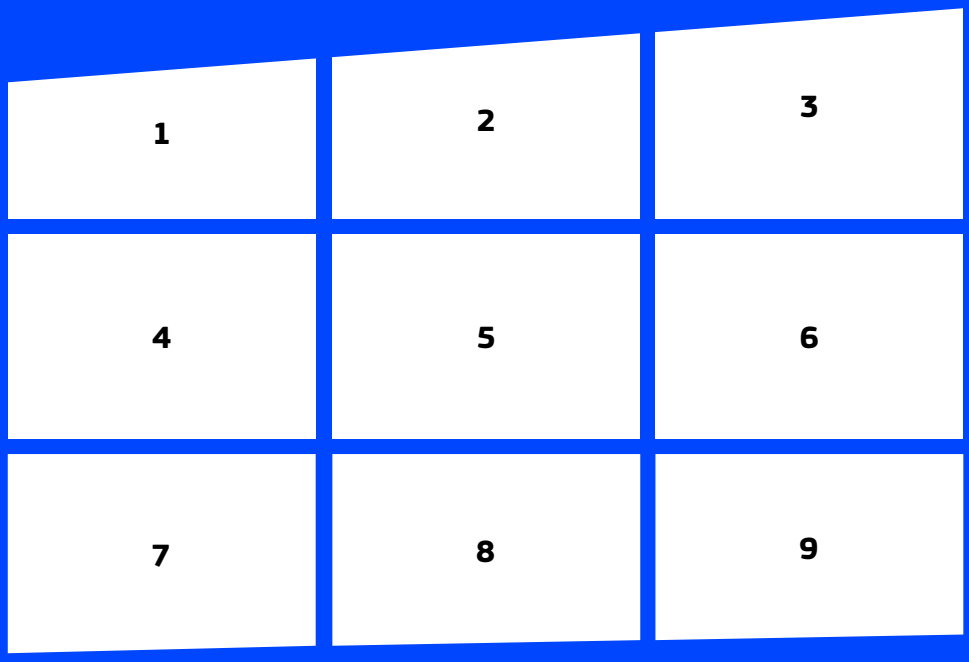
European Commission

The EU in 2024

GENERAL REPORT ON THE ACTIVITIES OF THE EUROPEAN UNION



ON THE COVER

1. Christine Lagarde, President of the European Central Bank, at the Eurogroup meeting, where EU finance and economy ministers discuss key economic and financial issues, Ghent, Belgium, 23 February 2024.
2. The Earth-observing satellite Sentinel-1C being secured to its launch adapter, a device that connects the satellite to the rocket for launch. This process was completed on 19 November 2024 at the payload integration facility of Europe's Spaceport in Kourou, French Guiana, preparing the satellite for its journey into polar orbit. (© ESA / CNES / Arianespace / Optique du vidéo du CSG–S. Martin)
3. On 20 September 2024, Ursula von der Leyen, President of the European Commission (left), visited Kyiv, Ukraine, where she met with Volodymyr Zelenskyy, President of Ukraine (right), to discuss the EU's support for the country in the face of the challenges of the 2024–2025 winter, marked by energy shortages due to the Russian bombardment of infrastructure. She announced that the EU would help Ukraine repair the damage caused by these strikes and export electricity to the country, covering around 25 % of Ukraine's energy needs for the winter.
4. (© imageBROKER/Sigrid Gombert via Getty Images)
5. Ursula von der Leyen, President of the European Commission (right), meeting with António Costa, President-elect of the European Council (left), Brussels, Belgium, 30 October 2024.
6. Nearly half of the 1.9 million displaced people in Gaza are children. Thanks to EU funds, UNICEF has provided essential winter clothes to over 120 000 displaced children. 28 January 2024. (© UNICEF)
7. Roberta Metsola, President of the European Parliament, visiting a damaged power plant and a bombed school in Kyiv, Ukraine, on Europe Day, 9 May 2024.
8. (© fotografixx/E+ via Getty Images)
9. The celebration of the 20th anniversary of the 2004 EU enlargement, Brussels, Belgium, 1 May 2024.

The EU in 2024

GENERAL REPORT ON THE ACTIVITIES
OF THE EUROPEAN UNION

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of the Treaty on the Functioning of the European Union

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The EU in 2024 – General Report on the Activities of the European Union

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Foreword

2024 was a historic year for elections. Billions of people around the world went to the polls, including millions of EU citizens, who turned out in record numbers to cast their vote in the European elections last June. This important hallmark of democracy is a reminder of hard-won freedoms that we cannot – and must never – take for granted. And of the responsibility of leaders to meet the hopes and aspirations of those who put their trust in them.

I am proud and honoured to have been entrusted with a second mandate to lead the European Commission and to continue the work we started five years ago. When I took office in 2019, I could never have imagined the extraordinary challenges we would have to tackle – from a global pandemic and Russia's brutal war of aggression against Ukraine to the energy crises and conflict in the Middle East. All this while also tackling the climate and biodiversity crises, dealing with migration challenges, adapting to the digital revolution and ensuring Europe's economic growth and competitiveness.

Strength in adversity has always been a European asset. Together, we delivered on the issues that matter to EU citizens. From the reform of the electricity market to the Pact on Migration and Asylum and the entry into force of the world's first rules on artificial intelligence, we have laid the groundwork for a safer, fairer and more sustainable Europe. Russia's reckless war has also underlined the need for the EU to be able to step up on defence. Our first-ever European Defence Industrial Strategy, launched in March, provides the foundation for developing Member States' defence capabilities.

As the first quarter of the century has come to an end, it has brought about a sea change in global affairs. We have entered a new era of geostrategic competition. And Europe must shift gears to sustain its growth in the next quarter of the century. Our new Competitiveness Compass, which we presented at the very beginning of the new mandate, will guide the transformation of our economy to ensure prosperity for our citizens.

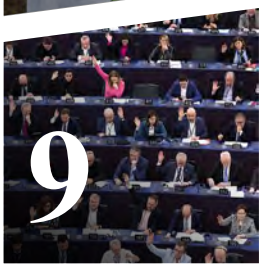
As we head into 2025, we cannot know what the future holds, but we do know that whatever it may be, Europe will rise to the challenge if we stay united.

Long live Europe!

Ursula von der Leyen

President of the
European Commission

Contents



CHAPTER 0
The EU in 2024 – staying the course – 6

CHAPTER 1
The EU's support for Ukraine – 12

CHAPTER 2
A prosperous and competitive EU – 29

CHAPTER 3
Strengthening the economy – 42

CHAPTER 4
Towards a climate-neutral Europe – 56

CHAPTER 5
A Europe fit for the digital age – 82

CHAPTER 6
Building a fair and social Europe – 101

CHAPTER 7
Protecting people and freedoms – 122

CHAPTER 8
A stronger Europe in the world – 140

CHAPTER 9
Strengthening democracy – 162

CHAPTER 0

The EU in 2024 – staying the course

Introduction

2024 saw the end of one 5-year institutional period and the start of the next. Following the European elections in June, the European Union institutions launched the 2024–2029 political cycle with a commitment to work together for a safe, competitive and prosperous EU that stands for human rights, democracy and the rule of law. This chapter looks at the transition from one period to the next and outlines the main priorities for the new cycle. The rest of the publication (Chapters 1–9) shows how the EU delivered on its priorities in the final year of the 2019–2024 mandate.

↑
The raising ceremony of the European flag at the beginning of the 10th legislative term, in front of the European Parliament, Strasbourg, France, 15 July 2024.

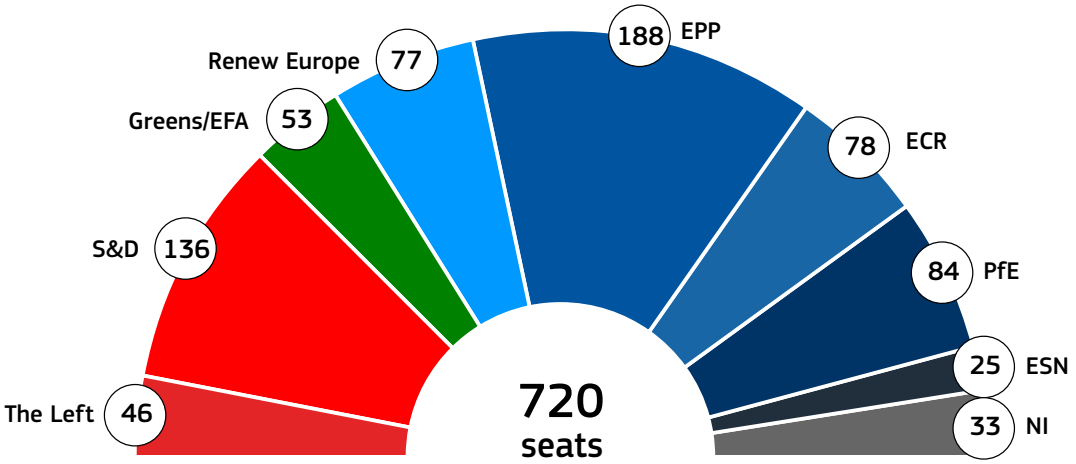
Delivering on the 2019–2024 priorities

2024 concluded the previous five-year political cycle, which despite the pressures of multiple crises saw the EU deliver on its ambitious objectives across policy areas (see Chapters 1–9). During the mandate, progress was made towards a new growth model that protects people and the planet; is economically sound and socially fair; and ensures that technology continues to bring benefits to citizens without putting them at risk. The EU institutions also prepared the ground for the beginning of the next cycle by defining new political priorities for 2024–2029 in line with the key concerns of citizens.

The outcome of the European elections

The European elections, which take place every five years, are the largest transnational democratic exercise in the world. The elections in June saw the highest voter turnout in the last 30 years (50.74 %). Voting in European elections has become an important democratic act for many citizens, with 46 % of those surveyed citing that they always vote and 42 % saying that they consider voting to be a civic duty.

Composition of the European Parliament (2024–2029)



EPP – Group of the European People's Party (Christian Democrats) (+ 9 seats compared to 2019 elections)
S&D – Group of the Progressive Alliance of Socialists and Democrats in the European Parliament (– 2 seats)
PfE – Patriots for Europe Group (new group)
ECR – European Conservatives and Reformists Group (+ 9 seats)
Renew Europe – Renew Europe Group (– 14 seats)
Greens/EFA – Group of the Greens / European Free Alliance (– 17 seats)
The Left – The Left group in the European Parliament (+ 9 seats)
NI – Non-attached Members (– 30 seats)
ESN – Europe of Sovereign Nations Group (new group)

Source: European Parliament, '2024 European election results', 23 July 2024.

Citizens remain optimistic about the future of the EU and continue to hold a positive impression of the EU and its institutions. Trust in the EU is at its highest level since 2007 (see Chapter 9). The EU's post-electoral survey shows that 7 out of 10 Europeans think that their country has benefited from EU membership, a figure that has been stable in recent years. The reasons most cited for considering EU membership beneficial include increased cooperation between Member States, the protection of peace and strengthening of security, the EU's contribution to economic growth and the creation of new work opportunities.

What determined citizens' votes in the 2024 European elections?
(the seven topics most often mentioned)

42 % rising prices, cost of living

32 % democracy and the rule of law

28 % the environment and climate change

41 % the economic situation

28 % migration and asylum

28 % the EU's defence and security

34 % the international situation

Source: European Parliament, Eurobarometer – EU post-electoral survey 2024, October 2024.

The EU's leadership in 2024–2029

In July, the newly constituted Parliament re-elected Roberta Metsola as its President. Following the proposal from the European Council, the Parliament also elected Ursula von der Leyen as President of the European Commission for a second term. After the successful confirmation hearings before the Parliament committees concerned, at the end of November the Parliament approved the new composition of the European Commission, including the new High Representative for Foreign Affairs and Security Policy, Kaja Kallas. The new College of Commissioners took office on 1 December, as appointed by the European Council. At the same time, António Costa took over from Charles Michel as President of the European Council.

↑
VIDEO: The Parliament approves the new Commission, Strasbourg, France, 29 November 2024.
Still image: Ursula von der Leyen, President of the European Commission (left), and Roberta Metsola, President of the European Parliament (right), welcoming the Parliament's decision to approve the 2024–2029 European Commission.

↑
The handover of the presidency of the European Council from the outgoing President, Charles Michel (right) to the incoming President, António Costa (left), Brussels, Belgium, 29 November 2024.

↓
The 2024–2029 College of Commissioners.

The EU's priorities for 2024–2029

The work of the EU in the new institutional cycle will be guided by the Strategic Agenda 2024–2029, adopted by EU leaders in June. The Strategic Agenda aims to better equip Europe to deal with immediate and future challenges by focusing on three key areas.

In line with the Strategic Agenda, the President of the European Commission defined the Commission's priorities for 2024–2029, based on the Political Guidelines presented to the Parliament. They set out seven ambitious political priorities to make Europe stronger, safer and fairer.

Strategic Agenda 2024–2029

1. A free and democratic Europe.
2. A strong and secure Europe.
3. A prosperous and competitive Europe.

Commission priorities for 2024–2029

1. A new plan for Europe's sustainable prosperity and competitiveness.
2. A new era for European defence and security.
3. Supporting people, strengthening our societies and our social model.
4. Sustaining our quality of life: food security, water and nature.
5. Protecting our democracy, upholding our values.
6. A global Europe: leveraging our power and partnerships.
7. Delivering together and preparing our Union for the future.

Key initiatives to be launched in the first 100 days of the Commission

1. **A New Clean Industrial Deal** for competitive industries and quality jobs.

2. **A White Paper on the Future of European Defence** to identify investment needs.

3. **An AI Factories initiative** to ensure access to new, tailored supercomputing capacity for AI start-ups and industry.

4. **A European Action Plan on the Cybersecurity of Hospitals and Healthcare Providers** to improve threat detection, preparedness and crisis response.

5. **A Vision for Agriculture and Food** to ensure the long-term competitiveness and sustainability of the farming sector.

6. **Pre-enlargement policy reviews** to better prepare for future accessions.

7. **Youth Policy Dialogues with all Commissioners** to give young people greater freedom and responsibility within EU societies and democracies.

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CHAPTER 1

The EU's support for Ukraine

Introduction

The European Union remains committed to its support for Ukraine in the face of Russia's unprovoked and unjustified war of aggression against the country and its illegal attempts to annex Ukrainian territory. The EU is helping Ukraine resist this aggression, supporting its financing needs and playing a major role in its recovery, reconstruction and modernisation to help achieve a green, digital and inclusive economy. It is also engaged in supporting Ukraine's reforms on its path towards EU membership and aligning Ukraine's economy more closely with the Single Market. In 2024, the EU continued its political, financial, humanitarian and military support for Ukraine. It will continue to push for a just and long-lasting peace in line with international law – including the principles of the UN Charter – that preserves Ukraine's sovereignty, independence and territorial integrity.

↑
An EU humanitarian aid worker met Lidiia, a 69-year-old woman who was forced to flee with her son and granddaughter from the fighting in their village in northern Ukraine. When they returned to their home they found it badly damaged. Together with its humanitarian partner, the United Nations Refugee Agency, the EU helped to put a new roof on the building and replace broken windows. Horenka, Kyiv oblast, Ukraine, 23 January 2024

Solidarity with Ukraine

Financial assistance

The EU has been determined in its support for Ukraine since the start of Russia's war of aggression. By adopting exceptional macrofinancial assistance packages to stabilise Ukraine's economy, leveraging the European Peace Facility for military and defence support and providing dedicated military training missions, the EU has acted swiftly to deliver the emergency financial and military support Ukraine needs.

In 2024, the EU built on this support, setting out to ensure that it could provide more comprehensive, long-term assistance to Ukraine. The country currently faces the dual challenge of rebuilding its economy and infrastructure while also implementing reforms as it starts on its path towards joining the EU (see Chapter 8). Given the complexity of both the reconstruction and the reforms required for EU accession, there was a clear need for sustained and structured EU support. To address this, the EU created the Ukraine Facility, to provide up to €50 billion in stable and predictable financial support to Ukraine between 2024 and 2027.

The Ukraine Facility demonstrates the EU's commitment to bolstering Ukraine's resilience, fostering its recovery and facilitating its path towards sustainable development and EU membership. Under the facility, €16.5 billion was paid out in 2024 to Ukraine's state budget to help finance public wages, pensions and essential public services, while an additional €19.6 billion was mobilised across the three pillars of the facility.

The Ukraine Facility

THE UKRAINE PLAN

Addressing the financial needs of the Ukrainian state to maintain macrofinancial stability while supporting reforms and investment aimed at the recovery, reconstruction and modernisation of Ukraine. Funds will be paid out quarterly on the basis of the successful implementation of the sectoral and structural reforms and investment laid out in the Ukraine Plan.

THE UKRAINE INVESTMENT FRAMEWORK

Attracting and mobilising public and private investment for Ukraine's recovery and reconstruction through the Ukraine Investment Framework (see the section 'The reconstruction of Ukraine' below).

ASSISTANCE PROGRAMMES

Providing technical assistance and support measures to facilitate Ukraine's alignment with EU laws and regulations.

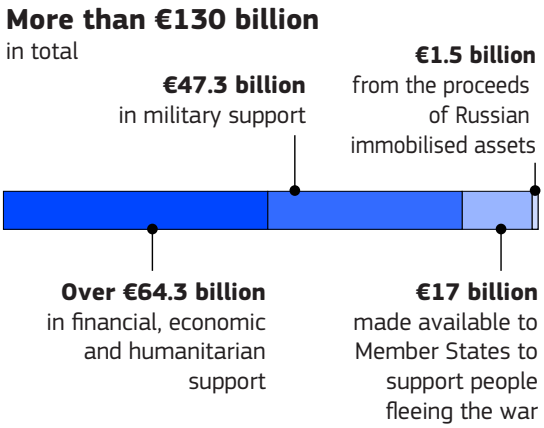
The key objectives of the Ukraine Facility are to:

- **support recovery, reconstruction and modernisation** by rebuilding infrastructure, revitalising Ukraine's economy and enhancing societal resilience;
- **support Ukraine's reforms on the way to EU accession** by providing assistance with and incentives for the implementation of reforms that will facilitate Ukraine's alignment with EU standards and values;
- **support financing needs** by ensuring the continuity of essential services, even in the face of war and economic strain;
- **mobilise investment** by facilitating investment flows to catalyse rapid economic recovery and sustainable growth, laying the groundwork for long-term prosperity;
- **support Ukrainian society** by bolstering the resilience of institutions and actors, mitigating the humanitarian impact of the war and promoting social cohesion and inclusivity within Ukrainian society.

In addition to the financial assistance provided by the Ukraine Facility, a package of measures was adopted in October to implement the commitments made at the G7 Summit in Fasano, Apulia, Italy, by the EU and G7 partners to provide an additional €45 billion in loans to Ukraine. Out of the total of €45 billion, and following the contributions of other G7 partners, the EU confirmed that it will issue a macrofinancial assistance loan of €18.1 billion as its contribution. These loans are to be repaid by the extraordinary revenues generated from immobilised Russian central bank assets.

By the end of 2024, the EU and its Member States had provided economic, humanitarian and military support worth over €130 billion to Ukraine and Ukrainians since the start of Russia's full-scale invasion.

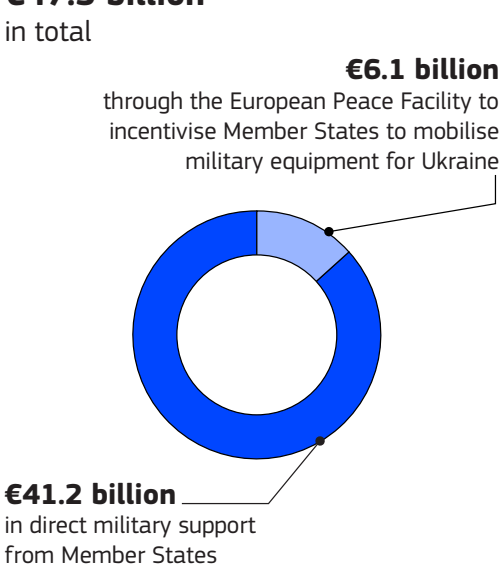
Support for Ukraine and Ukrainians (2022–2024)



Military support

In addition to providing Ukraine with military equipment, the EU and its Member States are also supporting the country by providing military training. The EU Military Assistance Mission in support of Ukraine is aimed at strengthening the capacity of the Ukrainian Armed Forces to defend Ukraine's territorial integrity. The mission works closely together with like-minded international partners to provide training support to the Ukrainian Armed Forces. All mission activities take place on EU soil. So far, 24 Member States have offered training modules and personnel, training more than 65 000 Ukrainian soldiers.

Support for the Ukrainian armed forces (2022–2024)



In 2024, the EU also took steps to cooperate with Ukraine on defence. The EU–Ukraine Defence Industries Forum, one of the first outcomes of the new European Defence Industrial Strategy, was organised in May. In addition, the EU Defence Innovation Office in Kyiv, Ukraine, started its activities in September. The aim is to promote cross-border cooperation between the defence industries in the EU and Ukraine and bring them closer together.

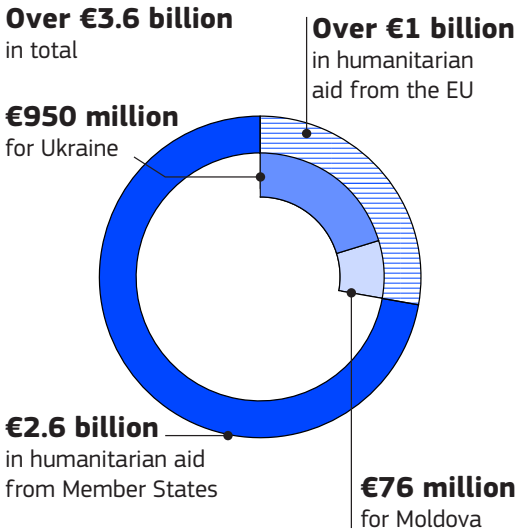
← Josep Borrell, then High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission in charge of a Stronger Europe in the World (middle), visiting the facility where the European Union Advisory Mission Ukraine and the National Academy of Internal Affairs are operating, Kyiv, Ukraine, 6 February 2024.

↓ The EU, together with its humanitarian partners, such as the Czech non-governmental organisation People in Need, provided life-saving assistance to the most vulnerable communities in Ukraine during the freezing winter months. Vozdvyzhenka, Donetsk oblast, Ukraine, 2 February 2024.

Humanitarian assistance and civil protection aid for Ukraine

EU humanitarian funding supports people in Ukraine by providing cash assistance, civil protection aid, healthcare, emergency and winter-proof shelter, medical supplies, food, water, demining equipment and training, and education.

Humanitarian assistance for Ukraine and Moldova from the EU and its Member States (2022–2024)

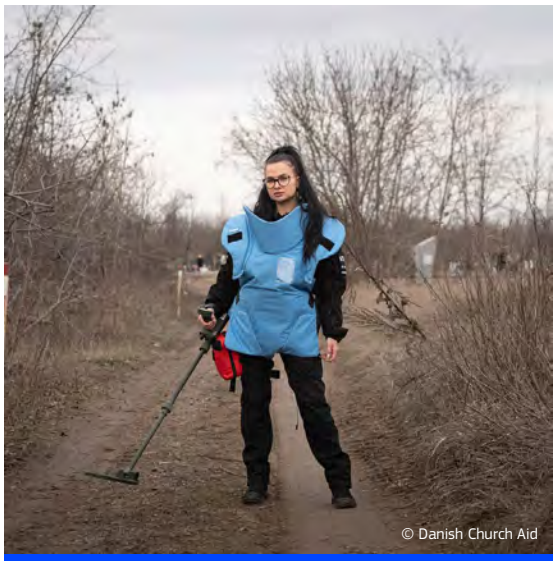


These funds include an additional €100 million in humanitarian assistance that has been made available for Ukraine since July. The majority is aimed at helping those who are most vulnerable with preparations for winter.

Experts estimate that attacks on Ukraine's energy infrastructure in 2024 resulted in the loss of about 9 gigawatts of energy production capacity – half of what Ukraine needs to get through the winter. To keep the lights on, the EU has made around €100 million available to repair energy infrastructure and export over 2 gigawatts of electricity to Ukraine. This sum will be covered by the extraordinary revenues generated from immobilised Russian central bank assets in the EU. (For more information on the EU's contribution to Ukraine's energy security, see the section 'The reconstruction of Ukraine' below.)

