

establishment of the European Fund for Strategic Investments. The fund has triggered almost €400 billion in additional investments, supported 750,000 European jobs, improved access to financing for 945,000 small and medium-sized companies, and increased Europe's GDP by 0.6 percent.

**BE IT HEREBY RESOLVED** that strengthening the EU's resilience against existing and emerging threats, including managing migration and maintaining effective protection of the EU's external borders, is of extreme importance. We call on member states to meet our target of standing up 10,000 European border and coast guard officers as soon as possible, and by 2027, at the latest. We must also improve legal migration policies, streamline resettlement and social integration, and reduce incentives for smugglers to operate illicit transport routes to Europe.

**BE IT HEREBY RESOLVED** that we call on member states to foster economic growth by deepening the Economic and Monetary Union; completing the banking and capital markets union; investing in key European digital capacities to boost Europe-made and human-centric artificial intelligence capabilities; and partnering with industry to focus financial resources and skills on cutting edge research and innovation. We reiterate our previous pledge to allocate €100 billion to such research under the next EU budget.

**BE IT HEREBY RESOLVED** that member states reaffirm their obligation to deliver on the European Pillar of Social Rights, jointly proclaimed by Parliament, Council, and Commission in November 2017. By addressing regional disparities, minorities' needs, gender issues, and ensuring social protections, Europeans will remain confident that this body will promote policies allowing for equal access to necessary governmental resources and enabling all communities to overcome challenges stemming from any lack of perceived social or economic opportunities.

**BE IT HEREBY RESOLVED** that we pay particular attention to the implementation of our sustainability objectives, in line with the UN-adopted 2030 Agenda for Sustainable Development. This will require reinforcing actions to counter climate change, reverse environmental degradation, and deliver substantial reductions in greenhouse gas emissions. We echo our calls to earmark 25 percent of the future Multiannual Financial Framework (MFF)—this Union's long-term budget— for investment on climate action.

**BE IT HEREBY RESOLVED** that amidst fierce global geopolitical competition, the EU will tailor its foreign policy priorities to defend our democratic values and ensure Europeans' economic prosperity. Our Global Strategy underscores that the EU should promote global governance based on our core values, including upholding the rule of law, facilitating sustainable development, promoting multilateralism, and abiding by international humanitarian law. Europe's role as a security provider— reflected by our current 16 civilian and military missions and operations that deploy more than 4000 EU personnel— should be expanded, most notably in the Permanent Structured Cooperation, to strengthen defense cooperation among member states.

### **Unresolved Agreements**

**WHEREAS** the Commission welcomes the work completed to date on finalizing the MFF package for 2021-2027 and looks forward to the European Council planned exchange of views in October 2019 that we expect will ensure that an agreement on this budget proposal is reached before the end of the year.

**WHEREAS** the Common European Asylum System sets minimum standards for the treatment of all asylum seekers and applications across the EU. The migration challenges since 2015 highlight the need to reform EU asylum rules due to the lack of uniformity in existing policies across the Union. This lack of consistency in part explains the disproportionate rate of asylum applications in member states that asylum seekers judge they will have the highest likelihood of obtaining protection.

**WHEREAS** the General Data Protection Regulation (GDPR) established a global standard for protecting personal data, the new draft ePrivacy Regulation seeks to replace the EU's existing ePrivacy and Electronic Communications Directive by creating a holistic legal framework for online privacy. By changing from a directive to a regulation, the new uniform set of rules will apply directly in all EU member states. Further consultation and negotiations on the regulation shall commence in the near-term between EU stakeholders and the European Parliament.

**BE IT HEREBY RESOLVED** that the swift adoption of a new MFF will lay the groundwork for a more modern and dynamic long-term budget that helps the EU focus on key initiatives. In addition to planning to spend €1 out of every €4 on climate action, this bloc envisions achieving efficiencies by prioritizing investment in key areas, such as €187.4 billion for research and innovation, €123 billion for external action, €34.9 billion for border management and migration-related issues, and €27.5 billion for security and defense.

**BE IT HEREBY RESOLVED** that our legislative proposals for reforming the asylum system aim to benefit those seeking protection through more consistent legal guidelines and simpler, quicker decision-making; eliminate incentives for secondary movements, discourage asylum shopping, and support more efficient returns of those with no right to stay; and provide enhanced resources to the most affected member states. We continue to view efforts to revise the Dublin system, reinforce the Eurodac regulation to improve EU fingerprint databases for asylum seekers, and create a fully operating EU asylum agency as key short-term objectives.