© People in Need

↑
On 20 September 2024, Ursula von der Leyen, President of the European Commission (left), visited Kyiv, Ukraine, where she met with Volodymyr Zelenskyy, President of Ukraine (right), to discuss the EU's support for the country in the face of the challenges of the 2024–2025 winter, marked by energy shortages due to the Russian bombardment of infrastructure. She announced that the EU would help Ukraine repair the damage caused by these strikes and export electricity to the country, covering around 25 % of Ukraine's energy needs for the winter.


© Danish Church Aid

All 27 Member States, together with six non-EU countries, have offered in-kind assistance through the EU Civil Protection Mechanism, ranging from medical supplies to vehicles and energy equipment.

The donations through the mechanism have so far amounted to:

- over 9.9 million LED bulbs;
- more than 360 000 emergency energy supply items, including:
  - 3 473 transformers,
  - five autotransformers,
  - 8 809 power generators.

The mechanism has also supported deliveries of demining equipment and fire engines. In conjunction with the EU's rescEU emergency stockpiles, further medical equipment and energy assistance have been sent to Ukraine.

To efficiently distribute critical supplies, the EU has established logistical hubs in Poland, Romania and Slovakia. To date, over 152 000 tonnes of aid has been delivered.

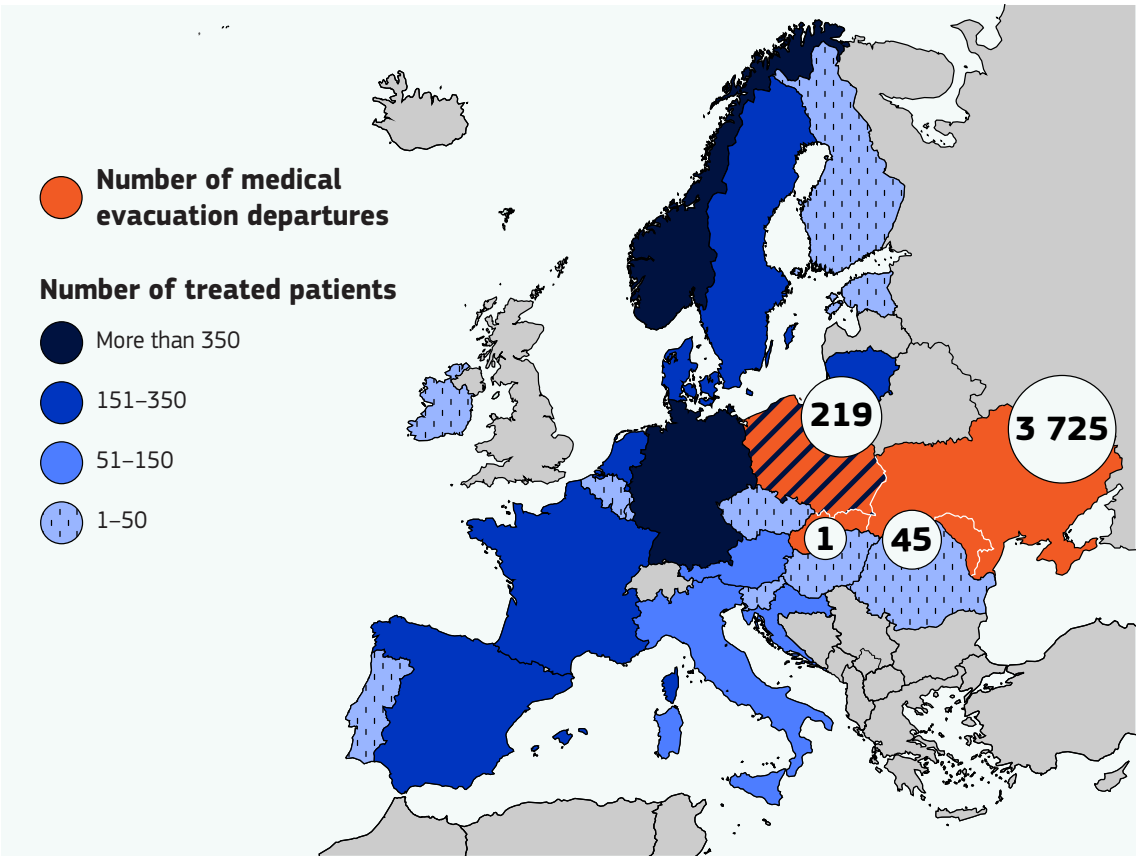
↑
A former Ukrainian banker, who now works in demining and specialises in non-technical surveys, Mykolaiv oblast, Ukraine, 2024.

The EU is also coordinating medical evacuations of Ukrainian patients in urgent need of treatment. So far, almost 4 000 patients have received specialised care in 22 countries.

Humanitarian aid extends beyond donations and funding. EU humanitarian offices in Ukraine play a key role in facilitating humanitarian coordination and information sharing among various organisations. EU humanitarian experts are also carrying out regular field missions in almost all affected regions to assess the needs and monitor EU-funded initiatives. In Kharkiv, Ukraine, the EU's partners are on the ground, providing critical aid such as cash, water and warm clothing to those fleeing attacks.

↑
After the Russian missile attack on the Okhmatdyt children's hospital in Kyiv, Ukraine, the EU coordinated medical evacuations of vulnerable paediatric patients to Europe. 18 July 2024.

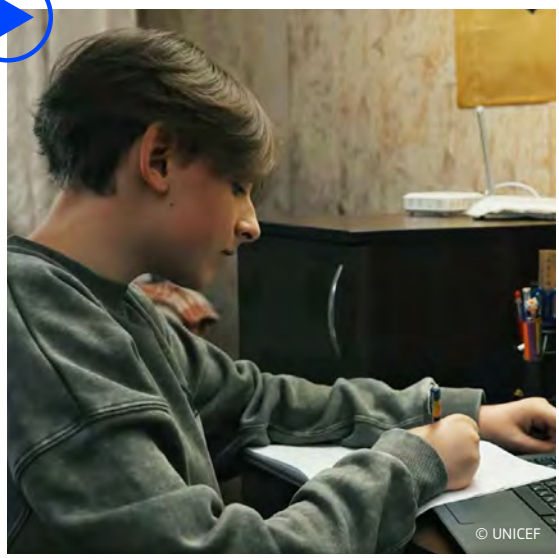
Ukrainian patients treated across Europe



Protecting and supporting those fleeing the war in Ukraine

More than 4 million people fleeing the war in Ukraine have been granted temporary protection status in the EU. In June, the EU extended this protection, which grants residency, healthcare, education and work-related rights across the Member States, until March 2026.

In partnership with the EU, the International Federation of Red Cross and Red Crescent Societies has been addressing the evolving mental health needs of those displaced by the war. This includes a range of different forms of support, from assisting children with psychological and social needs in Bulgaria to providing psychological support activities in reception classes in Denmark and training teachers to support displaced students in Croatia. The Red Cross has also trained more than 4 000 people in Ukraine in psychological first aid.



↑
VIDEO: Twelve-year-old Denys dreams of becoming a psychologist, but his school in Ukraine is closed. Thanks to the EU and UNICEF partnership he can continue learning online.

National authorities across the EU have also made an enormous effort to support the inclusion of displaced learners across all levels and sectors of education and training. Children from Ukraine are required to attend local schools in over half of the Member States, and more are preparing to introduce compulsory schooling for them in the future. An estimated 700 000 displaced children from Ukraine were enrolled across the EU for the 2023–2024 school year, from early childhood education and care to upper secondary education.

The Erasmus+ programme is also supporting Member States in integrating displaced Ukrainian students and staff. Ukraine continues to benefit from the international dimension of Erasmus+, with capacity building for youth and for sport projects opened to the country for the first time in 2024. In June, the European Commission also published a report titled *The inclusion of displaced children from Ukraine in EU education systems*.

Following the announcement of the 2024 Erasmus+ European Universities call for proposals on how to form or expand university alliances, approximately 35 Ukrainian universities joined European Universities alliances as associated partners. This initiative allows students and staff members to study and work in various European countries. Moreover, the European Solidarity Corps has supported individuals displaced by the war in Ukraine through volunteer projects.

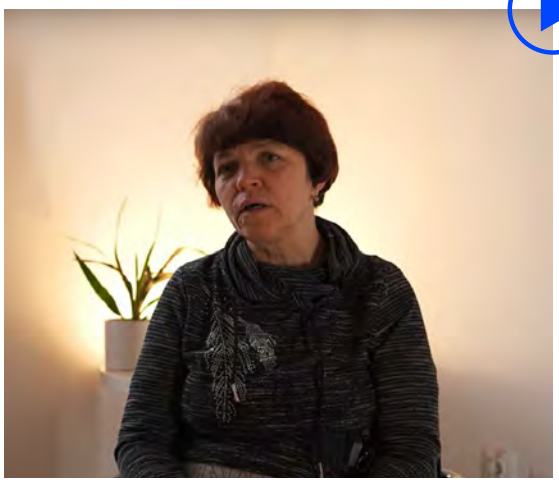
↓
Since the start of Russia's war of aggression against Ukraine, the EU has provided 1.5 million textbooks to Ukrainian pupils. Kyiv, Ukraine, 31 October 2024.

An additional €10 million has been allocated to support displaced researchers from Ukraine through MSCA4Ukraine under Horizon Europe, the EU's key funding programme for research and innovation. This will enable at least 50 additional researchers to continue their work on research projects safely at universities, companies, research centres and other institutions based in the EU and countries associated with Horizon Europe. This amount is in addition to the €25 million already dedicated to supporting 125 researchers displaced by the war under the MSCA4Ukraine fellowship scheme.

The EU is also working to make sure Ukrainians integrate easily into its Member States. Thanks to the EU's Technical Support Instrument, for example, towns and cities in Poland, Romania and Slovakia are building a longer-term strategy to support Ukrainian refugee families. This will enable families to benefit from sustainable and uninterrupted access to essential services such as education and employment opportunities.

Ukrainian refugee Inna started an internship in a local bakery in Denmark under the Inclusive Restart project in the city of Randers, which is supported by co-funding from the European Social Fund Plus. She is now formally employed.

↑
Inna, a Ukrainian refugee, making pastries in a bakery in Randers, Denmark, 1 July 2024.



↑
VIDEO: In Romania, the Technical Support Instrument helped fund an online platform that acts as a one-stop shop where Ukrainian refugees can access public services.

In addition to fostering integration, the EU recognises the importance of equipping Ukrainians with the knowledge needed to understand and exercise their rights as EU residents with temporary protection status. In 2024, the EU launched a dedicated campaign to inform displaced Ukrainians in six Member States about EU consumer rights. This helps to ensure they have equal access to fair treatment, protection and transparency in their daily consumer transactions. The second main objective of the campaign was to empower displaced Ukrainians to seek help and claim their rights by directing them to the appropriate consumer organisation in the Member State they live in.

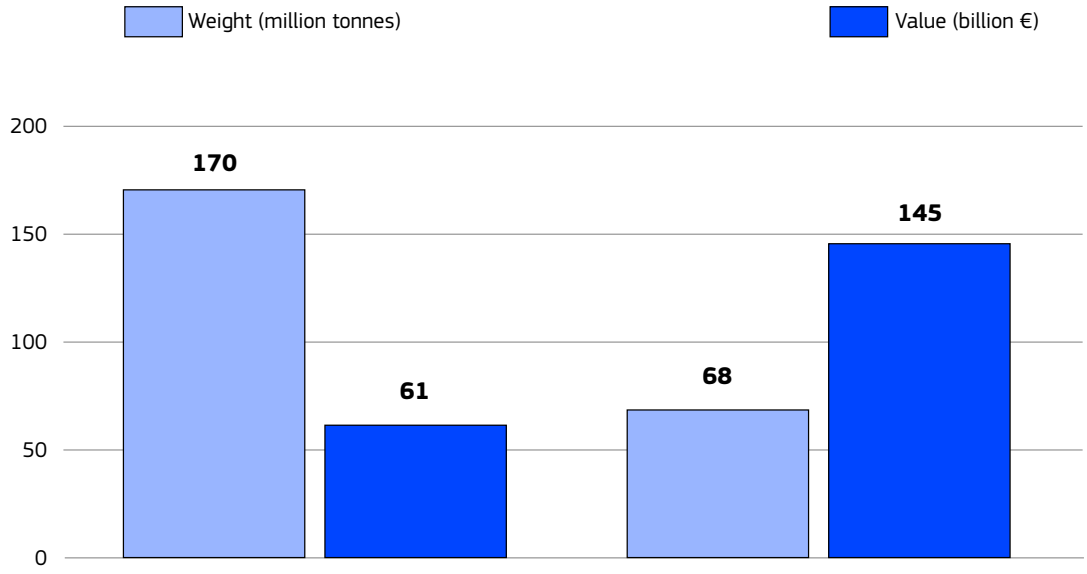
Lastly, the EU aims to safeguard, develop and promote European cultural and linguistic diversity and heritage, and realises the importance of cultural expression in creating a sense of community and mutual understanding. In December, Ukraine joined the Media strand of the Creative Europe programme, allowing Ukrainian film and audiovisual creators to apply to access funding for their work.

Helping Ukraine's economy

The EU continued its close cooperation with Ukraine and Moldova to help improve transport routes through the Solidarity Lanes initiative. Initially established to bypass Russia's blockade of Ukraine's Black Sea ports, which were the main gateway for the country's grain exports, today the Solidarity Lanes cover trade across all sectors. They allow Ukraine and Moldova to export all types of goods to world markets while also ensuring that crucial imports reach Ukraine. In the long term, they will play a pivotal role in Ukraine's reconstruction and further integration into the EU's Single Market.

↑
VIDEO The Solidarity Lanes in action.

Support provided through the EU–Ukraine Solidarity Lanes since their inception



Export
of goods, such as grain, ores and steel

Import
of essential goods, such as fuel, vehicles, fertilisers, and military and humanitarian assistance

As part of the Solidarity Lanes, the EU is also financing equipment to support border and customs authorities. In June, a new EU-funded mobile cargo scanner was delivered to the border crossing in Chop, Ukraine, on the frontier with Hungary, to speed up checks and reduce waiting times for lorry drivers and logistics companies.

In addition to the Solidarity Lanes, the Trans-European Transport Network, a key EU initiative designed to enhance transport infrastructure and connectivity across Member States, has been expanded to include Ukraine and Moldova. This has also given entities from both countries access to the Connecting Europe Facility, the EU's primary funding mechanism for infrastructure development.

Nine projects will help develop seamless cross-border connectivity with Ukraine and Moldova, supported by funding of €338 million from the Connecting Europe Facility.

Integration and other agreements

The EU has continued to support Ukraine through the extension of favourable trade agreements, transport agreements and roaming agreements.

During the year, the EU once again extended trade support measures suspending import duties and quotas on Ukrainian exports, this time until 5 June 2025.

However, considering the significant increase in imports of some agricultural products from Ukraine into the EU in 2022 and 2023, the renewed support measures contain a reinforced safeguard mechanism. This allows for quick remedial action in the case of significant disruptions to the EU market or the markets of one or more Member States.

To help Ukraine export its goods to EU and world markets, the EU and Ukraine extended and updated their road transport agreement in June. The agreement has substantially facilitated trade by road between the EU and Ukraine, benefiting both economies since the start of the war. A similar agreement in place between the EU and Moldova has also been extended.

To strengthen cooperation in the field of transport, the EU–Moldova High-Level Dialogue on Transport was launched. This will help to strengthen connections between all modes of transport and to make joint progress on the sustainable and digital transformation.

↓
Adina Vălean, then European Commissioner for Transport (right), and Serhiy Derkach, Ukrainian Deputy Minister for Communities, Territories and Infrastructure Development (left), at the signing of the EU–Ukraine Road Agreement, Brussels, Belgium, 20 June 2024.

The reconstruction of Ukraine

The EU recognises that Ukraine's economic recovery also requires robust support for the country's reconstruction. The EU aims to coordinate resources effectively by bringing together Ukraine, the EU, G7 countries and other partners. The objective is to ensure assistance to Ukraine is planned and delivered efficiently, in a coherent, transparent and inclusive way, while avoiding duplication of effort.

According to the World Bank's report *Ukraine – Rapid damage and needs assessment*, released in February 2024, Ukraine's reconstruction and recovery will cost $486 billion over the next decade. The most pressing needs are in housing, transport, commerce and industry, agriculture, energy, social protection and the protection of livelihoods.

Despite the challenging circumstances, the Ukrainian economy recorded 5 % growth in 2023. According to baseline forecasts, growth in the coming years is expected to be above 4 %. However, even in the baseline scenario of the war starting to wind down at the end of 2024, Ukraine's real gross domestic product would only reach its pre-war level in 2030.

To help Ukraine rebuild, the EU launched the new Ukraine Investment Framework in April, under the Ukraine Facility. This will unlock €9.3 billion in investment instruments (€7.8 billion in loan guarantees and €1.51 billion in blended finance grants) that could mobilise up to €40 billion in additional financing from European financial institutions and the private sector. The first €1.4 billion worth of grants and guarantee agreements under the framework were signed in June at the Ukraine Recovery Conference in Berlin, Germany. These have the potential to unlock €6 billion in investment for critical reconstruction and modernisation projects, particularly in areas such as energy and municipal infrastructure. The conference also launched the Business Advisory Council, which will support the Ukraine Donor Platform by providing business insights to improve the country's investment climate and attract private-sector investment.

Additionally, in November, at the EU–Ukraine Investment Conference in Warsaw, Poland, a call for expressions of interest was launched, targeting EU-based private companies interested in investing in Ukraine. The conference attracted more than 5 500 participants from 32 countries, including representatives from companies and banks.

↑
Ukraine continues to suffer under Russia's relentless shelling. Every day, more and more families are losing their loved ones and their homes. Sumy, Ukraine, 8 March 2024.

In order to support a greener and socially inclusive rebuilding of Ukraine, the EU and the International Finance Corporation signed a €90 million guarantee agreement to support inclusive and sustainable reconstruction in Ukraine. The programme aims to mobilise over €500 million in private-sector investment in critical infrastructure, the production of goods, decarbonisation and livelihood preservation.

Related to this, the inaugural EU–Ukraine Business Summit on 18 April brought together more than 400 private-sector participants to discuss key sectors of the Ukrainian economy, aiming to foster a greener development.

The New European Bauhaus prizes, which give visibility to innovative projects and concepts by citizens from Europe and beyond, opened to Ukrainian projects for the first time in 2024. A prize giving special recognition to Ukraine's reconstruction and recovery effort was awarded to two initiatives that provide shelter and common spaces for internally displaced people and families in need. This special prize recognises the resilience of the Ukrainian people and supports the reconstruction and recovery process.

↑
VIDEO: The Nad Dzherelom project, winner of the Special Recognition to Ukraine's Reconstruction and Recovery Effort prize.

Secure and green energy for Ukraine

In response to Russia's attacks on energy infrastructure, the EU increased its support for Ukraine's energy sector with three key priorities.

1. Restoring generation capacity and accelerating the deployment of decentralised energy sources, including renewables.
2. Mobilising donations from Member States, partners and businesses, coordinated via the EU Civil Protection Mechanism. The EU also helped establish the Ukraine Energy Support Fund. At least €2 billion of support for energy security has already been provided to Ukraine since Russia's full-scale invasion via the Ukraine Energy Support Fund and the EU Civil Protection Mechanism, among other sources.
3. Increasing EU electricity exports to Ukraine, set at 2 100 megawatts on a commercial basis and 250 megawatts on an emergency basis since 1 December 2024.

The EU is supporting Ukraine in its integration into the EU energy market and is offering guidance for an ambitious reform track that will facilitate accession.

Supporting Member States and EU farmers

In response to Russia's war of aggression against Ukraine and the resulting energy-price crisis, the Commission adopted targeted State-aid instruments, namely the Temporary Crisis Framework and its successor, the Temporary Crisis and Transition Framework. These have played a significant role in mitigating the impact of high energy costs and supporting the green transition in Member States. In May, the Commission extended certain provisions of the Temporary Crisis and Transition Framework for an additional six months, until the end of 2024, to address persisting market disturbances specifically in the agriculture and fisheries sectors.

EU farmers' concerns about rising agri-food imports from Ukraine have been addressed by including a strengthened safeguard clause and an emergency brake for seven sensitive products in the trade support measures, which have been extended until 5 June 2025. Russia remains a very large world exporter of cereals, and its exports directly and indirectly continue to finance the war effort. The threat of disturbances to the EU market led to the adoption of higher tariffs on grain products imported into the EU from Russia and Belarus – an increase of up to 50 %, which became effective on 1 July. In line with the EU's basic principle of not taking restrictive measures that could negatively affect global food security, this increased tariff protection only applies to imports into the EU market.

EU sanctions

The EU continued to impose heavy sanctions on Russia during the year, with the aim of limiting its ability to finance its war of aggression against Ukraine. Since February 2022, the EU has imposed a total of 15 packages of restrictive measures against Russia. As well as targeting specific individuals and entities, EU sanctions also target the financial, energy, transport, technology and defence sectors.

The 13th package of sanctions, adopted in February 2024, focused on further limiting Russia's access to military technologies such as drones and on listing additional companies and individuals involved in Russia's war effort. The 14th package of restrictive measures, adopted in June, tackled enforcement issues and efforts by Russia to circumvent EU sanctions. It contained important new energy-related measures targeting liquefied natural gas. For the first time, the EU adopted a measure targeting specific vessels that facilitate Russia's warfare against Ukraine, which are subject to a port-access ban and a ban on the provision of services.

The 14th package also significantly strengthened financial sanctions by introducing a ban on EU banks outside Russia using the System for Transfer of Financial Messages, the Russian equivalent of the SWIFT (Society for Worldwide Interbank Financial Telecommunication) network. The package additionally introduced a ban on transactions with banks and crypto-asset providers that facilitate transactions supporting Russia's defence–industrial base. To further limit Russia's ability to access restricted goods and technology, several measures were introduced to boost private-sector compliance, support enforcement by national competent authorities and hamper the circumvention of sanctions, including by keeping in check the foreign subsidiaries of EU operators.

← PODCAST: A podcast discussing the effectiveness of EU sanctions.

The 15th package of sanctions, adopted in December, focused on tackling Russia's shadow fleet, sanctions circumvention and the Russian military–industrial complex. For the first time, the EU imposed full sanctions – including travel bans, asset freezes and economic resource prohibitions – on several Chinese entities. In addition, the package targeted Russian military-equipment manufacturers, shipping companies and entities aiding sanctions evasion, and introduced amendments to address the increasing litigation and retaliatory measures in Russia against EU central securities depositories. The package also included 84 additional listings – 54 individuals and 30 entities – bringing the total number of listings to over 2 300. This means that the EU-based assets of these listed individuals and entities were made subject to asset freezes, and – in the case of individuals – travel bans were imposed.

The EU also adopted sanctions against Belarus in response to its role in Russia's illegal, unprovoked and unjustified war of aggression against Ukraine. These comprehensive measures reflect several of the restrictions already imposed on Russia, addressing circumvention risks due to the close integration of the Russian and Belarusian economies.

The EU is working hard to make sure that the sanctions are effectively implemented. The Technical Support Instrument, which provides tailor-made expertise to Member States, continued to support Member States by helping them map the powers and organisations relevant to asset freezing. Within the framework of the Freeze and Seize Task Force, Member States continued to exchange best practices among themselves and with international partners on how to enhance the implementation of EU sanctions. In May, a directive harmonising the definitions of criminal offences and penalties for the violation of EU sanctions entered into force. This will further strengthen the effectiveness of EU sanctions. Lastly, throughout 2024, David O'Sullivan, the Special Envoy for the Implementation of EU Sanctions, continued to engage with non-EU countries to ensure that the effectiveness of EU sanctions is not undermined by circumvention practices.

Following EU sanctions, the assets in the EU of the Russian central bank, worth more than €210 billion, have been immobilised. The extraordinary revenues generated by the management of these assets amount to approximately €2.5–3 billion per year. In May, the EU adopted legal acts enabling the use of these net profits for the benefit of Ukraine, with the first payment of €1.5 billion made available in July and the second payment scheduled for spring 2025.

Holding Russia accountable

In the context of its unjustified, illegal and unprovoked war of aggression against Ukraine, Russia's actions have continuously violated international law, with numerous reports of incidents amounting to international crimes. Seventeen Member States have launched investigations into the international crimes committed in Ukraine. The European Union Agency for Criminal Justice Cooperation (Eurojust) plays a crucial role in supporting the joint investigation team on international crimes committed in Ukraine, which consists of Ukraine and six Member States, with the International Criminal Court and the European Union Agency for Law Enforcement Cooperation as participants. The investigations are supported by Eurojust's specialised database, the Core International Crimes Evidence Database, which was set up to preserve, store and analyse evidence relating to international crimes.

Since 2023, Eurojust has been hosting the International Centre for the Prosecution of the Crime of Aggression against Ukraine. The centre was set up to support the work of preparing any future prosecutions of the crime of aggression, irrespective of the jurisdiction before which these will be brought. Prosecutors from the joint investigation team, including Ukraine and a prosecutor from the United States, work together on-site, and this enables them to exchange evidence quickly and agree on a common way forward in their investigations. The International Criminal Court has been actively involved.

Additionally, since 2023, the EU, the Council of Europe and approximately 40 countries, collectively known as the Core Group, have been actively engaged in discussions on establishing a special tribunal for the prosecution of the crime of aggression against Ukraine. On 22 November 2024, the Core Group reaffirmed its commitment to this effort by publishing the Vienna–Riga Statement. This statement outlines the establishment of the special tribunal within the framework of the Council of Europe, based on a bilateral agreement between Ukraine and the Council of Europe.

Russia must also be held liable to pay for the damage it has caused, and continues to cause, to Ukraine and its population. In May 2023, 43 countries and the EU established the Register of Damage Caused by the Aggression of the Russian Federation against Ukraine within the Council of Europe to record claims for damage, loss and injury caused by the Russian invasion. The register opened for the submission of the first category of claims at the Restoring Justice for Ukraine conference held in The Hague, Netherlands, on 2 April 2024. As of October, more than 10 000 claims were recorded in the register. On 13 December, the Register of Damage announced its first decisions on recording claims, which concerned 832 claims for damage or destruction of residential property. Moreover, in 2024, more than 50 countries, along with the EU and the Council of Europe, took part in three preparatory meetings to establish a Claims Commission. These meetings marked an important step towards creating a comprehensive compensation mechanism, with the aim of reviewing and determining claims recorded in the register.

↓
Didier Reynders, then European Commissioner for Justice (front row, ninth from left), co-hosting the international Restoring Justice for Ukraine conference with the Netherlands and Ukraine at the World Forum in The Hague, Netherlands, 2 April 2024.

© Council of Europe

Supporting a just peace and security for Ukraine

The EU firmly supports Ukraine in obtaining a peace that is comprehensive, just and lasting, in line with international law and the principles of the UN Charter. At the Summit on Peace in Ukraine, held in Switzerland on 15 and 16 June, the EU pledged to uphold these principles and support a peace that will restore Ukraine's sovereignty, political independence and territorial integrity.

Not only will the EU support Ukraine in obtaining a just peace on its own terms, it will also continue to rally international support for Ukraine. On 27 June, the EU and Ukraine signed the 'Joint security commitments between the European Union and Ukraine'. By signing this agreement, the EU and its Member States committed to providing Ukraine and its people with all the necessary political, financial, economic, humanitarian, military and diplomatic support it needs for 10 years. This includes helping Ukraine to build international support, especially from key developing countries and emerging economies.

The EU – along with several countries – also signed the Ukraine Compact at the 33rd NATO Summit in July. This document highlights how important the security of Ukraine is to the security of the entire Euro-Atlantic region, and how Russia's military aggression against Ukraine is a threat to international peace and security. Signatories affirmed that they intended to support Ukraine until it prevails against Russia's aggression.

↓
Group photo of the attendees of the Summit on Peace in Ukraine, Lucerne, Switzerland, 15 June 2024.

CHAPTER 2

A prosperous and competitive EU

Introduction

In 2024, the European Union made significant strides in strengthening its global competitiveness through a range of initiatives aimed at fostering sustainable economic growth and enhancing industrial innovation. Faced with pressing challenges such as economic dependencies, geopolitical tensions and growing global competition, the EU focused on strategic measures to secure vital resources, promote technological leadership and protect its markets. Key efforts included advancing trade partnerships and agreements, reforming competition and trade policies and ensuring a more resilient economy. By adopting a comprehensive approach, the EU aimed to strengthen its position as a global leader in sustainable and fair trade while safeguarding economic security and promoting a competitive industrial environment.

↑
Scientists working on a microplastic biodegradation project at KU Leuven's Chem&Tech Centre, Leuven, Belgium, 1 March 2024. The EU leads in clean-technology innovation. It is responsible for developing over one fifth of the world's clean and sustainable technologies.

Strengthening the EU's competitiveness

In 2024, the European Union continued its efforts to enhance the competitiveness of EU businesses both within the Single Market and globally.

These efforts focused on strengthening the EU's industrial base and making the EU more investment friendly by:

- implementing the REPowerEU Plan to secure energy supplies and reduce dependence on Russia;
- advancing the Green Deal Industrial Plan to boost the competitiveness of the EU's net-zero industries;
- developing a European health union to ensure medical supplies are accessible, affordable and innovative.

The future of the EU's competitiveness remained a pressing issue during the year, and was identified as one of the priorities for the new Commission (see Chapter 0). While Europe is one of the most competitive and innovative regions in the world, it still faces several structural issues. EU companies operate in a turbulent world, facing significant challenges such as unfair competition, high energy prices, skills and labour shortages and difficulty accessing capital. In 2024, the new Commission introduced the Competitiveness Compass, a major initiative that will frame the work on the EU's competitiveness going forward.

To strengthen its competitiveness, the EU will focus on:

- making business easier for EU companies and further developing the Single Market in sectors like services, energy, defence, finance, electronic communications and digital;
- launching a Clean Industrial Deal to reduce carbon emissions and bring down energy prices;
- working towards a more circular and sustainable economy;
- making research and innovation central to the economy;
- boosting productivity through the diffusion of digital technologies;
- investing massively in sustainable competitiveness;
- tackling the skills and labour gap.

The challenges to the EU's competitiveness are numerous and complex, and as such call for a comprehensive and sophisticated response. The EU already has several initiatives in place to strengthen the competitiveness of its businesses and industries. Cross-cutting measures – from anticipating future standardisation needs in areas such as raw materials and quantum technologies to a Technical Support Instrument to support key projects that will enhance industrial production capacities – aim, for example, to enable the EU to reach its goal of becoming a global leader in strategic technologies.

Moreover, competitiveness should not come at the expense of people or the planet. The EU is ensuring its approach to growth stays aligned with its values. This includes advancing a circular economy (see Chapter 4), striving to lead in the areas of strategic and green technologies (see Chapters 4 and 5) and making sure people are continually equipped with the skills needed to match the evolving needs of industry (Chapter 6).

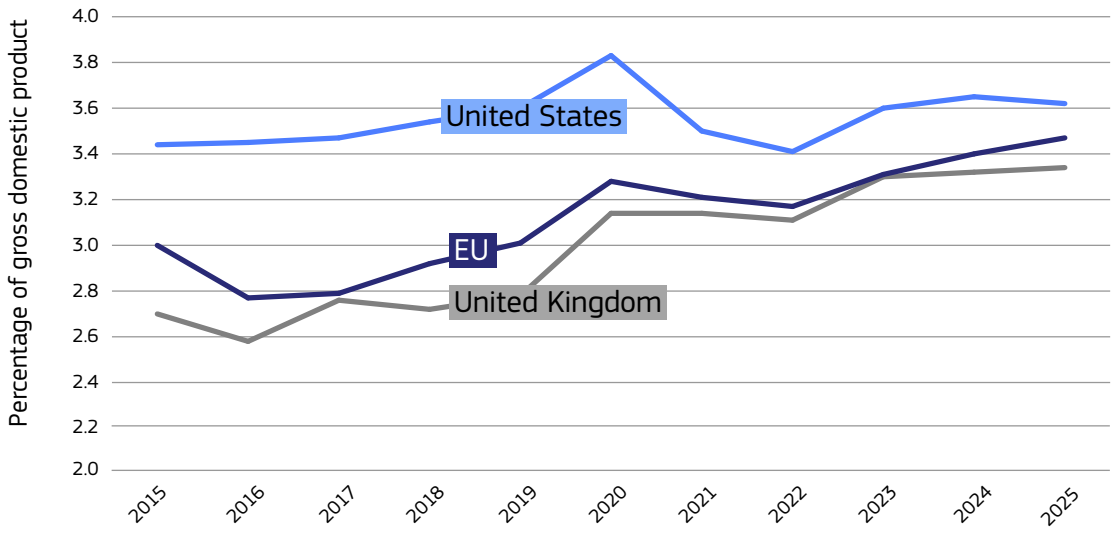
The Annual Single Market and Competitiveness Report

To better understand and assess the functioning of the Single Market and the EU's competitiveness, the Commission published the 2024 edition of its Annual Single Market and Competitiveness Report. Compared to reports from previous years, this edition included a more detailed focus on competitiveness. The 2024 report builds on the nine key drivers of competition identified in the 2023 long-term-competitiveness communication. These drivers will be used to track the EU's progress from year to year. The report also highlighted the strengths of the Single Market that can be used to increase the EU's competitiveness and emphasised that financing the green and digital transitions needs a smart mix of tools. This includes more innovative use of EU funding to boost and protect private investment, along with using public procurement to promote sustainability, resilience, innovation and socially responsible practices.

The nine drivers of competitiveness

1. A functioning Single Market.
2. Access to private capital.
3. Public investment and infrastructure.
4. Research and innovation.
5. Energy.
6. Circularity.
7. Digitalisation.
8. Education and skills.
9. Trade and open strategic autonomy.

Trends in public investment in the EU, the United Kingdom and the United States (2015–2025)



Source: European Commission, 'AMECO (annual macroeconomic) database', 15 November 2024.

The Letta and Draghi reports

In addition to the Commission's own analyses, two independent reports with recommendations to strengthen the Single Market and the EU's competitiveness were issued in 2024. The report *Much More than a Market*, prepared by former Italian Prime Minister Enrico Letta for the Belgian Presidency of the Council of the European Union, outlined the need for the Single Market to evolve and embrace the digital and green transitions, exploring new opportunities for enlargement and improving the EU's security.

Based on the Letta report, the Commission identified five major areas of action to further strengthen European competitiveness:

1. unlocking more capital for European businesses;
2. ensuring energy independence and cheaper energy;
3. addressing the skills shortage;
4. nurturing digital innovation;
5. unlocking the full potential of trade.

Furthermore, the analysis titled *The Future of European Competitiveness – A competitiveness strategy for Europe*, prepared by former President of the European Central Bank Mario Draghi at the request of Ursula von der Leyen, President of the European Commission, argues that the EU should make use of the clean transition to increase competitiveness and bring down energy prices. The report also emphasises the need to drive innovation and accelerate the digital transition by mobilising public and private investment, improving the business environment and cutting red tape, and by equipping people with skills for new job markets. Finally, it highlights the need to improve the EU's overall resilience, defence and security, given the current geopolitical context.

The findings of the Draghi report contributed to the Commission's work on a new plan for Europe's sustainable prosperity and competitiveness. Three main points of the Draghi report will also form the foundation of the abovementioned Competitiveness Compass, namely closing the innovation gap between the EU on the one hand and China and the United States on the other; creating a joint plan for decarbonisation and competitiveness; and increasing security and reducing dependencies. The report will also play a key role in developing the Clean Industrial Deal for competitive industries and quality jobs.

→
Mario Draghi, Special Advisor to Ursula von der Leyen (left), and Ursula von der Leyen, President of the European Commission (right), at a press conference about Draghi's report on the future of European competitiveness, Brussels, Belgium, 9 September 2024.

Economic security

Another challenge the EU faces is that of striking a balance between trade openness and economic security. To prevent the EU from becoming over-reliant on exclusive suppliers it must promote its competitiveness, protect its economy against risks and partner with others that share its economic interests.

These three strands of action (promote, protect and partner) form the foundation of the Economic Security Strategy. Since the introduction of the strategy in June 2023, the Commission has taken several steps to assess and reduce risks. It has initiated the first review of risks relating to the weaponisation of economic dependencies or economic coercion and has started a deeper analysis of these issues.

In addition, the anti-coercion tool is now in force. This helps the EU to take action – in line with international law – when non-EU countries exercise economic coercion on the EU or its Member States.

Promote

In 2024, the European Innovation Council launched a work programme with over €1.2 billion in funding to help scale up strategic technologies and innovative companies. More than 200 separate investments had been approved by June.

Protect

In January, the Commission presented a package consisting of five initiatives to strengthen the EU's economic security, which include foreign investment screening, export controls and evaluating the risks of outbound investments.

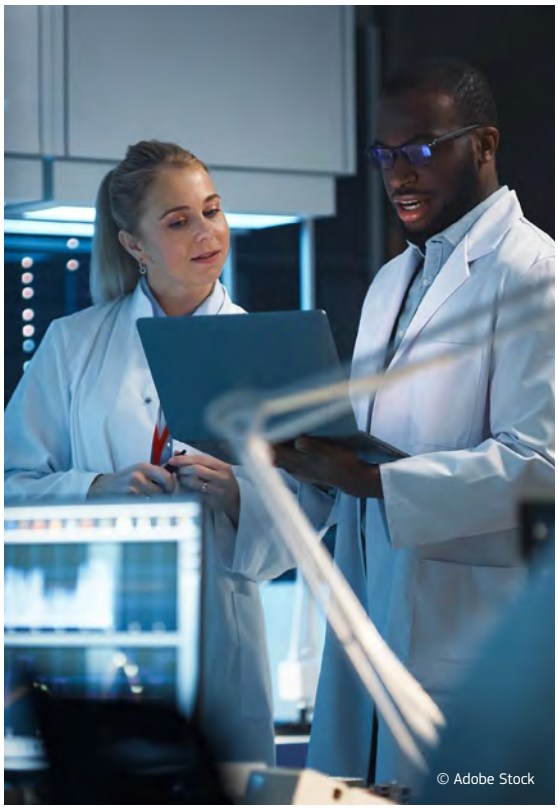
Partner

The EU increased talks on economic security within the G7 and through bilateral discussions. It also expanded its network of trade agreements to secure resources, open new markets and strengthen its resilience.

Research and innovation

Research and innovation are cross-cutting priorities, and are vital not only for the EU's competitiveness but also for the green and digital transitions, economic security and open strategic autonomy.

To boost innovation, in particular deep-tech innovation, the EU launched the New European Innovation Agenda in 2022. A report published in 2024 showed that 17 out of the agenda's 25 measures have been completed, while the remaining eight are ongoing. 'Deep tech' refers to technologies that are so innovative they often end up disrupting or completely changing the ways that industries, economies or even societies function.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Examples of recent action

- **Skills development** through the Deep Tech Talent Initiative of the European Institute of Innovation and Technology: 1 million people will receive training opportunities in the EU.
- The **strengthening of innovation ecosystems** by developing innovation-oriented networks of regions, for example through €116 million of funding for the first beneficiaries and more than 150 regions being identified as Regional Innovation Valleys.
- New directives proposed for **easier access to finance for scale-ups and small and medium-sized enterprises**, such as the Listing Act proposed in 2024 that will allow innovative companies to be listed more easily on stock markets (see Chapter 3).
- A Commission communication on a series of targeted measures to **boost EU biotechnology and biomanufacturing**, addressing challenges and creating opportunities such as transferring technology and research results to the market, reducing regulatory complexity and fostering public and private investment.

In addition, the EU's funding programme for research and innovation, Horizon Europe, continues to boost the EU's competitiveness by facilitating collaboration and strengthening the impact of research and innovation. It also supports the creation and better diffusion of technologies. (See Chapter 6 for more on Horizon Europe.) The abovementioned European Innovation Council, which is an innovation programme that has a budget of €10.1 billion to identify, develop and scale up breakthrough technologies and innovations, is one initiative established under the Horizon Europe programme.

Competition policy

Another key part of enhancing the EU's competitiveness is its competition policy, namely rules and laws designed to ensure effective competition between businesses. By enforcing competition policy, the Commission creates an environment that encourages businesses to be more efficient, adaptive and innovative, and that leads to superior, cost-effective products for consumers. It also prepares EU companies for global success by driving investment in research, product development and process streamlining in a bid to outperform rivals. Enforcement measures have a significant effect on discouraging companies from engaging in anti-competitive practices.

Antitrust rules

Antitrust enforcement typically deals with company practices that aim to push competitors out of the market, ultimately harming consumers. This is common in the digital technology sector, especially with large tech companies. For instance, in 2024, the Commission fined Meta €797.72 million for abusing its dominant position through tying practices and imposing unfair trading conditions on online classified-advert service providers to benefit its own platform. In another case, the Commission accepted Apple's proposed commitments to eliminate obstacles to accessing the technology for in-store contactless payments via mobile devices.

Competition rules can also be used to act directly against high prices and unfair trading conditions that stifle competition to the detriment of consumers. During the year, the Commission fined Apple more than €1.8 billion for abusing its dominant position by imposing unfair trading conditions on music app developers, potentially causing users to pay significantly higher prices for music streaming subscriptions.

The Commission's antitrust efforts are not limited to the tech industry. In May, it imposed a €337.5 million fine on Mondelēz under antitrust rules for obstructing intra-EU trade of its chocolate and biscuit products (some well-known brands under Mondelēz's control include Milka, Côte d'Or, Toblerone, Oreo, LU and Belvita).

In another significant case from 2024, the Commission fined the pharmaceutical company Teva €462.6 million for delaying the competition of its multiple sclerosis treatment, Copaxone. Teva did so by artificially extending Copaxone's patent protection and systematically spreading misleading information about a competing product to hinder its market entry and adoption.

Mergers

The EU also safeguards competitive markets through merger control. Whether horizontal mergers between direct competitors, vertical mergers along supply chains or conglomerate mergers involving complementary products or services, the Commission investigates to prevent negative outcomes such as price hikes and the stifling of innovation.

The EU Merger Regulation, which marked its 20th anniversary in 2024, is the Commission's legal basis for reviewing concentrations with an EU dimension and determining their compatibility with the Single Market. During the year, Amazon withdrew its plan to buy iRobot after the Commission raised concerns that the deal could reduce competition by limiting other suppliers' access to Amazon's marketplace, potentially leading to higher prices, lower quality and reduced innovation for consumers. In contrast, the merger between Microsoft and Activision is an example of the Commission approving a transaction, subject to commitments. The merging parties offered commitments that addressed all competition concerns and introduced measures that will significantly improve cloud game streaming compared to the current situation.

The Commission also adopted a Revised Market Definition Notice in February to stay current with market dynamics. The revised notice updates the guidance on how to define relevant markets in the context of merger and antitrust cases. This makes it easier for businesses to understand how the Commission enforces competition laws and improves compliance.

IN 2024

400
merger decisions.

8
antitrust decisions.

2
cartel decisions.

613
State-aid decisions.

€3.5 billion
in fines on companies breaching EU competition laws.

OVER TIME

€28.7 billion in unlawful and incompatible aid was recovered from beneficiaries between 1999 and 2024.

Estimated savings of €13–23 billion per year have been made over the last decade thanks to the enforcement of competition rules in merger, cartel and antitrust cases.

State aid

The EU's State-aid policy ensures that when State-aid is granted it does not distort fair and effective competition between companies in Member States or harm the economy. The State-aid policy also underpins the economic principles of the EU's industrial policy. State-aid control can support the EU's industrial strategies by addressing market failures, ensuring both that aid is necessary, and limited to the minimum required, and that it is targeted at public objectives.

Important Projects of Common European Interest exemplify State-aid and industrial policy in action. These cross-border projects are funded by State aid and have positive spillover effects on more than one Member State. The Commission has so far approved State aid for 10 such projects to support innovation in strategic sectors such as batteries, hydrogen, microelectronics and healthcare, contributing to the competitiveness of EU industry.

A notable example from 2024 is the Med4Cure project, which involves six Member States, 13 companies (of which nine are small and medium-sized enterprises) and approximately 175 research entities as indirect partners. Med4Cure aims to combat antimicrobial resistance, rare diseases and cancer through novel treatments and technologies, such as mRNA therapies. The project is set to receive up to €1 billion in public funding from Member States and is expected to unlock an additional €5.9 billion in private investment.

The Joint European Forum for Important Projects of Common European Interest was established to identify areas of strategic EU interest for potential future projects and to increase the effectiveness of their design, assessment and implementation. This partnership between the Commission and Member States held its first and second high-level meetings in March and November.

The EU's State-aid rules also support the Strategic Technologies for Europe Platform, in place since 1 March 2024, by allowing Member States to grant higher levels of regional aid to investment projects covered by the platform. It was set up to boost investment in critical technologies in three main areas: digital technologies and deep tech; clean and resource-efficient technologies; and biotechnologies. In addition, the platform supports projects that foster the skills necessary to develop critical technologies.

Lastly, the Commission is constantly improving its State-aid policy. For example, this policy promotes research and development in the EU. Since 2023, when notification thresholds for research, development and innovation aid were raised, over 90 % of State-aid measures in this area have not required the Commission's prior approval. This has reduced the administrative burden for Member States, speeding up innovation and critical technology development.

Foreign Subsidies Regulation

The EU not only ensures that internal competition is fair but also checks that businesses in the EU have a fair chance to succeed when faced with international competition. The Foreign Subsidies Regulation, which started to apply in July 2023, addresses possible distortions to the internal market caused by foreign subsidies. These can give companies an unfair advantage in acquiring EU-based firms, engaging in public procurement or making investment and business decisions within EU markets.

In 2024, the Commission launched several investigations within the scope of public procurement, leading to the Chinese companies under investigation withdrawing from the related bidding processes. The Commission also initiated a preliminary review of possible foreign subsidies in the EU wind sector. This preliminary review is ongoing.

In addition, the Commission conducted an in-depth investigation into the proposed acquisition of PPF Telecom Group BV, an EU-based telecom operator in Bulgaria, Hungary and Slovakia, by e&, a telecom operator established in the United Arab Emirates. The Commission had preliminary concerns that e& may have been granted foreign subsidies that could distort the Single Market. In September, the Commission cleared this transaction subject to a series of commitments offered by the parties involved to address the concerns that had been raised.

Industrial policy

Industrial policy generally refers to policies that foster economic activity. It can include everything from bringing about structural changes in various industries and creating an environment that supports companies, especially small and medium-sized enterprises, to better exploiting the industrial potential of research, new technologies and innovation. The EU's industrial policy aims to strengthen the competitiveness of EU industry and to promote a more sustainable, resilient and digitalised economy that creates jobs.

During the year, the EU revamped its industrial policy framework, with several acts and regulations entering into force. The Critical Raw Materials Act secures access to strategic raw materials, while the Net-Zero Industry Act spurs clean-technology manufacturing. These two acts are part of the Green Deal Industrial Plan, introduced in 2023, which aims to strengthen the competitiveness of net-zero technologies in the EU and support the fast transition to climate neutrality. In addition, the Ecodesign for Sustainable Products Regulation introduces new requirements for product design and recycling, and the revised Industrial Emissions Directive strengthens pollution control. Finally, the communication on advanced materials for industrial leadership underpins research and innovation in cutting-edge materials, in line with the European Green Deal (see Chapter 4) and industrial goals.

These initiatives are key to enhancing the EU's competitive edge and leadership in the global transition to a sustainable economy. The EU's industrial policies are designed to meet the evolving needs of the EU market and ensure the EU remains a leader in the green transition.

↑
Maroš Šefčovič, then Executive Vice-President of the European Commission in charge of the European Green Deal, Interinstitutional Relations and Foresight (right), at the European Steel Association event 'The Future of EU Industry: Value chain resilience or dependence', Brussels, Belgium, 9 April 2024.

Industrial policy is also crucial to effectively implementing, but also benefiting from, the European Green Deal. In 2024, the EU took stock of the Clean Transition Dialogues, launched in 2023 as a new way for the EU to engage with industry and social partners so as to both understand their current challenges and strengthen and support the implementation of the Green Deal. Nine dialogues have taken place, focusing on hydrogen, energy-intensive industries, clean technology, energy infrastructure, critical raw materials, the forest-based bioeconomy, cities, clean mobility and steel. The dialogues revealed the need for simplified regulation, abundant and affordable clean energy, modern infrastructure, easier access to finance and a stronger Single Market in a globally competitive environment.

Trade and investment partnerships

Raw-materials diplomacy

Access to raw materials on global markets is one of the EU's priorities. In 2024, the EU took significant steps to expand cooperation on critical raw materials, which are essential for the global green and digital transitions, with international partners.

In April, the EU, the United States and the Minerals Security Partnership countries, joined by Kazakhstan, Namibia, Ukraine and Uzbekistan, announced the launch of the Minerals Security Partnership Forum, a new platform for cooperation on critical raw materials. Eleven additional countries and territories joined in 2024: Argentina, the Democratic Republic of the Congo, the Dominican Republic, Ecuador, Greenland, Mexico, Peru, the Philippines, Serbia, Türkiye and Zambia.