**BE IT HEREBY RESOLVED** that member states promptly adopt the ePrivacy regulation to protect online content in the newest forms of electronic communication, safeguard select non-personal data such as metadata, and press corporate enterprises to adapt their compliance systems and data processing and retention schemes. The ePrivacy Directive will also complement and provide greater clarity on GDPR provisions with respect to the processing of personal data in the electronic communications sector.

## **EU-China Partnership**

### **EU-China Bilateral Relations, Human Rights, and Climate Change**

**WHEREAS** the EU and China are linked by an enduring relationship and both sides reaffirm their commitment to deepening their partnership for peace, growth, and reform by comprehensively implementing the initiatives outlined in the EU-China 2020 Strategic Agenda for Cooperation. However, member states recognize that Beijing's rapid economic growth and willingness to use its political influence to expand its global presence and pursue its wide-ranging ambitions must also be accompanied by commensurate increases in its responsibilities for upholding the rules-based international order, implementing greater trade reciprocity, improving the openness of its financial system, and better protecting human rights.

**WHEREAS** the 2016 Strategy on China remains the basis of our strategic partnership with China, reflecting a more assertive approach that ensures that the bilateral relationship is balanced and mutually beneficial. Since China is also an economic competitor that continues to steal economic technology and promote alternative models of governance, member states must employ a pragmatic and flexible approach to China-specific policies that are scalable and contingent on the specific issues under discussion.

**BE IT HEREBY RESOLVED** that the EU and China pledge to adopt a new cooperation agenda beyond 2020 by next year's bilateral summit and both sides welcome our recently held High-Level Strategic Dialogue. Both parties are committed to establishing a political mechanism to continuously monitor the progress of negotiations and to report to leaders by the end of the year on the progress made.

**BE IT HEREBY RESOLVED** that the EU notes the need to maintain the EU-China Human Rights Dialogue— whose 37th round occurred in April—to discuss a wide range of human rights related issues in China and in the EU. While we recognize that China has made progress on some economic and social rights, the EU is alarmed by Chinese authorities' crackdown against civil and political rights, including the detention of a significant number of human rights defenders and lawyers. We are deeply dismayed by Chinese actions that erode freedom of religion and call on all allegations of mistreatment of minorities to be promptly investigated.

**BE IT HEREBY RESOLVED** that the EU considers the establishment of political re-education camps in Xinjiang as an extremely concerning development. Though Beijing's offer of supervised visits to the region by select journalists and foreign officials is welcomed, we reiterate our expectations that international human rights observers, including UN officials, also receive unrestricted access to these facilities.

**BE IT HEREBY RESOLVED** that the EU plans to intensify cooperation with China on the implementation of the Paris Agreement and the Montreal Protocol as part of the global response to the threat of climate change. We note that carbon pricing and fossil fuel subsidy reform are important actions to fight climate change and plan to step up efforts to jointly tackle other environmental issues, such as biodiversity loss and maritime pollution. We welcome further cooperation on this issue and anticipate additional progress at the UN's Sustainable Development Goals and Climate Action Summits in September 2019

## **Global Governance and Trade**

**WHEREAS** China is the EU's biggest source of imports and its second-biggest export market, while the EU is China's largest trading partner. China and Europe trade on average over €1 billion a day. For example, bilateral trade in services total more than 10 percent of all trade in goods, and the EU's exports of services make up 19 percent of the EU's total exports of goods.

**WHEREAS** we each agree that the G20 should continue to serve as the primary coordinating mechanism for international economic and financial cooperation, and view this forum as an embodiment of multilateralism and consensus that can enhance global economic governance and boost economic growth.

**WHEREAS** the EU and China reiterate their willingness to provide each other with broader non-discriminatory market access and develop a more balanced and reciprocal economic and trade relationship. Both sides also highlight the importance of intellectual property protection and enforcement and the continued reduction of trade barriers.

**WHEREAS** Beijing's persistence in seeking to reform global governance to give greater decision-making power to emerging nations is laudable and legitimate, it has not consistently enough assumed sufficient accountability, and absent additional actions, its behavior at times threatens core international norms.