The Critical Raw Materials Club, announced in 2023, has become part of the Minerals Security Partnership Forum. The forum brings together resource-rich countries and countries with high demand for these resources.

The EU also signed bilateral memoranda of understanding with Australia, Norway, Rwanda, Serbia and Uzbekistan, further expanding its network of critical raw materials partners and securing a diversified and sustainable supply of such materials for both the EU and its partner countries.

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The EU continued its work on the EU–US Trade and Technology Council, with the EU and the United States advancing their joint work on greener trade and their cooperation on critical raw materials. Pictured here are Margrethe Vestager, then Executive Vice-President of the European Commission in charge of a Europe Fit for the Digital Age and European Commissioner for Competition (foreground, middle), Valdis Dombrovskis, then Executive Vice-President of the European Commission in charge of an Economy that Works for People and European Commissioner for Trade (foreground, left), and Thierry Breton, then European Commissioner for Internal Market (foreground, right), participating in the EU–US Trade and Technology Council in Leuven, Belgium, 5 April 2024.

Stronger agreements to facilitate trade

Diversifying EU businesses' access to trading partners through trade agreements strengthens the resilience of the EU economy in the face of an increasingly uncertain geopolitical climate. In addition, more than 30 million jobs in the EU are supported by exports, with almost 10 million being the result of foreign investment within the Single Market.

In 2024, the EU concluded a Digital Trade Agreement with Singapore that will enhance cross-border data flows and benefit businesses and consumers engaging in digital trade. This is the first EU agreement of its kind.

The Commission also finalised negotiations for a groundbreaking EU–Mercosur partnership agreement. This agreement comes at a critical time for both parties, offering significant opportunities for mutual benefits through strengthened geopolitical, economic, sustainability and security cooperation.

The EU also strengthened its relations with like-minded partners, including Canada and countries in the Indo-Pacific region, to promote a fair digital transformation that respects fundamental rights.

On 26 March, the EU and South Korea held the second Digital Partnership Council in Brussels, Belgium, reaffirming their commitment to cooperate on key digital technologies for the benefit of citizens and economies.

Several other agreements entered into force during the year, including the EU–Kenya Economic Partnership Agreement, the EU–New Zealand Free Trade Agreement, the EU–Angola Sustainable Investment Facilitation Agreement and the EU–Japan agreement on cross-border data flows.

These agreements will play a major role in promoting fair and open trade with international partners. They will be vital to the EU's competitiveness as they will open new export opportunities for EU companies and secure access to critical inputs. This is especially relevant for the European agricultural sector, as confirmed by a 2024 report from the Commission's Joint Research Centre.

In addition, these agreements contain far-reaching sustainability provisions, promoting the EU's high standards on environmental protection and labour rights around the world.

Updating global trade rules on food and agriculture is a priority for World Trade Organization members. At the 13th Ministerial Conference in Abu Dhabi, United Arab Emirates, in 2024, the EU reaffirmed its commitment to an open, fair, inclusive and transparent multilateral trading system that supports farmers and improves global food security.

Currently, the EU has diverse total agri-food trade, with various trade partners. Although it still relies on certain commodities, its position as the world's top exporter and a leading importer of agri-food products helps maintain balanced and favourable trade relations with other countries.

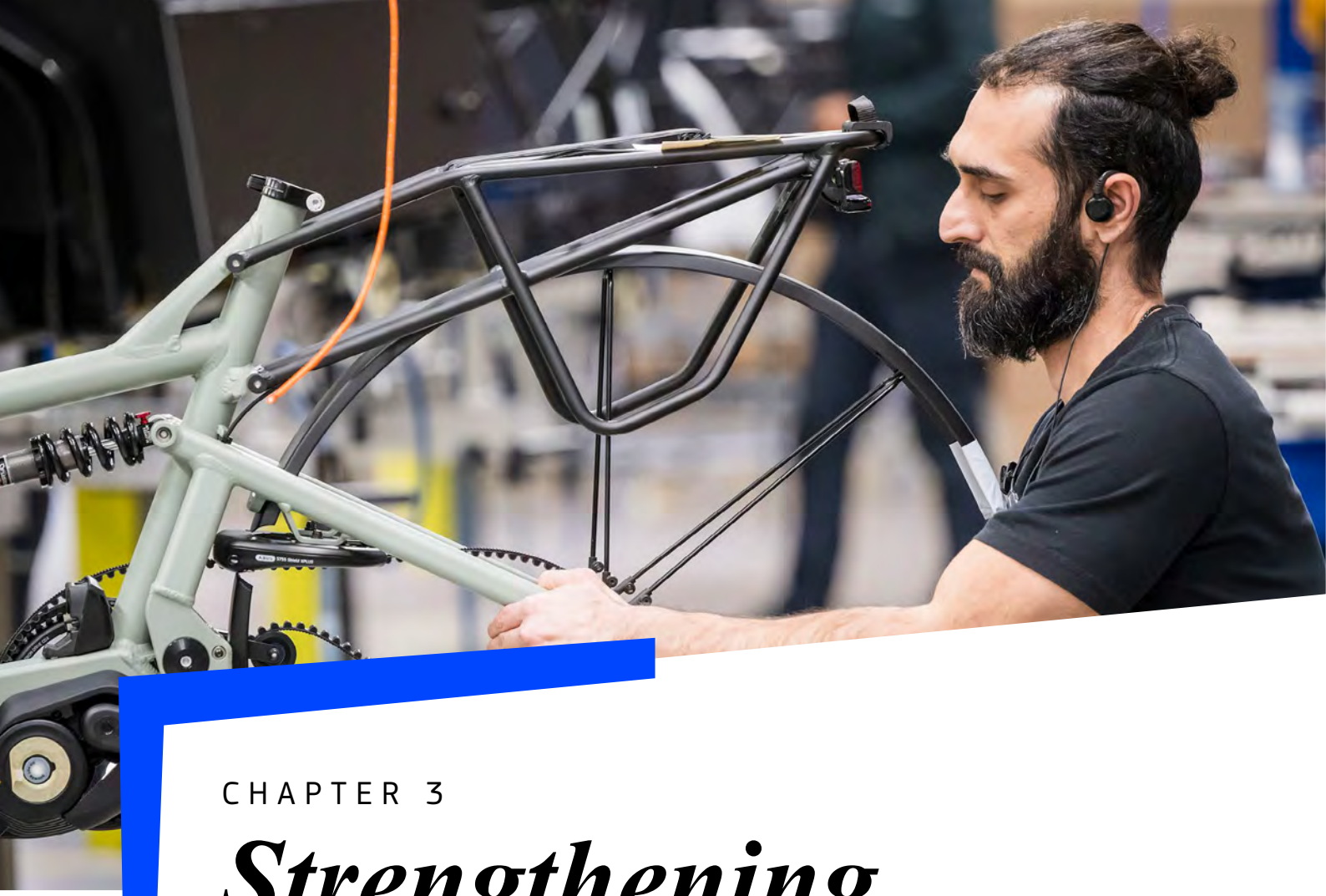
During the year, the EU dedicated more than €83 million to opening new market opportunities for EU farmers and the EU food industry and helping to secure their existing business.

Protecting EU businesses from unfair trade

In 2024, the EU took significant action to defend EU businesses from unfair trade practices. In total, the Commission launched 33 new Trade Defence Instrument cases over the course of the year, bringing the overall number of cases, including reviews, to 63. This is a significant increase compared to the 12 new cases that were opened in 2023. The Commission also imposed 10 provisional measures (including one anti-subsidy measure) and seven definitive measures (including one anti-subsidy measure). These cases and measures play a key role in safeguarding EU competitiveness and jobs, with 629 655 jobs protected in 2024.

The Commission also imposed definitive countervailing duties on imports of battery electric vehicles from China. The decision followed an investigation that found that the battery electric vehicle value chain in China benefits from unfair subsidisation, which is threatening economic injury to EU producers. Technical-level contact between the EU and China continues in pursuit of a possible negotiated outcome on price undertakings. The Commission remains fully committed to finding a mutually acceptable solution, while steadfastly defending EU businesses against unjustified retaliatory measures. The safeguards on steel imports were also extended for two more years to protect EU steel producers from high levels of global steel overcapacity.

Further progress was also made in removing obstacles to EU exports in non-EU countries, eliminating 41 barriers affecting goods across sectors such as agriculture, pharmaceuticals and automotive. Notably, the Commission successfully addressed Turkish legislation that had discriminated against EU tractor exports, unlocking access to a €2.5 billion market.



CHAPTER 3

Strengthening the economy

Introduction

In 2024, the European Union reached significant milestones in its efforts to strengthen the economy and foster resilience in response to recent global challenges. At the halfway point of the NextGenerationEU recovery plan, the EU assessed its impact across the Member States, while the latter continued to make progress in implementing their recovery and resilience plans. Additionally, the reformed economic governance framework entered into force and progress was made on tax reforms and modernising the customs union. All of these reforms helped to enhance long-term competitiveness and promote economic growth while ensuring debt sustainability. The EU also implemented new frameworks to address climate risks, tax evasion and corporate sustainability. These initiatives demonstrate the EU's commitment to sustainable growth, innovation and global leadership, ensuring Member States remain competitive while navigating economic, environmental and social transitions.

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An employee working on the e-bike assembly line at a factory specialising in hand-assembled, high-end bicycles, Mühltal, Germany, 6 December 2024.

From recovery to resilience

Trends

In 2024, the EU economy resumed gradual growth, with gross domestic product increasing by 0.9 %. Headline inflation declined to 2.6 %, down significantly from 6.4 % in 2023. Over the next two years, economic activity is set to accelerate amid a further slowdown in inflation. The EU labour market remained robust, with employment expanding at a sustained pace and the unemployment rate reaching a historic low of 5.9 % in October.

However, uncertainty and risks have intensified, driven by escalating geopolitical tensions (see Chapters 1 and 8) and domestic political fragmentation. The increasing frequency and severity of natural hazards (see Chapter 4) also pose challenges to economic activity.

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Valdis Dombrovskis, then Executive Vice-President of the European Commission in charge of an Economy that Works for People and European Commissioner for Trade (centre), and Artjoms Uršuļskis, Parliamentary Secretary of the Latvian Ministry of Health (second right), in front of a new hospital building funded by the Recovery and Resilience Facility, Riga, Latvia, 27 September 2024.

The success of the Recovery and Resilience Facility

In 2021, the EU created NextGenerationEU, an unprecedented plan that would unlock funds to help Member States recover from the economic impact of the COVID-19 pandemic and become more resilient. Since then, the plan has also been able to address the socioeconomic challenges brought about by Russia's war of aggression against Ukraine, such as the energy crisis.

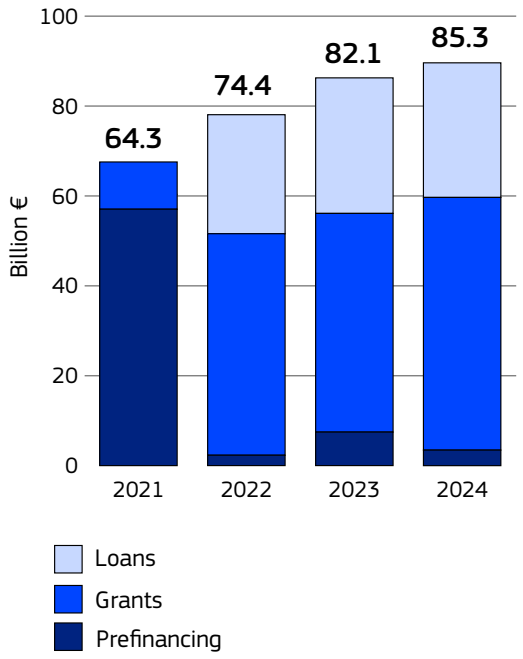
The largest part of these NextGenerationEU funds is distributed to Member States through the Recovery and Resilience Facility (RRF). The RRF is designed to support Member States' socioeconomic recovery and increase their competitiveness, while simultaneously helping them with their green and digital transitions. Funding is disbursed on the basis of how well Member States implement the reforms and investments they have laid out in their respective recovery and resilience plans.

2024 marked the halfway point of the recovery plan, and as such it was time to evaluate how well it has fared. The evaluation showed that NextGenerationEU enabled the EU economy to return to pre-pandemic output levels by the third quarter of 2021 – much faster than after the 2007–2008 economic and financial crisis, when it took seven years to fully recover. Thanks to RRF spending, the EU's gross domestic product was also 0.4 % higher in 2022 than it would have been in the absence of this spending.

The evaluation also found that NextGenerationEU has the potential to increase the EU's real gross domestic product by up to 1.4 % in 2026, compared to a scenario without the plan. This does not include the positive effects of the reforms being made through the RRF, which will gradually become more visible over the next few years.

Another measure of RRF implementation is the amount of funds paid out. By the end of 2024, €306 billion, or 47 % of the committed funds, had been disbursed.

Disbursement of Recovery and Resilience Facility funds (2021–2024)



The EU offers Member States technical assistance to implement these reforms and investments through the Technical Support Instrument. In 2024, this instrument helped Member States implement EU laws and policies, allowing public administrations to deliver services to citizens and to design and implement reforms in policy areas such as the green and digital transitions, migration management and social protection. To date, it has directly or indirectly supported more than 500 projects in the context of the RRF.

Thanks to the implementation of the Member States' recovery and resilience plans, by November 2024 (latest available figures):

48.3 million
people had access to new or modernised healthcare facilities;

23.2 million
people had benefited from protection measures against floods, wildfires and other climate-related disasters;

3.5 million
businesses had received in-kind support;

16.3 million
individuals were engaged in education and training, including 9.5 million young people between the ages of 15 and 29;

33.6 million
megawatt-hours of annual primary energy – energy from raw sources, such as natural gas or renewables – had been saved.

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Paolo Gentiloni, then European Commissioner for Economy (10th from right), inaugurating a #EuropeStreetArt mural on a visit to two projects supported by the Recovery and Resilience Facility: a training centre for developing talent in the biotechnology and health sector and a technology hub in the heart of Charleroi, home to an ecosystem of industrial companies, young start-ups, universities, and research and training centres. Charleroi, Belgium, 8 April 2024.

PROJECT EXAMPLES

1. **Bulgaria.** The RRF is contributing to an energy-efficient and sustainable urban environment by supporting the renovation of at least 3.6 million square metres of residential buildings.
2. **Germany.** The RRF is providing funding to install 689 000 private charging points in residential areas, supporting the roll-out of necessary infrastructure for electric vehicles.
3. **France.** The RRF is providing €345 million to help industrial small and medium-sized enterprises (SMEs) increase their competitiveness by digitally upgrading their production processes.
4. **Latvia.** The RRF is helping invest in equipment and infrastructure for 10 hospitals and 40 clinics to improve access to integrated, high-quality healthcare services for citizens in Riga and other regions.

The new economic governance framework

The EU's most ambitious and far-reaching reform of its economic governance framework since the 2007–2008 crisis entered into force in 2024. This framework comprises the rules and procedures governing macroeconomic policies in the Member States.

The reformed framework, which is currently being implemented, ensures that Member States' economies are stable and working toward common goals, such as preventing excessive debt and deficits, while promoting sustainable and inclusive growth through reforms and investment. Achieving the green and digital transitions while also strengthening the EU's resilience and competitiveness requires significant and sustained investment, including by public-sector entities.

The reform addresses shortcomings in the old framework: it is simpler, more transparent and more effective, with greater national involvement and better enforcement. The new framework also differentiates between Member States based on their individual situations and allows for a slower fiscal adjustment if it is backed by reforms and investment commitments that promote growth, fiscal sustainability and EU priorities. This approach simultaneously avoids the tendency of fiscal policy to amplify economic fluctuations, and instead stabilises the economy.

At the heart of the new framework are medium-term fiscal structural plans, which integrate fiscal, reform and investment objectives into a unified approach. This coherence streamlines the process and aligns national reform and investment efforts with the RRF, ensuring consistency between national and EU policies. The plans emphasise Member States' ownership, providing them with greater flexibility in defining their fiscal adjustment paths and their reform and investment commitments.

The European Semester

The European Semester is a yearly process in which the EU identifies the most pressing economic and social challenges facing Member States and provides policy guidance to help them reach their full potential.

The 2024 European Semester spring package focused on the long-term competitiveness and prosperity of the EU and its Member States. It also took stock of the Member States' implementation of their recovery and resilience plans and cohesion-policy programmes. Based on this analysis, the Commission proposed country-specific recommendations to guide the Member States in addressing key challenges.

Additionally, the EU intensified its efforts to reduce social disparities among regions and Member States and to diversify energy supplies. For the first time, the Semester framework included a strengthened assessment of the progress made on implementing the principles of the European Pillar of Social Rights, along with a framework to identify risks to social convergence. This analysis, included in the *Joint Employment Report 2024*, assessed labour market functioning, along with skills and social challenges in all Member States, to identify potential risks to upward social convergence.

Finally, the Commission assessed the existence of macroeconomic imbalances for the 12 Member States selected for in-depth reviews in the *Alert Mechanism Report – 2024*. The Commission also proposed to open excessive deficit procedures for seven Member States, based on its 'omnibus' report.

The 2024 European Semester autumn package focused on ensuring sound public finances and sustainable, inclusive growth. It launched the implementation of a new economic governance framework, with recommendations on medium-term fiscal plans and assessments of euro-area budgetary plans. It also reviewed compliance with the EU's 3 % gross domestic product deficit rule, issuing recommendations to address excessive deficits in eight Member States and post-programme surveillance reports for five. Additionally, the package outlined economic and social policy priorities for 2025, including proposals on euro-area policies, employment and economic alerts.

The 2025 euro-area recommendation called on Member States to act both individually (including through the implementation of their recovery and resilience plans) and collectively (within the Eurogroup) to improve competitiveness, foster economic resilience and continue ensuring macroeconomic and financial stability.

The EU budget: making the EU fit for current and future challenges

Since the adoption of the European Union's long-term budget for 2021–2027 back in 2020, the EU has faced extraordinary challenges. The consequences of Russia's war of aggression against Ukraine, a surge in interest rates and migration pressures have all led to increased demands on the budget. In response, the European Parliament and the Council of the European Union agreed on the first-ever midterm revision of the EU's long-term budget (known as the multiannual financial framework). As a result, additional funding of €64.6 billion is being made available to address the new challenges and to meet the EU's legal obligations, which could no longer be accommodated within the original budgetary ceilings.

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Johannes Hahn, then European Commissioner for Budget and Administration, speaking at the 2024 Annual EU Budget Conference, Brussels, Belgium, 29 April 2024. The event focused on the role of the EU budget in making Europe fit for the future.

Additional resources from the revision of the EU's long-term budget are financing the following priorities.

1. **The Ukraine Facility**
   A financial assistance programme that provides continuous and predictable support to Ukraine.
2. **The Strategic Technologies for Europe Platform**
   A platform that promotes the EU's sovereignty and long-term competitiveness in critical technologies, such as deep technology, clean technology and biotechnology (see Chapter 2).
3. **Migration, external action and emergencies**
   Additional resources to address the internal and external challenges of migration and to maintain the EU's capacity to react to humanitarian crises and natural disasters.
4. **Higher NextGenerationEU funding costs**
   Costs have risen due to the unprecedented surge in interest rates.

Regarding the annual budget, in November an EU budget of €192.8 billion was agreed for 2025. This will be complemented by an estimated €72 billion in disbursements under NextGenerationEU. The 2025 draft annual budget directs funds to where they can make the biggest difference: supporting the green and digital transitions, creating jobs and strengthening Europe's strategic autonomy and global role. It will also fund critical technologies through the Strategic Technologies for Europe Platform and provide continued support for refugees, neighbouring countries and Ukraine.

A cohesive European Union

The EU's cohesion policy is an investment policy that supports job creation, competitiveness, economic growth, improved quality of life and sustainable development, leaving no one and no region behind. Through the policy, the EU takes care of all of its regions, with a specific focus on less-developed Member States and regions to help them catch up and to reduce the economic, social and territorial disparities that still exist within the EU.

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Two examples of the Cohesion Fund in action: the modernised Dúbravsko–Karloveská radiála tram line in Bratislava, Slovakia, and the extended Metro Line 2, which improved urban transport services in Warsaw, Poland.

From 2014 to 2020, the European Structural and Investment Funds:

- supported more than 5 million businesses;
- provided employment, social inclusion and skills training to 64.5 million people;
- improved health services for over 63 million people;
- increased renewable energy production capacity by the equivalent of around 2 400 wind turbines;
- enhanced energy performance in over 550 000 households;
- protected 17 million people from floods and 15 million people from forest fires.

Source: European Commission, European Structural and Investment Funds – 2023 summary report of the annual programme implementation reports covering implementation in 2014–2020, COM(2024) 6 final of 15 January 2024.

The *Ninth Report on Economic, Social and Territorial Cohesion* showed how cohesion policy is helping to reduce territorial, social and economic disparities across the EU. It noted significant progress in newer Member States, where gross domestic product per person rose from 52 % of the EU average in 2004 to nearly 80 % in 2023.

Cohesion policy has helped the EU economy become more competitive and sustainable by supporting research and development, innovation and the green and digital transitions in all Member States. It has also improved citizens' lives by funding the completion of essential infrastructure projects that were previously lacking, such as critical transportation and utility connections. The gradual roll-out of the Talent Booster Mechanism is also helping regions with technical assistance and other activities to mitigate the effects of demographic change and brain drain.

↓
Elisa Ferreira, then European Commissioner for Cohesion and Reforms (right), visited Hungary to discuss cohesion-policy support with local authorities and to tour projects funded through the Cohesion Fund. During her trip she visited the village of Tarnabod, where she saw activities connected to several EU-funded projects on childcare, education and family support for the Roma community. 2 May 2024.

EU support for Cyprus

To support the UN-facilitated Cyprus settlement process, the EU's Aid Programme for the Turkish Cypriot Community is promoting the socioeconomic development of the Turkish Cypriot community and funding confidence-building measures between Greek Cypriots and Turkish Cypriots.

The Commission monitors the Green Line Regulation, which governs the movement of people, goods and services between the two parts of the island. EU assistance has also helped reduce dangerous livestock diseases affecting cows, sheep and goats in the Turkish Cypriot community. Eradicating these diseases is crucial for the future sale of Turkish Cypriot Halloumi/Hellim across the Green Line and into the lucrative EU market. Additionally, the Commission approved 150 scholarships for Turkish Cypriots to study at EU universities, strengthening ties with the EU.

A strong and resilient Single Market

The EU's Single Market remains a cornerstone of economic stability and growth, enabling the free movement of goods, services, capital and people across Member States while enhancing the competitiveness of EU industries.

To ensure the Single Market remains resilient, competitive and a leader in the global green and digital transitions, the EU has collaborated with industry partners to create tailored transition pathways for each industrial ecosystem. These ecosystems bring together businesses, researchers, policymakers and service providers to achieve shared economic goals or address specific market needs. Transition pathways provide strategic guidance to each sector on how to embrace innovative technologies, reduce their carbon footprint and enhance digital capabilities.

In addition, for the Single Market to function effectively, rules must be properly implemented and enforced. The EU is focusing on areas that will increase investment, speed up recovery and enhance competitiveness, such as addressing late payments by public authorities to businesses, particularly SMEs. Through the Single Market Enforcement Taskforce, the Commission and the Member States have removed barriers, for example by easing professional mobility within the EU and addressing administrative hurdles in renewable energy. The Commission is also improving transparency and existing regulatory tools to prevent new barriers from arising.

The EU also wants to ensure that SMEs are supported in all the Member States. To this end, it analysed the economic situation of SMEs across the EU and published the annual SME performance review in July.

The Single Market is important not only for EU businesses, but also for its 450 million consumers. The EU introduced rules during the year to make products sold in the EU more sustainable; to empower consumers for the green transition and for the digital transition; and to make the repair of goods an easy and attractive option. The rules will ensure better product information is available to consumers and will address greenwashing and planned obsolescence (see Chapter 4).

Finally, the Single Market continues to grow with the gradual accession of candidate countries. Enlargement creates significant opportunities for EU businesses by strengthening cross-border supply chains and lowering trade costs. Moreover, enlargement allows households in both new and existing Member States to benefit from easier access to goods and services and better affordability, leading to an enhanced standard of living. For example, the EU–Western Balkans Green Lanes initiative saves the equivalent of 20 years of waiting time annually for passengers and freight. In addition, the region's integration into the Critical Medicines Alliance has expanded the EU's value chains, boosting growth and efficiency.

30 years of the European Economic Area

2024 marked the three-decade anniversary of the European Economic Area Agreement, which has enabled seamless work, study and healthcare access beyond the EU's borders while extending the Single Market.

Building on the success of the agreement, the Council recently greenlit the European Economic Area and Norwegian Financial Mechanisms for 2021–2028, which were then signed and are provisionally being applied, further cementing these long-standing alliances and strengthening economic ties. This decision channels billions of euro into reducing economic disparities across the EU, directly benefiting people in 15 Member States. The EU also signed and is provisionally applying agreements with Iceland and Norway, allowing certain fish products originating from these countries easier access to the EU market.

EU initiatives to further strengthen the Single Market

- **New rules to ban products made with forced labour.**
  Affecting an estimated 27.6 million people globally, these rules will apply to all products, made both within the EU and abroad, without targeting specific companies or industries.

- **Recommendation to strengthen intellectual property rights enforcement.**
  The recommended measures encourage collaboration between rights holders, service providers and law enforcement authorities, using modern technologies to protect intellectual property and tackle counterfeits. It also provides for dedicated tools for SMEs and calls for greater awareness raising and education on intellectual property.

- **A unitary patent system.**
  The system has simplified patent processes and provides uniform protection across all participating Member States. In its first year, 27 000 unitary patents were registered, mainly in medical technology, civil engineering and transport.

- **A new online public procurement system.**
  The new system makes it easier for businesses, particularly SMEs, to participate in public tenders across the EU.

- **Electronic invoicing.**
  Ten years into its existence, the EU's eInvoicing Directive has streamlined cross-border invoicing, cutting costs and boosting efficiency. All Member States now accept eInvoices for public procurement, benefiting both businesses and public administrations.

- **Administrative burden reduction through new company law rules.**
  The new rules will reduce administrative burdens for companies by over €400 million annually by removing formalities, such as apostilles, and simplifying cross-border procedures through digital solutions.

- **A new directive on product liability.**
  The directive updates product liability rules to provide a clear, predictable and effective system to provide compensation for damage caused by defective products, including products that make use of new technologies, such as artificial intelligence. It provides legal certainty for economic operators seeking to place products on the market.

Financial systems

The capital markets union

The EU is also working to further develop its Single Market to allow for better cross-border capital flow. This is known as the capital markets union. Freer movement of capital in the EU means lower transaction costs, a lower regulatory burden and stronger markets, in turn giving EU companies, including SMEs, access to more sources of funding and making the EU more competitive.

2024 saw the adoption of measures that will strengthen the capital markets union and contribute to the EU's objective of simplifying reporting obligations and reducing administrative burdens (see Chapter 9). The new Listing Act modifies rules on prospectuses, market abuse, financial research and multiple-vote share structures. It will ease the requirements companies face both at the time of listing and after they have been listed, while preserving transparency, investor protection and market integrity. The act will also address the issue of fragmentation in national laws that limits companies' flexibility to issue multiple-vote shares after going public, which will be particularly beneficial for innovative scale-ups.

The benefits of the Listing Act

For investors and supervisors

- Shorter, more timely and easier-to-navigate corporate information for investors.
- More efficient supervision thanks to simpler and clearer listing rules.

For companies

Significant cost reductions and a boost to initial public offerings in the EU:

- an estimated €67 million of savings per year from simpler prospectus rules;
- compliance costs for listed EU companies lower by approximately €100 million per year;
- multiple-vote shares could potentially increase the number of initial public offerings in the EU by up to 20 %;
- specific benefits for SMEs: more visibility to investors on financial markets and a more proportionate sanctioning regime for minor infringements of the market abuse rules.

Christine Lagarde, President of the European Central Bank (left), and Mairead McGuinness, then European Commissioner for Financial Stability, Financial Services and Capital Markets Union (right), at the European Financial Integration 2024 conference, Frankfurt am Main, Germany, 18 June 2024.

There was also progress during the year on creating the right conditions for consolidated tape providers (CTPs) to deliver a consolidated view of trading across the EU. On 16 December, the European Securities and Markets Authority published a report on CTP technical standards. The report outlined the final technical standards for CTPs, aiming to enhance market transparency and data quality, thereby supporting the capital markets union by fostering a more integrated and efficient financial market.

In addition, the EU made progress in addressing the obstacles caused by the Member States' different insolvency laws. Different laws lead to a fragmented capital markets union. To remove obstacles and enhance competitiveness, the Commission proposed to harmonise Member States' substantive insolvency laws in 2022. The European Council conclusions of April 2024 created further momentum, accelerating negotiations.

Finally, to ensure the capital markets union functions effectively, the EU is increasing the attractiveness and resilience of its clearing services. These are services offered by central counterparties (CCPs) that interpose themselves between counterparties to transactions in financial instruments, becoming the buyer to every seller and the seller to every buyer. By guaranteeing contractual obligations in the case of a default, CCPs are vital for preserving market stability, mitigating systemic risks and improving trust in the market.

In February 2024, a political agreement was reached on a package of measures that will enable CCPs to bring new products to the EU market faster, encouraging market participants to clear and build liquidity at EU CCPs. It will also strengthen the EU's supervisory framework for CCPs, enhancing the safety and resilience of clearing systems. The framework will reduce excessive reliance on systemic CCPs in non-EU countries by requiring all relevant market participants to hold active accounts at EU CCPs and clear a representative portion of certain systemic derivative contracts within the Single Market.

Digital finance

New rules to make instant payments in euro available to all people and businesses with a bank account in the EU entered into force in April, and will be applied gradually from January 2025. These rules aim to ensure that instant payments in euro are affordable, secure and processed without obstacles across the EU.

Instant payments offer fast and convenient solutions for people in everyday situations, such as receiving funds promptly (in under 10 seconds) during emergencies; paying for purchases of goods and services online and in shops; and instantly splitting shared costs in social settings. They also improve cash-flow management for public administrations and businesses, especially SMEs; enable charities and non-governmental organisations to access funds quickly; and encourage banks and other payment service providers to develop innovative financial services and products.

In addition, in 2024, the Markets in Crypto-Assets Regulation entered into application, thereby putting in place uniform EU market rules for crypto-assets. This will support market integrity and innovation by regulating public offers of crypto-assets and crypto-asset intermediaries providing services to consumers, ensuring that they are better protected from associated risks.

The EU's Technical Support Instrument is also helping 37 financial supervisory authorities from 26 Member States enhance their capacity to manage the risks of digital finance. During 2024, the EU Supervisory Digital Finance Academy provided residential and online training courses to more than 1 000 supervisors across the EU.

Combating money laundering

The anti-money laundering and countering the financing of terrorism (AML/CFT) legislative package was adopted in 2024, and includes the first AML/CFT Regulation and the sixth AML/CFT Directive. These proposals will serve as the foundation for the work of the Authority for Anti-Money Laundering and Countering the Financing of Terrorism.

The new rules set EU-wide requirements for the private sector to ensure the consistent application of the rules across the Single Market. They also harmonise the tasks and powers of national supervisors and financial intelligence units to enable effective cross-border cooperation. Moreover, this framework strengthens the powers of beneficial ownership registers to ensure transparency regarding those who own or control legal entities and trusts. Finally, it harmonises rules on access to this information, allowing stakeholders with a legitimate interest, including journalists and civil society, to contribute to the fight against financial crime.

What will the new AML/CFT framework bring?

Practical examples

FOOTBALL SECTOR

Investment in and sponsorship of professional football clubs will now come under scrutiny, as will player transfers. Transactions involving sums of dubious origin will be detected and reported.

REAL ESTATE

When buying luxury properties, companies established outside the EU will now be obliged to disclose the details of the ultimate owner of the property, making it easier for EU authorities to see who is acting behind these companies.

CROWDFUNDING

The use of crowdfunding campaigns will now be subject to scrutiny, making it hard for sham charities to access funding or for funds to be diverted to support terrorist activities.

HIGH-VALUE VEHICLES

Traders in luxury cars, boats and planes will have to systematically report sales above certain thresholds. This will help authorities detect any connections to criminal activities where this is the case.

Sustainable finance

In November, the Parliament and the Council adopted a Regulation to Increase Transparency in Environmental, Social and Governance Rating Activities, addressing greenwashing concerns. This is part of a broader package of measures to develop the foundations of the EU's sustainable finance framework and to encourage private financing for transition projects and technologies.

The new rules will provide investors and financial institutions with reliable data about companies' environmental, social and governance performance, helping them make more informed decisions about sustainable investments and risk management relating to these factors. The ratings will also provide more clarity on the activities of rating providers and whether they have taken the necessary steps to prevent and mitigate conflicts of interest.

The Parliament and the Council also agreed to postpone the deadline for adopting sector-specific European Sustainability Reporting Standards from mid 2024 to mid 2026. In addition to allowing more time for the development of such standards, it will also give companies more time to focus on the implementation of the first set of horizontal standards adopted in July 2023.

In addition to adhering to reporting standards, large companies meeting certain criteria will be required to carry out due diligence on their own operations, along with those of their subsidiaries and business partners within their global activity chains, to identify and address actual and potential adverse environmental and human rights impacts. The new Directive on Corporate Sustainability Due Diligence requires companies to make the necessary modifications to their overall strategies and operations, including purchasing, design and distribution practices. Non-compliance can result in administrative enforcement, including sanctions and civil liability.

Banking and insurance

A healthy banking system is essential for all EU citizens and for the stability and prosperity of the EU economy. Since the 2007–2008 financial crisis, European and international leaders have agreed on international banking standards – called the Basel III standards – to ensure that banks are more resilient and to reduce the likelihood of future financial crises.

The final text of the latest banking package (the Capital Requirements Regulation and the Capital Requirements Directive) entered into force on 9 July 2024, and represents a key milestone towards the faithful implementation of the Basel III standards in the EU. It reaffirms the EU's willingness to fulfil its international commitment and to implement the prudential rules as of 1 January 2025, as previously announced. Nevertheless, the date of application of one part of the Basel III standards, the Fundamental Review of the Trading Book, has been postponed to 1 January 2026 to preserve the global level playing field for internationally active European banks and to align with the implementation timelines of other major jurisdictions.

To further strengthen banks, both the Parliament and the Council adopted their positions on and started negotiations on the reform of the bank crisis management and deposit insurance framework.

In addition, in December 2023 the revised Solvency II Directive was agreed upon. The new rules strengthen the insurance regulatory framework by providing better incentives for the insurance and reinsurance (i.e. insurance for insurance companies) sector to invest in long-term capital. The new rules will take better account of macroeconomic risks, including those relating to climate change, and will make insurers' financial position less sensitive to short-term market fluctuations. These changes will ensure this sector remains strong in difficult economic times and protects consumers' interests.

At the same time, a new Insurance Recovery and Resolution Directive was also agreed upon. This directive ensures financial stability and protects policyholders and taxpayers in the event of an insurer's or a reinsurer's failure. It requires a risk-based selection of insurers and reinsurers and their resolution authorities to formulate pre-emptive recovery plans and resolution plans, respectively, to ensure they are prepared for crises.

Fair, simple and modern taxation and customs

Reform of the customs union

The EU's customs union reform, proposed in 2023, envisions a world-leading, data-driven customs system that will significantly simplify customs processes for businesses and at the same time provide authorities with the necessary tools to stop imports that pose real risks to the EU, its citizens and its economy. In 2024, progress was made on the proposal to create a European Customs Authority and a centralised Data Hub, the main pillars of the three at the heart of the reform (together with e-commerce).

Complementary to this is the EU Single Window Environment for Customs, which is already being gradually implemented and which aims to harmonise administrative procedures between customs and other sectors, such as health and the environment. This will improve digital exchanges between governments at the EU borders and streamline the process for clearing goods.

Additionally, the Import Control System 2 now requires economic operators to submit safety and security data for all modes of transport. Thanks to the system, Belgian customs authorities made their largest-ever seizures of drug precursors (chemicals used to produce illicit drugs) at Liège airport in March, working with other Member States.

↑
VIDEO: What is the Import Control System?

Finally, the European Ports Alliance was launched within the framework of the EU Roadmap to Fight Drug Trafficking and Organised Crime (see Chapter 7). It will improve the coordination between customs authorities and facilitate cooperation with other law enforcement authorities and the private sector.

Levelling the playing field in taxation

In January 2024, the EU introduced new rules setting a minimum effective tax rate of 15 % for multinational companies operating within its borders. The entry into force of these rules formalises the EU's implementation of the Pillar 2 framework, part of a historic international tax reform deal reached by the Organisation for Economic Co-operation and Development in 2021. While nearly 140 jurisdictions worldwide have signed up to these rules, the EU has been a front runner in translating them into law. These rules disincentivise businesses from shifting profits to low-tax jurisdictions and curb the practice of the 'race to the bottom', in which countries lower corporate income tax rates to attract investment.

On 28 October, the Commission adopted a proposal to amend the Directive on Administrative Cooperation in the Field of Taxation. The amended directive lays down the rules and procedures for Member States' tax authorities to cooperate closely with each other on direct taxation, thereby making it easier for companies to fulfil their filing obligations under the Pillar 2 Directive, which implements the abovementioned Pillar 2 framework.

Tackling tax evasion and tax fraud

The Central Electronic System of Payment Information now provides Member States' tax administrations with data that help them detect value added tax (VAT) fraud more easily, particularly from e-commerce activities. Under the new rules, payment service providers offering services in the EU must monitor the recipients of cross-border payments. They are also required to transmit information on cross-border payments to the tax administrations of Member States.

The fight against tax fraud and abuse has also been strengthened by a new piece of legislation approved in December. The Faster and Safer Tax Relief of Excess Withholding Taxes Directive introduces rules that will make withholding-tax procedures in the EU more efficient and secure for investors, financial intermediaries and national tax administrations. This will speed up the process for investors to receive relief from excess withholding taxes on cross-border dividend and interest payments. It will also reduce the risk of double taxation for taxpayers and facilitate cross-border investment, strengthening the capital markets union.

In addition, the EU is embracing the digital transition to help fight fraud and support EU businesses. The VAT in the Digital Age proposal – agreed on 5 November – will reduce the need for multiple VAT registrations in different Member States, expanding the existing VAT One-Stop Shop model. This proposal will also help to make use of new digital technologies, such as e-invoicing and digital reporting, to fight VAT fraud. The new rules mark the first step towards addressing the challenges raised by the development of the platform economy and helping level the playing field between online and traditional short-term accommodation and transport services. They will benefit the public finances of Member States and will lower administrative and compliance costs for EU traders.

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CHAPTER 4

Towards a climate-neutral Europe

Introduction

The European Green Deal is the European Union's response to the triple planetary crisis of climate change, biodiversity loss and pollution. To protect people and the planet, the EU has committed to becoming climate neutral – an economy with net-zero emissions and free of harmful pollution – by 2050, mainly by cutting emissions, investing in green technologies and protecting the natural environment. This is part of a new growth model for Europe based on a clean and circular economy, promoting a clean transition that is economically sound and socially fair. In 2024, the focus was on implementing the legal framework of the European Green Deal to reach the EU's 2030 climate target and to prepare the way for a 2040 target under the European Climate Law. In another year marked by weather extremes and their devastating impacts, the importance of enhancing climate resilience was highlighted by the publication of the European Climate Risk Assessment, followed by the announcement of a European Climate Adaptation Plan.

↑
Participants join the Climate Pride parade in Rome, Italy, on 16 November 2024, advocating for climate justice.

Dealing with a changing climate

In another record-breaking year for global temperatures, Europe continued to experience the harsh realities of a rapidly changing climate. EU Member States and regions faced multiple climate extremes – from persistent droughts in southern Europe and severe wildfires in Portugal and the Mediterranean to deadly floods in central and eastern Europe and in Spain, which together claimed more than 250 lives.

The EU Civil Protection Mechanism saw a notable increase in activations in response to extreme weather events. These trends highlight the escalating impact of climate change on the continent, prompting greater demand for coordinated disaster response. As the effects of climate change intensify, European nations have stepped up their cooperation and shown solidarity in times of crisis. In 2024, the EU took further steps to strengthen its Civil Protection Mechanism to better prepare for, prevent and respond to disasters across the EU and beyond. This included strengthening its rescEU firefighting fleet and strategically positioning firefighters across key locations in Europe to support local fire brigades.

The annual European State of the Climate report underscored the alarming trend of rising temperatures, with Europe warming at twice the global average, and stressed the need for the EU to become climate neutral and climate resilient. Extreme weather events have become more frequent and severe, leading to increases in heat-related deaths, severe marine heatwaves and disruptions to agriculture, water supplies and infrastructure.

↑
Dry ground and uncultivated vegetation replace the water of Lake Monte Cotugno, a reservoir in Basilicata, Italy, which in the summer of 2024 only held 300 000 cubic metres of water and was therefore practically dry. 16 October 2024.

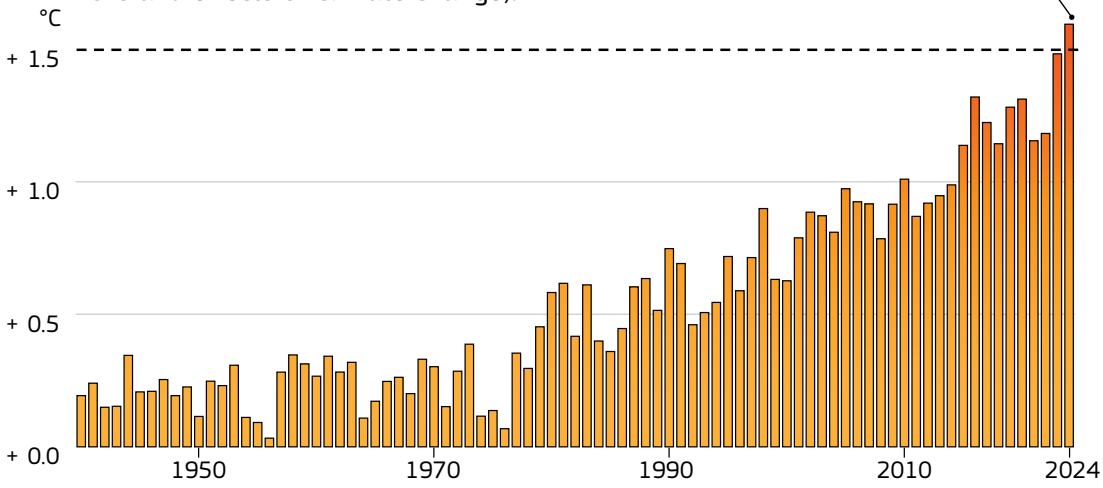
↑
Bilbao, Spain, 11 August 2024, when the country was facing its fourth heatwave of the summer.

↑
Firefighters fight a wildfire in the Aveiro region of Portugal, 18 September 2024.

↑
Heavy rain and flooding hit the municipality of Paiporta in Valencia, Spain, 2 November 2024.

2024 was the **warmest year** on record.

It was also the first calendar year in which the average global temperature exceeded its pre-industrial (1850–1900) level by more than 1.5 °C (a threshold set by the Paris Agreement to try to significantly reduce the risks and effects of climate change).



Source: Copernicus Climate Change Service, 'Global Climate Highlights 2024', 2024.

Towards greater climate resilience

The devastation and destruction caused by extreme weather events highlights the urgent need to be better prepared to anticipate and respond to the effects of climate change. Just as the EU is taking action to reduce its greenhouse gas emissions and limit climate change, so it must also build resilience to those impacts that are unavoidable. In response to the first-ever *European Climate Risk Assessment*, published by the European Environment Agency, the European Commission set out key initiatives for managing climate risks and building a climate-resilient Europe to protect people and prosperity.

The policy framework for boosting climate resilience

GOVERNANCE

- Greater clarity on responsibilities and on which risks are managed at the EU level and which at the Member State level.
- EU-level processes to better embed climate risk into planning and policymaking.
- Member States should ensure adequate capacity to address risks.

STRUCTURAL POLICIES

- Member States should reflect climate risks in spatial planning decisions and measures to protect critical infrastructure.
- Stronger EU solidarity mechanisms to better incentivise the anticipation of risks.

TOOLS

- Improved access to data, models and scenarios needed for informed decision-making, from early warning systems to long-term planning.
- Continued support for capacity building and for the provision of guidelines, and better use of existing tools.

FINANCIAL RESILIENCE

- Ensure climate resilience is at the heart of all EU spending decisions.
- Public and private financial institutions and industry should improve the mobilisation of private investment.
- Member States should consider resilience in their public procurement.

This work builds on the implementation of the 2021 EU Strategy on Adaptation to Climate Change, which is well under way. Member States are including climate resilience in their draft national energy and climate plans and have received Commission recommendations on improving their adaptation measures in accordance with the European Climate Law. The dedicated EU Mission on Adaptation to Climate Change aims to guide at least 150 regions and communities in understanding climate risks, developing pathways for preparation and implementing innovative solutions by 2030.

In its special report on climate adaptation in the EU, published in October, the European Court of Auditors concluded that there is a risk that the EU's adaptation policy might not keep pace with climate change. The report made several recommendations: to improve the way Member States report on climate adaptation; to make better use of the EU's adaptation-related tools; and to future-proof EU funding for climate adaptation. The Commission has accepted or partially accepted these recommendations. One of the priorities of the new Commission will be to propose a European climate adaptation plan to aid Member States and the EU in significantly strengthening climate resilience.

The second annual EU Day for the Victims of the Global Climate Crisis was marked on 15 July, honouring those affected and promoting action to mitigate the impact of future disasters. Many Member States are still recovering from catastrophic weather events. In August, the Commission proposed over €1 billion in aid from the EU Solidarity Fund for Greece, France, Italy, Austria and Slovenia to deal with the impact of floods in 2023. In response to the devastating floods and wildfires that hit central, eastern and southern Europe in autumn 2024, the Commission proposed to facilitate the use of Cohesion Funds to help Member States affected by climate-related disasters. In November, an aid package of €116 million from the EU Solidarity Fund was approved to support Germany and Italy following devastating natural disasters in the spring.

Climate change and health

Nearly 500 researchers, decision-makers and funding organisations from around the globe gathered at a high-level conference in Brussels, Belgium, in February to reflect on the research needs in the area of climate change and health. Participants discussed the most important challenges and priorities in this area and started preparations for an ambitious, forward-looking and inclusive European research and innovation agenda with a global focus.

↑
A panel discussion during the high-level opening session at the EU Climate and Health conference in Brussels, Belgium, 19 February 2024.

The effects of climate change have led to the increased presence in Europe of mosquitoes that can transmit serious diseases. In response, the EU authorised the first-ever vaccine against the Chikungunya virus. A report by the European Centre for Disease Prevention and Control confirmed the presence in 13 European countries of the *Aedes albopictus* mosquito, which transmits Chikungunya. The *Aedes aegypti* mosquito, recently established in Cyprus, can also contribute to the spread of Chikungunya, along with Zika, dengue and yellow fever. The authorisation was unanimously endorsed by the Member States following a stringent assessment by the European Medicines Agency. To further curb the risk of mosquito-borne diseases spreading in Europe, the Commission announced €500 000 in funding from the EU4Health programme for a pilot project to help eradicate the *Aedes aegypti* mosquito in Cyprus.

Check out the European Climate and Health Observatory to find out how Europe is building resilience against health risks associated with climate change.

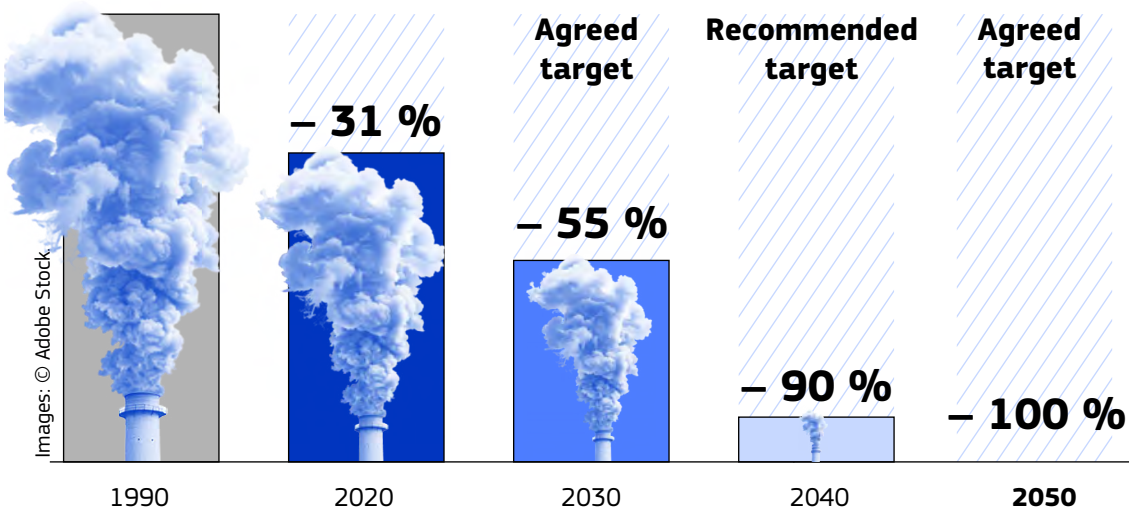
Towards net zero

The European Green Deal is delivering the change needed to reach climate neutrality by 2050. The legislation to achieve, and even exceed, the EU's midterm target of reducing greenhouse gas emissions by at least 55 % by 2030 is now in place.