**BE IT HEREBY RESOLVED** that the EU and China sustain policies that support a balanced and inclusive global economy that encourages open trade and investment. Both sides reaffirm our joint support for the rules-based multilateral trading system with the WTO at its core and reject efforts to expand protectionism. We welcome the progress to date on the Joint EU-China working group on WTO reform and hope to build on the discussions to resolve disagreements in the WTO Appellate Body and strengthen international enforcement rules on industrial subsidies.

**BE IT HEREBY RESOLVED** that the EU recognizes that China continues to make progress to reform portions of its economy. However, we urge Beijing to accelerate adoption of measures that promote reciprocity and a level playing field. In particular, this should include eliminating non-tariff measures that discriminate against foreign companies to improve market access opportunities, minimizing state involvement in the economy that creates cheap financing and heavy government subsidies to both state-owned and private sector companies, intensifying protection and enforcement of intellectual property rights, and ceasing the shielding of Chinese firms from competition through selective marketing opening.

**BE IT HEREBY RESOLVED** that we continue to lament that EU operators routinely have to submit onerous requirements as a precondition to access the Chinese market, such as creating joint ventures with local companies, transferring key technologies to Chinese firms, or suffering expansive localization requirements, including for data. Without leveling the playing field and ensuring that all European companies can maintain a presence in the Chinese market, Beijing is de facto preserving its domestic markets for its own firms.

**BE IT HEREBY RESOLVED** that the EU and China intend to cooperate on improving Europa-Asia connectivity and interoperability by forging synergies between the EU strategy on Connecting Europe and Asia, the EU Trans-European Transport Networks and China's Belt and Road Initiative. We welcome further discussion, under the auspices of the EU-China Connectivity Platform, on advancing our Joint Study on sustainable railway-based corridors between Europe and China.

## **Security and Foreign Policy**

**WHEREAS** deepening our joint commitment to pursuing policies that contribute to lasting international peace and stability is a priority. We jointly call on our allies and partners around the world to resolve regional disputes and conflicts through meaningful negotiations and without taking escalatory actions that violate our shared obligations under international law.

**WHEREAS** China has the opportunity to play an important role in addressing regional security challenges. For example, both the EU and China view continuing full and effective implementation of the Joint Comprehensive Plan of Action (JCPOA) with Iran as a foundational step to advancing non-proliferation globally and a significant diplomatic achievement endorsed unanimously by the UN Security Council in its Resolution 2231. We reaffirm our willingness to preserve the economic benefits for Iran enshrined in the nuclear deal based on the International Atomic Energy Agency's confirmation of Iran's continued adherence to its commitments in 14 consecutive reports. However, recent reports about Iran's decision to step up uranium enrichment are deeply concerning and we call on Tehran to reverse this decision and to refrain from further measures that would undermine the nuclear agreement.

**WHEREAS** foreign investment in strategic sectors, acquisitions of critical assets, technologies and infrastructure in the EU, and involvement in supply of critical equipment poses a risk to European national security. In particular, member states must continue to carefully examine how to best secure critical infrastructure, such as 5G networks, and exchange information and coordinate on impact assessment studies on security risks and on certification for 5G equipment and internet-connected devices. This is crucial as 5G network development is a key European priority given they will provide the backbone of our societies and economies, connecting billions of devices and systems.

**BE IT HEREBY RESOLVED** that this body, along with our Chinese counterparts, support the ongoing dialogue to achieve a political solution between the Democratic People's Republic of Korea and the United States. In doing so, we reaffirm our call for the complete implementation of all relevant UN Security Council resolutions by all parties.

**BE IT HEREBY RESOLVED** that to preserve strategic stability and fully address a range of regional crises, the EU calls on China to deliver on its existing international commitments and to better coordinate the use of state instruments to achieve critical outcomes. For example, continued cooperation from both parties will help address the evolving peace process in

Afghanistan, bring full implementation of the Minsk agreements in Ukraine, and bring a peaceful way out of the Venezuelan political crisis.

**BE IT HEREBY RESOLVED** that member states staunchly follow the new regulation establishing a framework for screening foreign direct investment. Entering into force this April and fully in effect by November 2020 at the latest, this stipulation will create a powerful mechanism for cooperation and information-sharing to raise awareness of foreign investment in European critical assets, technologies, and infrastructure, as well as identifying threats posed by any specific acquisitions. During the intervening period until the start of the regulation's application, we urge all EU members to make any necessary changes to their national domestic practices and legislation to ensure compliance with the Commission.