With the adoption of the European Climate Law and European Green Deal legislation, the EU now has legally binding climate targets covering all key sectors of the economy. This puts the EU on a path to reach its 2030 targets in a fair, cost-effective and competitive way. To ensure a level playing field for European companies, a new mechanism ensures that an equivalent carbon price is paid for imported goods in targeted sectors. In addition, in those regions most affected, there will be support for workers to develop new skills and social support for vulnerable citizens and businesses.

As the next step on the path towards climate neutrality, the Commission presented its assessment for a 2040 climate target for the EU. This recommends a 90 % net greenhouse gas emissions reduction by 2040 compared to 1990 levels, in line with recent scientific advice and the EU's commitments under the Paris Agreement. The assessment will inform the new Commission in making its legislative proposal for the 2040 target under the European Climate Law.

Reduction targets for greenhouse gas emissions



As well as deep and sustained emissions reductions, achieving the recommended 90 % reduction will require measures to remove carbon dioxide from the atmosphere. This means the EU will need technologies that can capture carbon dioxide or remove it directly from the atmosphere, and then store or use it. The Industrial Carbon Management Strategy, presented in March, identifies a set of initiatives to be taken at the EU and national levels to enable the deployment of these technologies and the necessary infrastructure to establish a single market for carbon dioxide in Europe in the decades ahead. A regulation was adopted in November creating the first EU-wide voluntary framework for certifying carbon removal, carbon farming and carbon storage in products across Europe. This will facilitate investment in both innovative carbon removal technologies and sustainable carbon farming solutions.

Helping EU industry achieve net zero

The Net-Zero Industry Act, which entered into force in June, creates a regulatory framework to boost the competitiveness of industry and technologies that will help the EU achieve its climate goals. It puts the EU on track to strengthen its domestic manufacturing of key clean technologies. By creating a unified and predictable business environment for the clean-technology manufacturing sector, it will increase planning and investment certainty and support the creation of quality jobs and a skilled workforce (see also Chapter 2).

←
VIDEO: Industrial carbon management – key for decarbonisation.

The global market for net-zero technologies is set to triple by 2030, to an annual worth of around **€600 billion**.

Key net-zero technologies

- SOLAR PHOTOVOLTAIC AND SOLAR THERMAL SYSTEMS
- ELECTROLYSERS AND FUEL CELLS
- ONSHORE WIND AND OFFSHORE RENEWABLES
- SUSTAINABLE BIOGAS/ BIOMETHANE
- BATTERIES AND STORAGE
- CARBON CAPTURE AND STORAGE
- HEAT PUMPS AND GEOTHERMAL ENERGY
- GRID TECHNOLOGIES

In autumn, the EU began accepting applications for clean-technology manufacturing projects to be designated as 'net-zero strategic projects' under the Net-Zero Industry Act. Approved projects will boost the EU's clean-technology sector, enhancing competitiveness and climate action while benefiting from faster permitting, priority treatment at the national level and guidance on financing.

The launch of the European Solar Academy in June will play a crucial role in equipping workers with the skills needed for the solar energy sector, which is essential for achieving the EU's renewable energy targets. It is the first in a series of EU academies being created under the act.

Advancing the clean-energy transition

In response to the disruption of the global energy market and the hardship caused by Russia's unprovoked and unjustified invasion of Ukraine in 2022, the EU launched the REPowerEU Plan to fast-forward the clean-energy transition and rapidly reduce its dependence on Russian fossil fuels. Over the past two years, REPowerEU has helped the EU save energy, diversify its supplies, produce clean energy and smartly combine investment and reforms.

Saving energy and improving energy efficiency have helped reduce consumption. Significant progress has also been made on renewable energy. In the first half of 2024, renewables generated 50 % of electricity in the EU. Norway has replaced Russia as the EU's main gas supplier. There has also been a significant shift towards imports of liquefied natural gas, with the United States now the EU's leading supplier. Crucially, the EU has managed to withstand critical risks to the security of its energy supply, regain control over the energy market and prices and accelerate the transition towards climate neutrality.

In 2024, wind surpassed gas generation for the first time to become the second-largest single source of electricity in the EU behind nuclear.

Imports of Russian gas (pipeline and liquefied natural gas) dropped from a 45 % share of overall EU imports in 2021 to only 19 % in 2024.

The EU achieved an 18 % reduction in gas demand between August 2022 and November 2024. This resulted in about 165 billion cubic metres of gas being saved.

Measures at the EU and national levels have paid off, with electricity and gas prices now much lower and more stable than at the height of the energy crisis.

Meanwhile, the EU's greenhouse gas emissions have fallen by 37 % compared with 1990, while the economy has grown by 68 % in the same period.

Reform of the electricity market

Energy markets have returned to more stable conditions, with prices lower than in 2022 and 2023. With the adoption of new legislation, such as the new regulation and directive on the reform of the electricity market, retail prices should be more independent of short-term market prices. In the event of a future gas-price crisis, Member States can introduce measures to protect consumers and ensure access to affordable energy and essential social services. The electricity market reform also gives consumers a wider choice of contracts and clearer information before they sign. Future-proof energy markets will also stimulate investment in clean energy and facilitate lower and more stable prices, which are key to making EU industry more competitive globally.

The reform of the EU's electricity market will:

- boost renewable energy investment;
- better protect and empower EU consumers;
- enhance the competitiveness of EU industry.

←
Kadri Simson, then European Commissioner for Energy, gives a press conference on the State of the Energy Union Report 2024, Brussels, Belgium, 11 September 2024. The report provides a round-up of the EU's progress in ensuring secure, competitive and affordable energy for all.

Increasing the energy efficiency of buildings

The building sector is crucial to achieving the EU's energy and climate goals. The revised Energy Performance of Buildings Directive, which entered into force in May, will help increase the rate of renovation in the EU, particularly for the worst-performing buildings. The new legislation sets out a framework for Member States to reduce emissions and energy use in buildings, from homes to business premises and public buildings, helping to improve people's health and quality of life and bringing down bills.

Around 40 % of the energy consumed in the EU is used in buildings.

Over one third of the EU's energy-related greenhouse gas emissions come from buildings.

Around 80 % of the energy used in EU homes is for heating, cooling and hot water.

Boosting the European hydrogen market

Decarbonising the EU gas sector and creating a hydrogen market will make a key contribution to reaching climate neutrality by 2050. New rules on hydrogen and low-carbon gas adopted by the EU in May, including a European Network of Network Operators for Hydrogen and a pilot mechanism to help buyers and suppliers to connect, will boost the hydrogen market. New incentives for renewable hydrogen, such as the first auction under the European Hydrogen Bank and the approval of four Important Projects of Common European Interest on hydrogen, are expected to generate more investment. The EU has committed to establishing, by 2030, at least 50 Hydrogen Valleys, where clean hydrogen will be produced locally and used in households, transportation and industry.

↑
VIDEO: The European Hydrogen Bank – supporting European and global production of renewable hydrogen.

State-aid rules, such as the climate, energy and environment aid guidelines, are helping Member States reach the objectives of the European Green Deal. The guidelines support the roll-out of renewable energies by allowing Member States to grant public financing to companies making the necessary investment at the lowest possible cost for taxpayers and without unduly distorting competition.

Advancing the Zero-Pollution Action Plan

Pollution poses multiple risks to human, animal and ecosystem health. To progress towards its goal of zero pollution, the EU is taking measures to better monitor, report, prevent and remedy air, water and soil pollution and harm caused by chemicals.

WATER

Several new measures to ensure the quality of drinking water for everyone in the EU were adopted in 2024. New standards and procedures for materials and products that come into contact with drinking water aim to prevent microbial growth and reduce the risk of harmful substances leaching from materials into drinking water. A new method was also adopted for measuring microplastics, and technical guidelines were established for the monitoring of long-lasting chemicals.

Urban waste water is one of the main sources of water pollution, if not collected and treated in accordance with EU legislation. An agreement was reached on new rules to further reduce pollution from urban sources and tackle emerging pollutants, including microplastics and micropollutants. In line with the 'polluter pays' principle, extended producer responsibility has been introduced. This means that polluters need to cover the costs of the treatment to remove micropollutants. New guidelines were issued for authorities in Member States to ensure that reusing treated waste water for agriculture is safe.

The EU's annual report on the state of beaches and bathing areas showed that Europe's bathing water remains safe, with more than 85 % meeting the 'excellent' water quality standard.

The EU adopted four new pieces of legislation that will provide it with new tools to support clean and modern shipping. The rules also aim to help prevent illegal discharges and preserve marine ecosystems.

↑
VIDEO: #WaterWiseEU – transforming how we think about water in Europe.

AIR

A new law to strengthen 2030 EU air-quality standards to better protect people's health and the environment entered into force in December. The revised rules cut the annual limit value for the main pollutant – fine particulate matter – by more than half. People suffering from health damage due to air pollution will also have the right to be compensated if EU air-quality rules are violated.

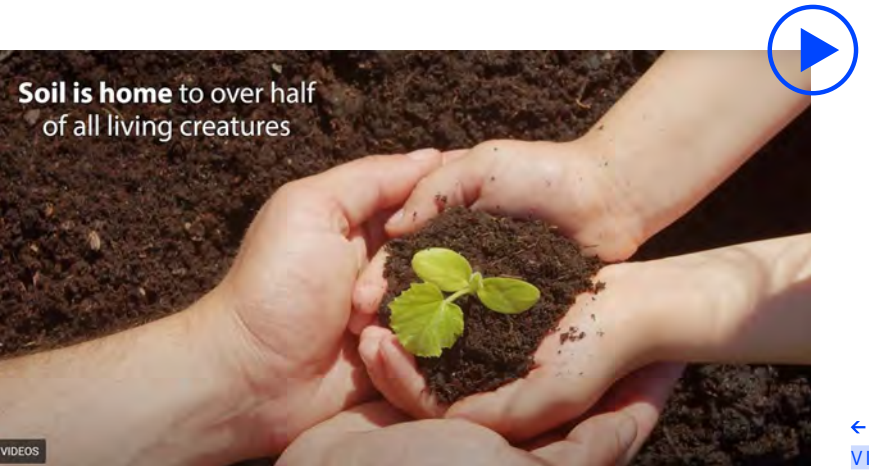
INDUSTRIAL EMISSIONS

A large share of pollution in the EU stems from industrial production processes, including the emission of air pollutants, wastewater discharge and waste generation. New rules will further reduce emissions of key air, water and soil pollutants by covering additional sources of emissions and streamlining the provisions for granting operating permits for the industrial installations and farms concerned.

They introduce obligations and measures that will improve publicly available information on emissions and resource use by the EU's largest industrial installations. The Innovation Centre for Industrial Transformation and Emissions, launched in July, aims to accelerate the development and uptake of innovative solutions for pollution control.

SOIL

As part of its efforts to make Europe's soils healthier, the EU aims to set up 100 living labs and lighthouses (sites for the demonstration of exemplary solutions) by 2030. Under the EU's Mission Soil initiative, the first 25 living labs, where multiple partners come together to co-create and test solutions and business models in real-life conditions, have been selected and launched. In addition, 10 Mission Soil projects are specifically developing remediation strategies, models and solutions to monitor and address pollution and the decontamination of land and water in urban, rural and coastal areas.



← VIDEO: Soil biodiversity.

CHEMICALS

The EU has established guiding principles to determine what constitutes 'essential uses' of the most harmful chemicals for society. The aim is to achieve a faster phase-out of the uses of the most harmful substances that are non-essential, while allowing more time to phase out uses that are essential for society and for which alternatives do not yet exist.

New rules that will prohibit the last intentional remaining uses of mercury started to apply across the EU in 2024. The new rules ban the use and export of dental amalgam from 1 January 2025. Member States that require more time to adapt their national healthcare systems can be given a limited and temporary derogation for the use, manufacture and import of dental amalgam (until 30 June 2026). Eventually, dental filling materials will be free from mercury, except for specific medical needs and when deemed strictly necessary by a medical practitioner.

The EU has also adopted new measures to restrict certain harmful long-lasting chemicals in products such as textiles, cosmetics and packaging, to protect human health and the environment.

Revised legislation on the classification, labelling and packaging of chemicals entered into force in December. With these new rules, the EU aims to protect workers, consumers and the environment from hazardous chemicals by better communicating the risks present throughout supply chains.

Towards a circular economy

The EU continued its progress towards a circular economy in 2024, with the aim of reducing pressure on natural resources, cutting waste and creating sustainable growth and jobs.

Newly adopted legislation will help to increase resource productivity and boost the long-term competitiveness and resilience of the EU economy.

78 %
of people in the EU believe the environment has a direct effect on their daily life and health. They consider the most effective way of tackling environmental problems to be:

17 %
promoting the circular economy by reducing waste and by reusing or recycling products;

14 %
ensuring that environmental laws are respected;

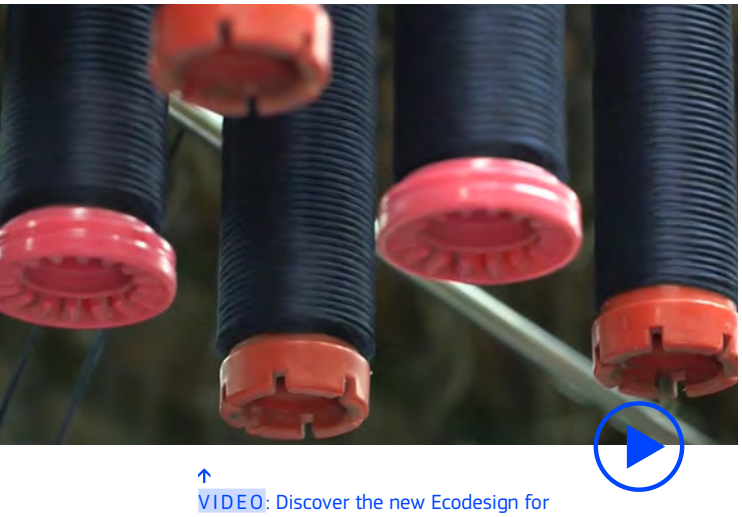
15 %
restoring nature;

14 %
ensuring that products sold on the EU market do not contribute to harming the environment.

Source: European Commission, Special Eurobarometer 550, May 2024.

Making sustainable products the norm

Products and the way we use them can have a significant impact on the environment, but thanks to new EU rules, sustainable products will gradually become the norm. This follows the entry into force of new rules that will ensure that everyday household goods and industrial products last longer, use energy and resources more efficiently, are easier to repair and recycle, and include more recycled content. Shoppers will be also able to make more sustainable choices, thanks to Digital Product Passports – scannable tags on products providing easy access to sustainability information. The destruction of unsold clothes and footwear will be banned under the new rules.



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VIDEO: Discover the new Ecodesign for Sustainable Products Regulation.

New EU rules to empower consumers for the green transition entered into force in March. This means that before buying a product, consumers will receive better information on its durability and reparability and on their legal guarantee rights. Companies will no longer be able to declare that products are 'green' if they cannot demonstrate recognised excellent environmental performance. In addition, unfair commercial practices, such as those linked to early obsolescence or to making false claims about the sustainability of a product, will be prohibited. The new rules will start to apply in September 2026.

Promoting the repair of goods contributes to sustainable consumption. New rules establishing measures to increase the amount of goods repaired both within and outside of the legal guarantee entered into force in July. Manufacturers of products that are subject to reparability requirements in EU law (e.g. fridges and smartphones) will have to repair products within a reasonable time, and for a reasonable price. Within the legal guarantee, sellers will be required to offer repair, except when it is more expensive than replacement. Beyond the legal guarantee, a new set of rights and tools will be available to consumers to make repair an easy and accessible option. Consumers will also have the right to an extra year under the legal guarantee if they choose to repair the product instead of replacing it. The new rules will apply from July 2026.

Recycling not only saves energy and money but can also be a good source of critical raw materials. Reliable and unhindered access to certain raw materials is a growing concern. The Critical Raw Materials Act, which entered into force in May, sets a benchmark to source at least 25 % of the EU's annual consumption of such materials from recycling. It also includes rules to improve the sustainability and circularity of critical raw materials on the EU market.

EU residents produce on average around half a kilo of packaging waste each every day. New rules adopted in December will make packaging more sustainable by reducing unnecessary packaging, limiting overpackaging and increasing the number of deposit-return schemes for plastic bottles and metal cans. Each person could save up to €100 per year if businesses pass on their savings.

Waste exports from the EU to non-EU countries have increased by 88 % since 2004, reaching 35 million tonnes in 2023. New rules to ensure the EU takes greater responsibility for its waste entered into force in May. The new regulation aims to ensure that the EU does not export its waste to countries outside the EU and that it contributes to the environmentally sound management of waste.

During the new European Bauhaus Festival in April, visitors were invited to a special day dedicated to sustainable fashion, including a circular and inclusive fashion show with 16 international designers from eight countries displaying their eco-friendly creations. The event emphasised not only the aesthetic appeal of sustainable fashion but also its role in promoting a lifestyle in harmony with our environment.

↓
The New European Bauhaus Festival, Brussels, Belgium, 11 April 2024.

Environment and nature

A midterm review of the eighth Environment Action Programme, which will guide European environmental policy up to 2030, confirms that the EU's objectives under the European Green Deal are achievable, if all the planned measures are fully implemented. It also underlines the positive economic and social impact of meeting climate and environmental objectives, including in terms of well-being, health, resilience, competitiveness and ensuring the security of supply of all materials.

The EU's groundbreaking Nature Restoration Law, which aims to reverse the serious decline in biodiversity and contribute to the fight against climate change, entered into force in August. It builds on the EU Biodiversity Strategy and sets targets for restoring degraded ecosystems, particularly those with the most potential to capture and store carbon and to prevent and reduce the impact of natural disasters. The new law puts in place measures to restore at least 20 % of the EU's land and sea areas by 2030. By 2050, measures should be in place for all ecosystems in need of restoration. The Member States are expected to submit national restoration plans by mid 2026, showing how they will deliver on the targets. The Nature Restoration Law, the first of its kind in the world, will also help the EU and its Member States to meet their international biodiversity commitments under the Kunming–Montreal Global Biodiversity Framework.

A project to restore the River Isar, in Germany, and its floodplains through a unique collaboration between Bavarian water and nature authorities won the 2024 LIFE Award for Nature. Almost a decade after the project began, the river is once again flowing freely, and endangered species have returned.

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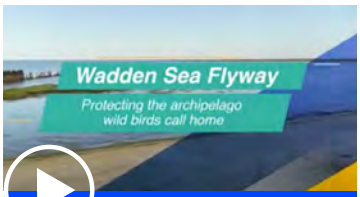
The River Isar, Germany.



An EU-funded project is helping Denmark, Germany and the Netherlands to monitor and protect migratory waterbirds across the East Atlantic Flyway.

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VIDEO: Monitoring waterbird movements along the East Atlantic Flyway.

The Natura 2000 network of protected areas has been the backbone of the EU's nature conservation policy for 30 years. In 2024, the Natura 2000 Awards put a wide range of new initiatives in the spotlight – from the conservation and management of the black stork in Poland to the marine conservation of 'blue forests' in Portugal.

↑
The Natura 2000 Awards.

The provision of support to boost existing initiatives also continued in 2024, for example with the publication of a new guide to designing better land-use policies. This should help all relevant stakeholders to better familiarise themselves with legislation on land use, land-use change and forestry, and with good practice. The sector is essential for preserving nature and tackling climate change by removing carbon on a large scale. Ahead of the International Day of Forests in March, the Commission hosted a conference to boost efforts to plant 3 billion trees by 2030 for more resilience against climate and environmental threats.

Environmental crime is a growing concern, causing significant damage to the environment, citizens' health and the economy within and beyond the EU. Revised legislation, which entered into force in May, will address the most serious breaches of EU environmental obligations. Several new offence categories have been introduced, such as unlawful ship recycling and water abstraction. The new rules will strengthen the enforcement chain and support environmental defenders and practitioners in tackling environmental crime. The Member States have two years to adapt their national legislation.

Environmental crime is:

the fourth-largest organised crime activity in the world

growing at a rate of 5–7 % per year

with an annual global loss of €80–230 billion

Source: United Nations Environment Programme, *The Rise of Environmental Crime – A growing threat to natural resources, peace, development and security*, 2016.

Sustainable farming and food security

Supporting Europe's farmers

Over the past several years, Europe's farmers have been exposed to an exceptional range of challenges and uncertainties – from a pandemic and a steep increase in energy prices aggravated by Russia's unjustified war aggression against Ukraine to increasingly frequent extreme weather events. In 2024, the EU continued to take action to support them and also to help them tackle challenges that have arisen since the reform of the Common Agricultural Policy.

Support for EU farmers

- **At least 50 %** fewer Common Agricultural Policy-related on-farm visits by national administrations.
- **€98 billion** allocated for voluntary measures benefiting the environment, climate and animal welfare.
- Farms under **10 hectares** exempt from controls and penalties related to conditionality requirements.

Source: European Commission, 'EU actions to address farmers concerns', 2024.

In March, the Commission proposed changes to certain provisions of the Common Agricultural Policy, while maintaining its role in supporting the transition of European agriculture to sustainable farming. This was accompanied by further measures to reduce the administrative burden on farmers as part of a wider policy to rationalise reporting obligations, launched in 2023. EU farmers' views on administrative burdens relating to the Common Agricultural Policy, including reporting obligations, were also sought in an online consultation that received 27 000 replies.

In addition, the Commission proposed measures to improve farmers' remuneration. The EU Agri-Food Chain Observatory was launched in July to look at production costs, margins and trading practices. The aim is to reinforce transparency and trust between stakeholders by making data public and exchanging information. Options for new rules to correct imbalances in the food supply chain were also presented. The Commission also presented a report in April on the implementation of the Directive on Unfair Trading Practices in the food supply chain, which will feed into an ongoing evaluation of the legislation. In December, it proposed new measures to strengthen farmers' position in the agri-food supply chain and improve cross-border enforcement against unfair trading practices.

During 2024, €233 million in support was granted to farmers affected by natural disasters and extreme weather events in Bulgaria, Czechia, Germany, Estonia, Greece, Italy, Austria, Poland, Romania and Slovenia. Support measures were also introduced to address the market disturbance in the wine sector in Portugal and the negative effect on the poultry and egg markets caused by avian influenza in Italy.

↑
Janusz Wojciechowski, then European Commissioner for Agriculture (centre right), with delegates representing young farmers at the G7 Ministers' Meeting on Agriculture in Syracuse, Italy, 27 September 2024.

The Strategic Dialogue on the Future of Agriculture was launched in January, bringing together 29 key agri-food stakeholders to develop a shared vision for the future of the EU's farming and food system.

In September, the final report on the dialogue was presented. Titled *A shared prospect for farming and food in Europe*, the report presents an assessment of challenges and opportunities, accompanied by 14 recommendations. These suggestions will guide the work of the Commission when shaping its Vision for Agriculture and Food, to be delivered in the first 100 days of the new political mandate (see Chapter 0).

↑
Ursula von der Leyen, President of the European Commission (right), and Peter Strohschneider, Chair of the Strategic Dialogue on the Future of EU Agriculture (left), at a press conference on the publication of the final report of the Strategic Dialogue, Brussels, Belgium, 4 September 2024.

In 2024, the EU negotiated the removal of trade barriers to Irish and French beef exports to South Korea, giving producers from these Member States access to one of the biggest import markets for beef in the world.

The new Regulation on Geographical Indications for Wine, Spirit Drinks and Agricultural Products entered into force in May. It creates a single set of protection rules and procedures for all agricultural geographical indications. It also strengthens their protection, notably online and in internet domain names.

Sustainable fisheries and aquaculture

Climate change, biodiversity loss, and ocean and freshwater pollution threaten the sustainability of fisheries and aquaculture resources. With the 2023 fisheries and oceans package, the Commission put forward a set of measures to tackle these challenges through the implementation of the Common Fisheries Policy. A consultation to evaluate the Common Fisheries Policy Regulation was launched, with a report expected by the end of 2025.

Control rules are fundamental to implementing the Common Fisheries Policy, particularly to monitor the use of fishing quotas and to ensure that unwanted catches are not being illegally discarded at sea. New rules to modernise the way fishing activities are controlled, for both EU and non-EU vessels fishing in EU waters, entered into force in January. They will help prevent overfishing, create a more effective and harmonised fisheries control system and ensure a level playing field between different sea basins and fleets. The new rules will also alleviate the administrative burden through digitalisation, and will promote the use of technologies.

In December, EU fisheries ministers reached an agreement on fishing opportunities for 2025. The agreement includes 12 sustainability measures that, if applied, will provide considerable extra fishing days.

The Commission also responded to calls to reduce the administrative burden relating to establishing and operating aquaculture sites in the EU. It did so by providing support to Member States in implementing the strategic guidelines to make aquaculture more sustainable and competitive.

Towards a sustainable ocean

The EU reaffirmed its commitment to international ocean governance by announcing 40 commitments for action for 2024 at the Our Ocean conference in Greece, supported by €3.5 billion in EU funds. The commitments focus on areas including sustainable fisheries, marine protected areas, ocean and climate change, sustainable blue economies and marine pollution.

↑
Virginijus Sinkevičius, then European Commissioner for Environment, Oceans and Fisheries, delivering a keynote speech at the Our Ocean conference in Athens, Greece, 16 April 2024.

Illegal, unreported and unregulated fishing is one of the most serious threats to the sustainable exploitation of living aquatic resources, jeopardising both global efforts to promote better ocean governance and the EU's Common Fisheries Policy. In May, the EU issued a 'yellow card' to Senegal – a notification of the need to step up action in the fight against such fishing. The global value of illegal, unreported and unregulated fishing is estimated at €10–20 billion per year. Between 11 million and 26 million tonnes of fish are caught illegally every year, corresponding to at least 15 % of world catches.

Important decisions, including on the management of floating devices used to catch tuna and other fish, will contribute to making fisheries in the Indian Ocean more sustainable. Based on a proposal from the EU, a resolution gradually implementing the full biodegradability of drifting fish aggregating devices by 2030 was adopted during the 28th annual meeting of the Indian Ocean Tuna Commission in May. The regulatory framework for such devices was also improved to increase traceability and compliance.

The EU is ready to ratify the High Seas Treaty, also known as the Agreement on Biodiversity Beyond National Jurisdiction. It will do so jointly with several Member States before the third UN Ocean Conference in June 2025. The treaty aims to protect the ocean, promote equity and fairness, tackle environmental degradation, fight climate change and prevent biodiversity loss in the high seas. It will enter into force once it has been ratified by 60 parties. The EU is actively preparing for its implementation and is supporting other countries in their efforts to ratify and implement the treaty.

Sustainable mobility

Transport accounts for almost a quarter of the EU's greenhouse gas emissions. Under the European Green Deal, the EU aims to reduce transport-related emissions by 90 % by 2050. The Sustainable and Smart Mobility Strategy provides a roadmap for achieving these ambitious emission reductions. Over the last five years, considerable progress has been made in making the EU's transport sector more sustainable.

Over 90 % of the 82 initiatives under the Sustainable and Smart Mobility Strategy have either been completed or are ongoing.

Over €21.2 billion has been allocated to 630 transport infrastructure projects across the EU under the 2021–2027 Connecting Europe Facility.

Nearly €100 billion has been allocated to transport by Member States under their national recovery plans.

€4 billion has been invested in transport research and innovation.

The ReFuelEU Aviation Regulation promotes the use of sustainable aviation fuels and will bring a substantial reduction in carbon dioxide emissions of more than 60 % by 2050, compared to 1990 levels. It entered into force in January 2024.

A voluntary labelling scheme for calculating flight emissions created under the regulation will allow passengers to make informed choices when comparing different flight options.

The FuelEU Maritime Regulation will help reduce emissions from shipping by promoting the use of renewable, low-carbon fuels and clean-energy technologies for ships. It applies from January 2025.

The Alternative Fuels Infrastructure Regulation will boost the number of electric recharging and hydrogen refuelling stations. It started to apply in April.

Forty-two new projects were selected during the year to receive over €424 million in EU funding to deploy alternative fuels infrastructure (installing electric recharging points and hydrogen refuelling stations; electrifying ground operations in airports).

REDUCING TRANSPORT EMISSIONS

Revised carbon dioxide emission-reduction targets for heavy-duty vehicles (lorries, buses and coaches), which entered into force in July, will reduce emissions by 45 % by 2030, 65 % by 2035 and 90 % by 2040.

New rules setting emission limits for road vehicles and requirements for battery durability will regulate particles coming from brakes and tyres for all vehicles, reducing emissions and microplastics.

Transport by inland waterway is energy efficient and almost congestion-free. A new proposal to improve traffic management on the EU's rivers and canals will boost the efficiency and reliability of inland navigation and contribute to the EU's aim of shifting more cargo to Europe's rivers and canals.

The EU has also made significant strides in reducing transport emissions by adopting the European Declaration on Cycling, which officially recognises cycling as a sustainable, accessible and affordable mode of transport.

Members of the Alliance for Zero-Emission Aviation presented an ambitious objective of operating between 36 % and 68 % of intra-EU flights using hydrogen- and electricity-powered aircraft by 2050. This could reduce carbon dioxide emissions on these routes by between 12 % and 31 %. The EU launched the alliance as a voluntary initiative to enable private and public partners to work together to make novel forms of sustainable transportation a reality for travellers in Europe.

A sustainable and resilient transport network

To improve transport connections across Europe, the EU is investing a record €7 billion in sustainable, safe and smart transport infrastructure. More than 80 % of the funding will support projects that deliver on the EU's climate objectives, improving and modernising the EU network of railways, inland waterways and maritime routes. Funding will go to major projects to improve cross-border rail connections. This includes the Rail Baltica project, which will connect the Baltic states of Estonia, Latvia and Lithuania, and the Fehmarnbelt tunnel project, which will link Germany with Denmark.

Faster rail speeds are on the way, thanks to new rules setting ambitious targets for European transport infrastructure. By 2040, passenger railway lines on the EU's main passenger rail connections must support trains travelling at speeds of 160 kilometres per hour or faster.

Making our roads safer

Road safety in the EU has improved significantly over recent decades, with deaths on EU roads falling from around 50 000 twenty years ago to around 20 400 today. However, further action is needed at the EU, national and local levels to achieve the EU's aim of zero fatalities by 2050.

New rules to improve the general safety of vehicles have come into effect for all motor vehicles sold in the EU. The rules mandate a range of new technologies and advanced driver assistance systems in all new vehicles. Since they first started to apply to new models of vehicles in 2022, the measures have been instrumental in improving protection for passengers, pedestrians and cyclists across the EU. By 2038, the rules are expected to have saved over 25 000 lives and to have prevented at least 140 000 serious injuries.

Cooperative, connected and automated mobility is essential for making Europe's transport greener, safer and more competitive. The EU, in cooperation with private partners, is investing €500 million through Horizon Europe to advance research into this technology.

Acting globally for the planet

The EU's work with key international partners to confront the triple crisis of climate change, biodiversity loss and pollution continued in 2024. Three major multilateral negotiations took place – the UN Climate Change Conference in Azerbaijan, the UN Biodiversity Conference in Colombia and the UN Desertification Conference in Saudi Arabia.

The United Nations Climate Change Conference

The 29th UN Climate Change Conference (COP29) took place from 11 to 24 November 2024 in Baku, Azerbaijan. The summit brought parties together to accelerate action towards delivering on the Paris Agreement goal of limiting the global average temperature increase to 1.5 °C above pre-industrial levels.

The conference focused on securing the significant financial investment needed to reduce emissions and protect vulnerable populations. The EU played a vital role in reaching an agreement on a new climate finance goal to support climate action by developing countries.

The parties set an ambitious new collective quantified goal of scaling up all sources of climate finance to $1.3 trillion annually by 2035. Within this broader target, developed countries committed to take the lead on mobilising at least $300 billion per year by 2035. The goal also successfully broadened the global contributor base, with more countries being encouraged to contribute, reflecting their growing emissions and economic weight. It also emphasised the transformative role for multilateral banks in scaling up climate action.

In addition, the EU played an important role in finalising the Paris Agreement rulebook for carbon markets. The agreement, which was nine years in the making, will operationalise international carbon markets and ensure a robust framework for transparency, accountability and greater environmental integrity. Another important achievement was the successful extension of the enhanced Lima Work Programme on Gender, which emphasises the importance of gender-responsive climate action among parties.

During COP29, the EU published its first-ever biennial transparency report, ahead of the end-of-year deadline. This is a significant milestone in the implementation of the Paris Agreement, marking the beginning of a new era of accountability and collaboration in the global fight against climate change.

→
Wopke Hoekstra, then European Commissioner for Climate Action and Acting Commissioner for Transport (left), with 12-year-old Ferre Van Steenbergen, the youngest member of the Belgian delegation at the COP29 conference, in Baku, Azerbaijan, 19 November 2024.

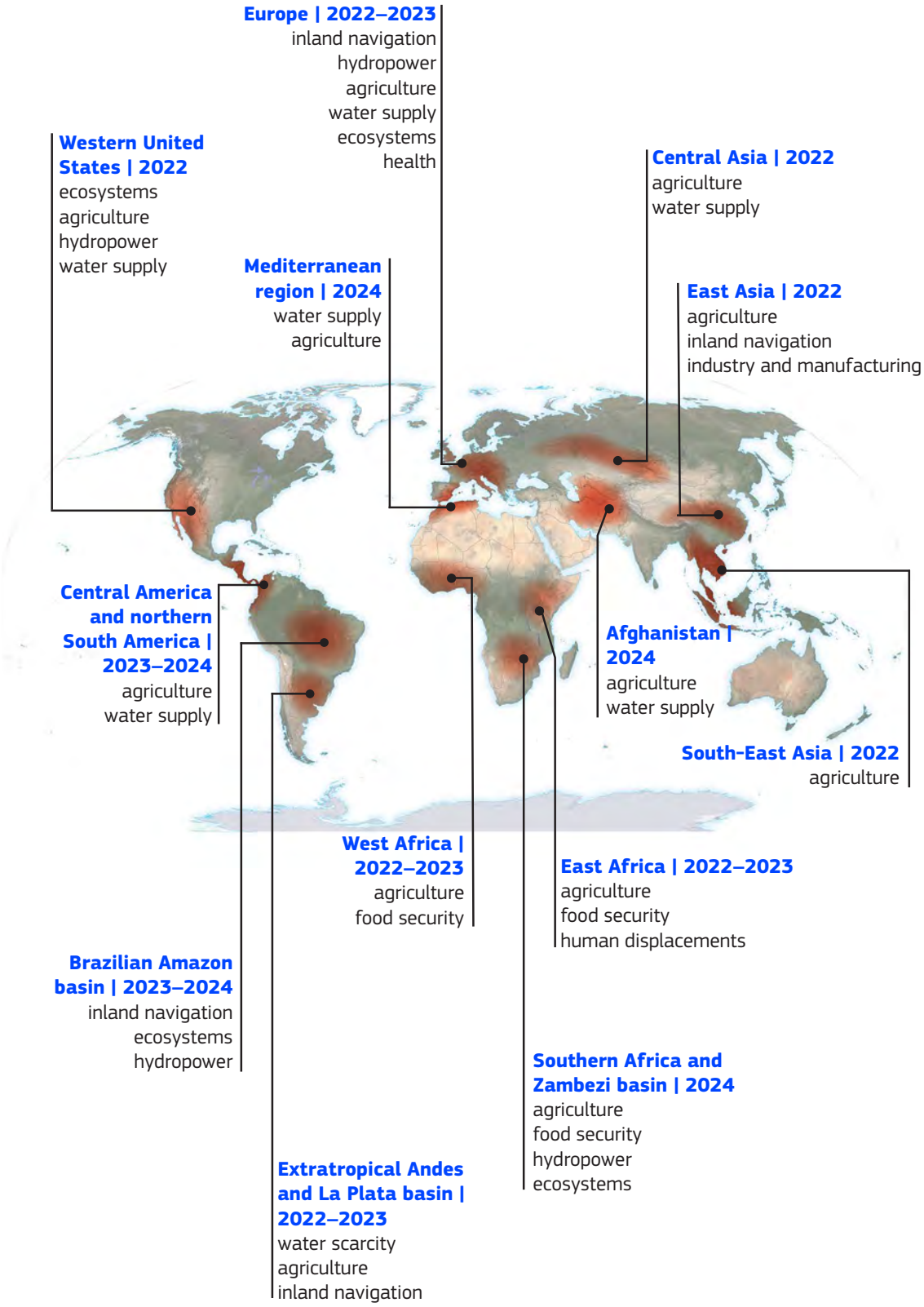
The United Nations Biodiversity Conference

The 16th Conference of the Parties to the Convention on Biological Diversity in Cali, Colombia, in October, demonstrated encouraging momentum for the implementation of the Global Biodiversity Framework to halt and reverse biodiversity loss by 2030. Dubbed the 'COP of the people', several important decisions were taken, including an agreement to expand the role of Indigenous peoples and local communities in saving biodiversity and a groundbreaking agreement on how to share the benefits of digital genetic information. The EU unveiled a package of new initiatives worth almost €160 million to support partner countries and safeguard biodiversity globally, demonstrating a clear commitment to deliver on global financing goals to protect nature.

The United Nations Desertification Conference

At the 16th Conference of the Parties to the UN Convention to Combat Desertification, the EU worked closely with international partners to deliver on global commitments to tackle desertification, land degradation and drought. The first *World Drought Atlas*, developed by the Commission's Joint Research Centre and the convention, was officially presented at the conference. The atlas aims to illustrate all dimensions of drought and its increasing global risks. As well as setting out the challenges, it also offers responses to enable policymakers to take action to strengthen drought resilience.

Major drought events with examples of affected systems (2022–2024)



CHAPTER 5

A Europe fit for the digital age

Introduction

Over the past several years, Europe has adapted to the fast-changing digital landscape by working to ensure that society benefits from technology and that innovation boosts the European Union's competitiveness and technological sovereignty, while minimising the risk to citizens. Billions of euro have been invested in the expansion of fibre optics and 5G to improve connectivity across the EU, and workers are being equipped with the skills they need for the digital future. The groundbreaking Digital Services Act and Digital Markets Act are already making the digital space safer and fairer for all and ensuring that tech giants take responsibility for their significant impact on society and the economy. The EU is also leading the way in making artificial intelligence (AI) safer and more trustworthy, while tackling the risks associated with its misuse. To boost innovation, collaboration between research organisations and universities has been strengthened and investment in cutting-edge technologies such as supercomputing, semiconductors, quantum computing and space technology has been significantly increased.

↑
An exhibition on AI, promoting accessible science and technology, opened in December 2024 at a science centre in Mechelen, Belgium. 17 January 2025.

Progress on the Digital Decade

Almost halfway through Europe's Digital Decade, the EU assessed progress towards the goals guiding the EU's digital transformation. With a common plan and clearly defined targets to be achieved by 2030, the aim is to integrate technology into all areas of society, from schools and hospitals to large and small businesses, and to give people in the EU the tools to make the most of everything the internet has to offer.

The 2024 progress report on the Digital Decade shows how far the EU has come in realising these goals, without shying away from highlighting areas for improvement. It calls on all Member States to further support local start-ups, promote digital literacy in their communities and improve the uptake of AI and data analytics in businesses and in semiconductor manufacturing. The EU has also updated its recommendations for each Member State, taking into account different strengths and challenges across the EU.

Advancing the digital economy

Artificial intelligence, virtual worlds and supercomputers

AI is becoming a transformative force for European society and the economy. From manufacturing to healthcare and education, AI is transforming core processes and business models across all sectors, promising greater efficiency and growth. However, it is also bringing with it challenges in the areas of ethical development, fundamental rights and cybersecurity. A careful balance of policies is needed to tap the technology's full potential and to address the associated concerns.

↑
VIDEO: Artificial intelligence is everywhere and everyone is talking about it, but who is making sure it's safe?

The EU wants to play a leading role in AI, but not at any cost. It advocates for responsible AI that puts people first. As the world's first real attempt to regulate this technology, the EU's AI Act, which entered into force in August, sets out clear rules and guidelines on how it can be used and how it should be developed. This will ensure that AI systems are reliable, fair and unbiased and that they protect people's fundamental rights. A harmonised set of rules will make the work of companies developing AI easier by cutting red tape and encouraging innovation. The rules will also help companies know what to expect.

The AI Act in action

The EU AI Act entered into force in 2024. Here is what followed.

EUROPEAN AI BOARD

An advisory body was created, made up of experts from all of the Member States, to help put AI rules into practice.

AI CODE OF PRACTICE

A call was launched for AI companies, experts and organisations to participate in the development of rules for general-purpose AI (to be finalised in 2025).

SCIENTIFIC PANEL

Feedback has been gathered on a proposal for how a new panel of independent AI experts will be set up and will operate. This group will advise on technical issues and warn of AI risks.

GUIDELINES

A set of guidelines was published on the responsible use of generative AI in research.

The new European Artificial Intelligence Office, set up in May, will create clear guidelines for companies and developers working with AI and ensure that the new rules are implemented uniformly throughout the EU. As the centre of AI expertise for the EU, it will also have a say in which AI models are approved, and can even block the use of AI that is deemed biased or unsafe. In September, the EU launched the AI Pact to encourage organisations to plan ahead and start implementing its requirements ahead of the legal deadline.

Example: keeping AI in check in the Netherlands

The EU supported Dutch authorities in monitoring AI systems to ensure that they comply with EU law, including the AI Act. Through the Technical Support Instrument, the project:

- reviewed how they supervise AI;
- examined the challenges of making AI systems safe and fair;
- provided recommendations to help authorities use AI responsibly and in compliance with the law.

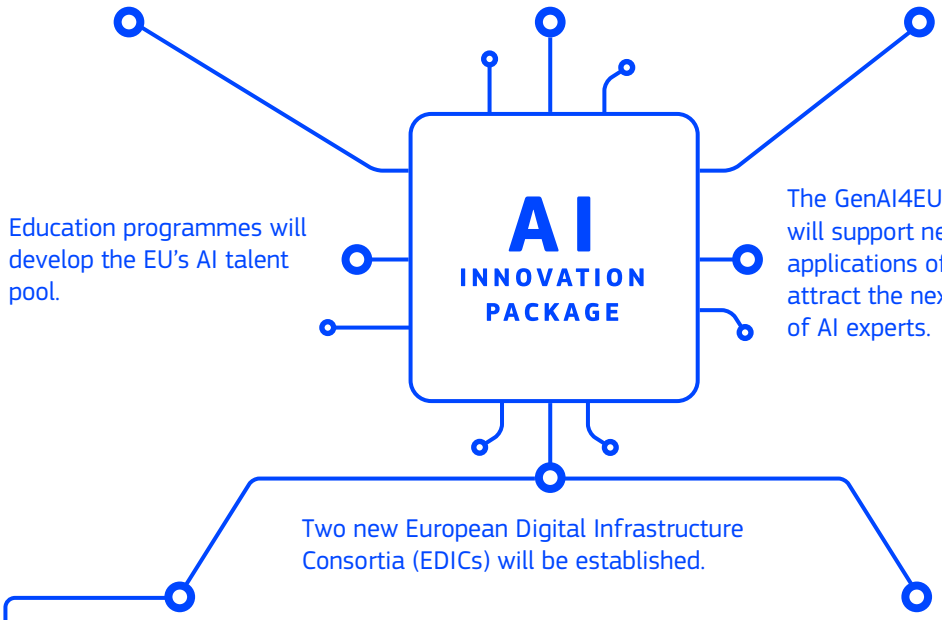
AI innovation package to support AI start-ups and small and medium-sized enterprises

Launched in January 2024, this package of measures will support EU start-ups and small and medium-sized enterprises in developing trustworthy AI.

In the new 'AI factories', start-ups with innovative AI ideas will have access to the raw computing power of Europe's most powerful supercomputers and the expertise they need to develop and test their AI models.

AI start-ups will receive financial support through Horizon Europe and the Digital Europe Programme, the EU funding pipelines that support research and digital innovation.

Quicker roll-out of data-sharing systems, called Common European Data Spaces, will give researchers and developers access to huge pools of data they can use to train and refine their AI models.



Education programmes will develop the EU's AI talent pool.

The GenAI4EU initiative will support new, creative applications of AI and attract the next generation of AI experts.

Two new European Digital Infrastructure Consortia (EDICs) will be established.

→ Alliance for Language Technologies EDIC

- This EDIC creates European language databases from which AI can learn.
- AI becomes better at understanding and using European languages.
- Translation apps or voice assistants work better in these languages.

→ CitiVERSE EDIC

- CitiVERSE will help cities to function smoothly, for example by predicting traffic jams or improving waste collection.

By combining research and regulation, the EU is creating a place for itself in the global technological landscape. The AI Act sets a global standard and positions the EU as a pioneer. In September, the EU signed the Council of Europe Framework Convention on Artificial Intelligence, the first legally binding international agreement on AI, which is fully aligned with the AI Act.

The EU is also committed to open and accessible markets, especially for virtual worlds and generative AI, to create a level playing field and prevent monopolies from stifling innovation. The aim is to create an environment in which smaller companies and start-ups can compete with the tech giants.

While AI and virtual worlds are pushing the boundaries of digital innovation, the computing power needed to advance these technologies relies heavily on powerful computers. In September 2024, the EU issued a call for proposals to upgrade existing supercomputers and acquire several new ones with AI capabilities, further extending the largest public network of supercomputers in the world. These computers are tackling some of humanity's biggest challenges, for example by accelerating drug discovery or improving climate modelling.

↑
Margrethe Vestager, then Executive Vice-President of the European Commission in charge of a Europe Fit for the Digital Age, at the launch event of the DestinE Platform, Kajaani, Finland, 10 June 2024.

↓
VIDEO: What is Destination Earth?

The EU's flagship Destination Earth (DestinE) initiative, which aims to develop a highly accurate digital twin of the earth, will play an important role in helping Europe to adapt to climate change. Its deployment in June means that Europe's high-performance computers have been tasked with simulating the effects of climate change and extreme weather events. Thanks to this initiative, Europe will be better prepared to respond to major natural disasters and to assess the potential socioeconomic and policy impacts of such events.

The project uses the Finnish supercomputer LUMI, together with other EU supercomputers, to create a highly accurate twin of the earth. This is a prime example of EU supercomputers in action, using AI and advanced modelling to simulate climate change and extreme weather effects.

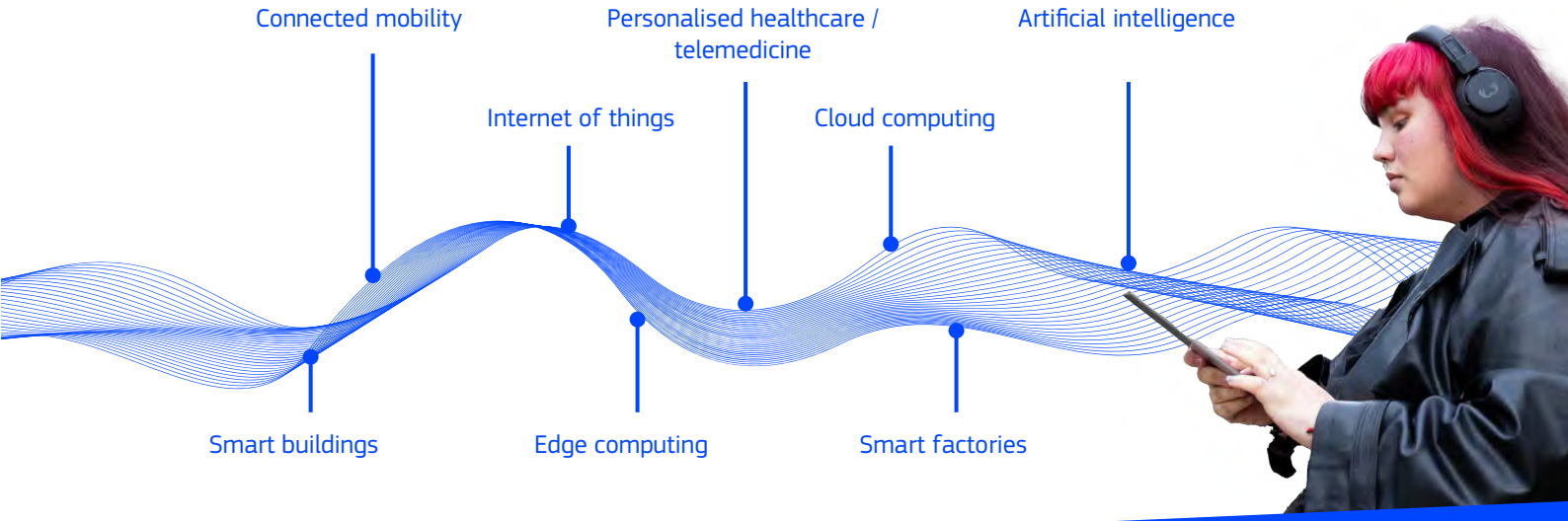
The EU is also looking beyond exascale computing, envisioning a future in which scientific breakthroughs could come at an unprecedented pace with the next generation of quantum computers. However, as quantum computers could also break today's encryption systems, the EU issued a recommendation in May calling on Member States to improve encryption methods to protect critical data.

In 2024, the EU invested over €65 million in AI and €47 million in quantum technologies.

Connectivity

The EU continued to invest in digital infrastructure in 2024. It made €420 million available through the Connecting Europe Facility (CEF Digital), the EU funding programme that supports the roll-out of digital services. Through the new CEF Digital Work Programme, an additional €865 million will be provided between 2024 and 2027 to support both the roll-out of 5G in communities and along major transport routes and the laying of submarine cables to strengthen the EU's backbone networks – high-capacity data lines that form the core of its internet infrastructure.

Fast, reliable networks power the technologies of tomorrow

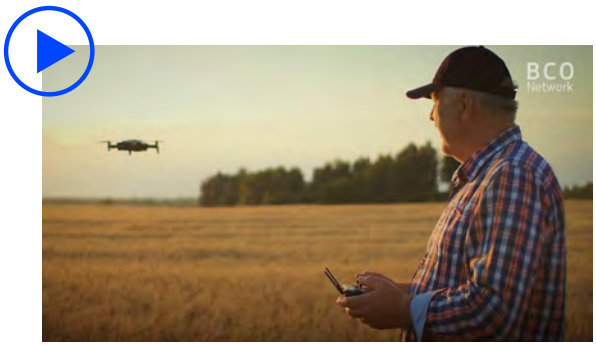


TO SUPPORT A SUCCESSFUL DIGITAL TRANSITION, THE EU HAS SET SPECIFIC TARGETS TO ACHIEVE BY 2030

1. Gigabit connectivity for all.
2. High-speed connectivity (at least 5G) everywhere.
3. 10 000 cloud edge nodes (servers located closer to users that ensure quicker data processing and response times).
4. EU quantum computing (by 2025).
5. 20 % of the world's chips to be produced in the EU.

In February, the EU issued a recommendation on the protection of submarine cables, recognising them as critical infrastructure. These undersea cables carry most of the world's data but are vulnerable to damage and sabotage, making their protection essential for global communications and economic security.

The Gigabit Infrastructure Act, adopted in 2024, aims to accelerate and facilitate the deployment of high-capacity networks, such as fibre and 5G, for businesses. It removes cumbersome paperwork, approvals and regulations that have thus far slowed down network roll-outs and ensures faster internet, better connectivity and better services for all. Adopted at the same time, the Gigabit Recommendation promotes competition between providers and offers consumers more options and better prices. An agreement was also reached on the rules on calls and text messages made from one Member State to another, ensuring the continued protection of vulnerable consumers from potentially high costs for such services until 2032.



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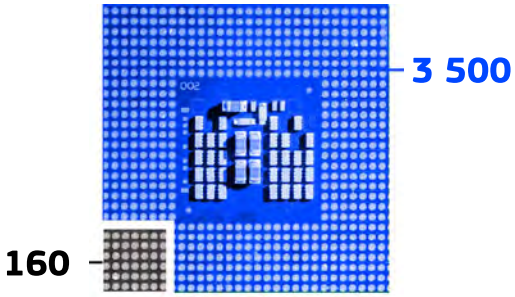
VIDEO: 5G connectivity boosts rural potential.

The EU semiconductor industry

From the smartphones in our pockets to the cars we drive, semiconductors – commonly referred to as chips – power the devices that define modern life. By investing in research, production facilities and infrastructure, the EU is working to become more self-reliant in semiconductor manufacturing.



A mobile phone contains about 160 different chips.

A hybrid electric car contains up to 3 500 chips.

2024: a year of progress for the EU chip industry

FEBRUARY

Calls for proposals were launched worth €216 million relating to semiconductors, microelectronics and photonics.

APRIL

Organisations were selected to set up four semiconductor pilot lines to test manufacturing methods, with €3.7 billion in funding provided by the EU and Member States.

MAY

State aid of €2 billion was approved to help a global chip manufacturer build a factory to produce silicon carbide chips.

→ *These chips can withstand more heat than regular chips and are ideal for electric vehicles and renewable energy systems.*

JULY

Calls worth €330 million were launched to support:

- photonics
- competence centres
- cloud-based semiconductor design.

AUGUST

Two new calls were launched relating to quantum chip technologies.

€5 billion in State aid was approved to build a high-performance microchip factory.

DECEMBER

The European Forum for Electronic Components and Systems highlighted the need to promote semiconductor innovation and production in the EU.

Doing business digitally

Companies expanding to other Member States often need to prove to authorities in those countries that they are an EU company and to resubmit information, such as their registered office details or the names of their legal representatives, even though these data are already available in the business register of their own Member State. New EU company rules, adopted in December, will introduce digital tools to ease this administrative burden. Companies will no longer need to resubmit documents when setting up subsidiaries or branches in other Member States, as this information will be exchanged directly between business registers under the once-only principle. In addition, a multilingual EU company certificate – essentially an EU corporate identity card – will allow companies to prove easily that they are legally incorporated in the EU, while an EU power of attorney will allow representatives to manage legal and business matters across borders.

The EU is also creating better-connected public administrations, for example by linking its Business Registers Interconnection System, which connects business registers across the EU, with the beneficial ownership registers and insolvency registers systems. This will also facilitate access to company information in the internal market.

Digital transformation is crucial for businesses to remain competitive in today's fast-changing world, and the EU is actively helping them make this move. One of the ways it does this is through the European Digital Innovation Hubs, which support businesses in adopting digital technologies, including AI. For example, a hub could help a small retail business set up AI chatbots for customer service or offer tools to analyse sales data for better inventory management. In 2024, the European Digital Innovation Hubs Network expanded its reach to more countries and developed a new digital self-assessment tool for small and medium-sized enterprises to measure their technological maturity.

↑
VIDEO: Discover the power of digital transformation with the European Digital Innovation Hubs Network.

A European Digital Innovation Hubs success story

Gas Grün GmbH, a small biogas start-up in Germany, was struggling to optimise the energy yield of its biogas plants. With the help of a digital innovation hub, the company developed an AI-based control system that maximised energy production and minimised waste. This helped them grow their business and showcase their work at industry events.

The Commission and the Member States are also working to develop a single digital declaration portal to reduce the administrative burden on companies (including small and medium-sized enterprises) posting workers to another Member State. A new online system will help companies meet national reporting rules when sending workers to other Member States. It will be available in all the official EU languages, will be simple to use and will let users reuse information from past reports.

Digital transport and mobility

The EU is taking steps to improve the way we move around our cities. The DeployEMDS data-sharing project is a cornerstone of the EU's effort to create a common mobility data space. It aims to set up a system that allows cities to share real-time information on traffic flow and public transport. This smart network, which is already being tested in nine cities and regions, will help to identify and tackle urban mobility problems across the EU.

With the rapid development of drone technology, clear regulations in this area are becoming essential. The EU has adopted new measures to address the unique safety challenges of emerging air mobility services. The aim is twofold: to streamline regulatory processes while maintaining high safety standards; and to harmonise regulations across all of the Member States. These harmonised rules will make life easier for drone developers and users. Clear, consistent regulations will also give companies the confidence to invest in new drone technologies, which will drive innovation across the EU.

Building a secure and inclusive digital society

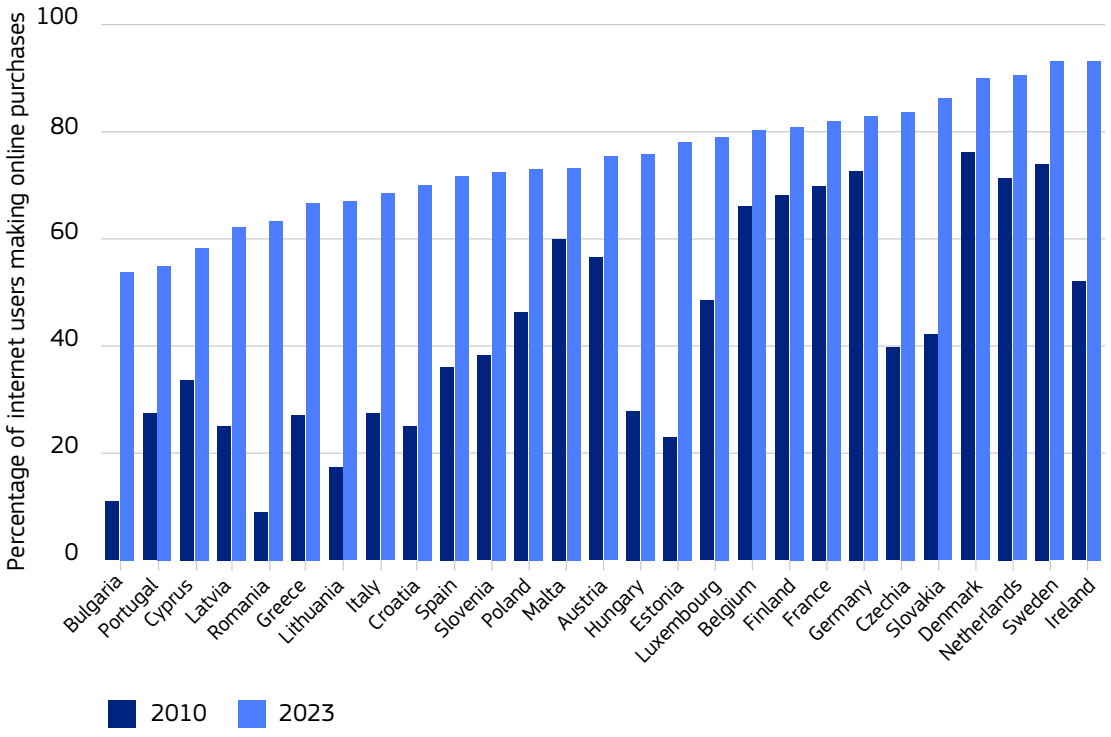
Safer online services

While the internet is invaluable, it also harbours challenges such as misinformation, illegal hate speech and other forms of illegal content and practices. To rein in such practices and improve online safety, the EU has enacted two key pieces of legislation: the Digital Services Act (DSA) and the Digital Markets Act (DMA).

The DSA requires online platforms to be more proactive in removing illegal content, increase the transparency of their algorithms and ban certain types of targeted advertising. It started to apply across the EU in February 2024, introducing new rules for online platforms, social media and e-commerce sites. Larger platforms, known as very large online platforms, must comply with stricter rules due to their greater influence.

300 million people make online purchases in the EU.

There was a **24-percentage-point increase** in online purchases between 2010 and 2023.



Sources: Eurostat, 'Internet purchases by individuals (2002–2019)', 16 June 2024; Eurostat, 'Internet purchases by individuals (2020 onwards)', 17 December 2024.

Key DSA changes that impact e-commerce

INCREASED TRANSPARENCY

Sellers must now offer clearer product and service information.

GREATER CONSUMER PROTECTION

Improved provisions to protect consumers from harmful content and fraud.

STRICTER ADVERTISING REGULATIONS

Targeted adverts require more transparency and must give users more control.

PLATFORM ACCOUNTABILITY

Marketplaces must swiftly act against illegal products.

How did the EU enforce the DSA in 2024?

ADDITIONS TO THE WATCH LIST

Three new very large online platforms were added:

- Shein
- Temu
- XNXX.

ONGOING INVESTIGATIONS

Requests for information and proceedings for possible violations of the DSA were initiated against:

- AliExpress
- TikTok
- Meta
- X
- Temu.

The EU Member States designated digital services coordinators among their national regulatory authorities.

Protecting children has been a key focus of DSA enforcement and has led to action against three major platforms for inadequate age verification and exposing minors to harmful content. In parallel, teachers are being trained as DSA school guardians to guide pupils through online challenges such as cyberbullying and misinformation, creating a safer digital space for young users. 2024 also marked the second anniversary of the Better Internet for Kids strategy, with the release of a self-assessment tool to help platforms better protect children online.

The DSA helps protect the integrity of elections from online threats, including AI-generated content, by stress-testing platforms' readiness and by issuing guidelines on risk mitigation and the clear labelling of AI content. Complementary rules adopted in March will limit the use of personal data in political advertising, both online and offline. They mandate that political adverts include transparency labels, require explicit consent for online targeting and ban profiling based on sensitive personal data. A European repository will provide details on all political adverts and their targeting methods, reducing the risk of manipulation and foreign interference. Adverts on behalf of non-EU actors are banned within a period of three months before elections.

© Adobe Stock

How does the DSA protect minors online?

- Child-friendly reporting mechanisms for illegal or inappropriate content.
- Better protection of personal data and privacy.
- Clear and concise terms and conditions.
- No targeted advertising for children and young people.

A revision of the rules on combating child sexual abuse was proposed to tackle new threats of child sexual abuse online, such as deepfakes and paedophile forums. The new rules will also strengthen prevention and victim support and set minimum standards for prosecution in the EU. A temporary legal measure to combat child sexual abuse online has been extended until 2026 to allow for ongoing voluntary measures to detect and remove abusive content. These efforts are helping to protect children online while the EU develops more permanent legislation to effectively tackle these issues.

Not only is the rising tide of intolerance online at odds with the EU's founding principles, it also poses a serious threat to victims and jeopardises freedom of expression and democratic discourse. Social media platforms now face stricter oversight, as the EU has partnered with regulators to protect minors; make platforms more transparent; tackle illegal content and systemic disinformation; and improve enforcement through joint training, discussions and research.

While the DSA focuses on protecting users and tackling illegal content, the DMA ensures that our digital market remains fair and competitive. The DMA is one of the first tools to regulate the power of big digital companies. It works alongside EU competition rules, which still apply in full. It sets out clear criteria for designating gatekeepers – large digital platforms like search engines, app stores and messaging services. As of March 2024, the gatekeepers (of which there are currently seven) must abide by all of the DMA's dos and don'ts to prevent them from stifling competition. This will ensure that smaller companies have a fair chance to compete and that consumers enjoy more choice and fairer prices.

How did the EU enforce the DMA in 2024?

New gatekeepers designated

→ **Booking.**

Total number of gatekeepers: 7.

New core platform services

(services gatekeepers offer that have a significant impact on the digital market)

→ **Apple's iPadOS.**

Total number of core platform services: 24.

More control for users

→ **Regulatory dialogues with gatekeepers to ensure their compliance with the DMA.**

Users can now:

- choose their preferred browsers and search engines without being locked into a default set by a gatekeeper;
- use devices without being tied to other services from the same gatekeeper;
- transfer data more easily to alternative services.

Investigations and preliminary findings

→ **Six non-compliance investigations (formal inquiries into rule violations) were initiated.**

→ **Two specification proceedings (processes to clarify legal obligations) were initiated, and preliminary findings were sent.**

→ **Preliminary findings on possible rule violations were sent to:**

- **Apple**, in relation to the company having restricted app developers from telling users about cheaper payment options outside its App Store;
- **Meta**, in relation to whether its 'pay or consent' model really gives users a fair choice when declining data collection.

Two whistleblower tools were introduced in 2024, allowing individuals to provide information that helps identify and expose harmful practices by platforms, while protecting them from reprisals. Transparency is essential in order to increase consumer trust in the digital marketplace, especially when it comes to online influencers and retail platforms.

A screening (or 'sweep') of social media posts found that online influencers rarely disclose the commercial nature of the content they produce:

97 %
of influencers posted commercial content; but

only 1 in 5
consistently identified it as advertising.

Online marketplaces are growing in popularity but have been found to mislead consumers about pricing and terms. Following joint action by national consumer authorities and the EU, several online platforms have committed to improving their commercial practices.

Problematic marketing practices show the need for better laws to protect consumers online. In October, a review identified gaps in EU consumer protection rules, such as unclear laws, rules being applied differently in different countries and weak enforcement. Specific areas that need to be improved will be reviewed in detail in 2025.

Viagogo, an online marketplace for the second-hand sale of event tickets, has committed to:

- better informing consumers on the conditions for reselling tickets;
- stop pressurising consumers with countdown timers that rush their purchase.

Vinted, an online marketplace for the sale of second-hand goods, has made changes to:

- provide clearer information about the total price of items before consumers finalise their purchase;
- ensure consumers know how to get a refund if their order does not arrive or the item is counterfeit.

Temu, an online marketplace, has been notified of practices on its platform that breach EU consumer law, including fake discounts, pressure selling, fake reviews, misleading information and forced gamification. It has been instructed to align with EU rules and remains under investigation.

Cybersecurity

Few events can undermine consumer confidence, the stability of markets and the credibility of institutions more than a data breach or the shutdown of online services. Cybersecurity has therefore become a critical concern for everyone.

Legislation on measures to achieve a high level of common cybersecurity in all Member States (known as the NIS2 Directive), entered into application in October. It provides legal measures to boost the overall level of cybersecurity in the EU and expands the scope of the cybersecurity rules to additional critical sectors and entities. These sectors include public electronic communications, digital services, waste water and waste management, space, postal services and public administration.

The importance of cybersecurity

71 %
of EU companies think cybersecurity is a high priority.

57 %
of EU companies have at least one employee performing a role directly related to cybersecurity.

WHICH CYBERSECURITY SKILLS ARE MOST IMPORTANT FOR EU COMPANIES?

25 %
of companies think carrying out working-life practices concerning data protection and privacy issues is most important.

20 %
of companies think identifying and solving cybersecurity-related issues is most important.

21 %
of companies think analysing, assessing and reviewing software or hardware security is most important.

19 %
of companies think implementing cybersecurity risk management practices and ensuring compliance with regulations and standards is most important.

Source: European Commission, Flash Eurobarometer 547, May 2024

The EU also reached a political agreement on rules to improve cooperation between Member States and enhance their ability to detect, prepare for and respond to cyber threats (the Cyber Solidarity Act). These rules will be a game changer for EU-wide cyber-threat detection, preparedness and incident response, with the provisional agreement including plans for a cybersecurity alert system, an emergency response mechanism and certification for managed security services.

New rules to boost the cybersecurity of the EU institutions entered into force in January 2024. They set clear guidelines for the institutions on establishing internal cybersecurity risk-management, governance and control frameworks. These measures will help prevent data breaches and cyberattacks that could affect public services, personal data and overall trust in digital systems.

Security must also be built into every digital product that people use. The Cyber Resilience Act, adopted in October (which will start to apply as of late 2027), will achieve this by ensuring safer hardware and software. Manufacturers are required to implement security measures in all products with digital components, from smartphones to coffee machines. The rules specify the need for security assessments, vulnerability handling and software updates throughout a product's life cycle.

A cybersecurity exercise in June tested the EU's readiness for a large-scale cyberattack by simulating an attack on the energy sector. This was followed by reports and recommendations on cybersecurity in telecommunications, electricity and communications networks. The EU adopted the first cybersecurity certification scheme, which sets out EU-wide rules for the certification of ICT products throughout their life cycle. The EU is also investing over €210 million to strengthen cyberdefence and digital capabilities across Europe.

Managing and protecting data in the EU

Data are the engine of the modern economy, and every industry relies on the free flow of information. This connectivity opens up global markets for companies of all sizes but also brings challenges in terms of the secure and fair handling and sharing of data.

New legislation came into force in January to make data sharing in the EU more transparent and accessible. The Data Act defines who gets to use data and under what conditions, giving companies secure access to essential data. Better access to industrial data promotes competition and innovation, especially for smaller companies. This will enable them to develop new products and services and compete with larger companies. Legal action also ensued in May against 18 Member States that had failed to set up proper authorities to oversee the Data Governance Act, which sets out rules for sharing data across the EU.

More public datasets will now be available for reuse, thanks to new rules that started to apply in June. They apply to high-value datasets containing information on six thematic areas, including geospatial data, earth observation and mobility, and will foster innovation in areas such as AI. The creation of a European Health Data Space will give citizens full control over their health data, while still allowing their use for research and public health under strict conditions.

Growth potential of the health data economy

€5.5 billion
in savings in the EU over 10 years through improved access to and exchange of health data in healthcare.

20–30 %
additional growth in the digital health market.

€5.4 billion
in savings in the EU over 10 years from better use of health data for research, innovation and policymaking.

In a world of increasing data sharing, the EU's data protection law, the General Data Protection Regulation (GDPR), also ensures that progress does not come at the expense of privacy. The GDPR continues to be a cornerstone for all EU digital policies touching upon personal data. It gives people control over their personal data and who gets to access them. The GDPR remains the leading example for data protection frameworks worldwide. At the same time, the 2024 report on the application of the GDPR identified some areas for improvement, including the handling of cross-border cases. This had already been addressed through the proposed GDPR procedural rules regulation, which seeks to streamline cooperation between data protection authorities when enforcing the GDPR in cross-border cases.

↑
VIDEO: Get to grips with the EU Digital Identity Wallet.

The significance of the GDPR also extends beyond the EU. As companies increasingly rely on cross-border data flows, the GDPR provides tools to protect personal data, even when they leave the EU, and may even restrict transfers to countries with lower standards. One of the mechanisms used to ensure that data enjoy the same level of protection outside the EU is adequacy decisions, which recognise non-EU countries that provide adequate data protection. So far, 16 adequacy decisions have been adopted, which are periodically reviewed. Following a review in January 2024, the EU confirmed that data can continue flowing freely to 11 partner countries and territories.

On the basis of a new adequacy decision for the EU–US Data Privacy Framework, personal data can flow safely from the EU to US companies without having to put in place additional data protection safeguards. It also gives people in the EU the right to appeal to a new court set up to resolve EU complaints about the activities of the US intelligence services. The October 2024 evaluation report on the framework confirmed that US authorities have put in place the necessary structures and procedures to ensure it functions effectively. These safeguards protect data in all transatlantic transfers, including those done through company agreements or internal policies.

Digital public services

Public and private services are becoming increasingly digital, but online privacy and security are not always up to the required standard, leaving individuals vulnerable to identity theft and unwanted profiling. New rules came into effect in May, paving the way for all EU citizens and residents to have a personal EU Digital Identity Wallet by 2026. This will make everyday tasks easier and more secure. Users will be able to prove their identity securely, exchange digital documents, such as medical prescriptions, and make payments – all through a single app. Users will retain full control over their personal data.

The EU is currently preparing legal guidelines to ensure that the wallets meet the highest security standards and work seamlessly across the EU. In November, five implementing regulations were adopted that set out rules for the core functions and certification of wallets.

The EU's current paper-based legal system makes processing cross-border matters complicated and costly. To solve this problem, an online system for managing legal matters will be introduced in all Member States. Whether in relation to inheritances or business contracts, people and businesses will be able to submit documents, communicate with courts, attend hearings and pay fees – all electronically.

Thanks to the EU-wide data-sharing system, it is now easier for citizens to study, move, work, retire or do business across the EU. Authorities in different Member States can share documents with each other at the citizen's request, so they no longer have to provide the same information multiple times. This system will be integrated into the Single Digital Gateway, which connects national portals to provide information, online services and support to citizens and businesses in all Member States. In 2024, it became possible for Member States to provide up-to-date and reliable information on national authorisation procedures for net-zero industrial projects on the Your Europe portal, to help companies save time when applying for permits.

Digital skills

To access online public services, study, work, communicate and find reliable information, people in the EU need to be digitally literate. Only 56 % of people in the EU aged 16 to 74 have at least basic digital skills.

To improve this, the EU has set the goals of 80 % of adults being able to use technology for everyday tasks and 20 million people being employed in technology by 2030, with a focus on bringing more women into the field. The new Women TechEU initiative is key to this endeavour. It offers women who lead technology start-up companies mentoring, coaching and financial support to help grow their businesses.

How did the EU support skills development in 2024?

AWARDS

- The **2024 European Digital Skills Awards** celebrated projects that equip people with digital skills in the following categories:
  - education
  - upskilling in the workplace
  - inclusion
  - women in tech
  - cybersecurity.

TOOLS

- The **Digital Competence Framework for Citizens** is a tool that identifies key digital skills in five areas, relating to 21 specific competences.
- **Selfie** is a free online tool that supports vocational education and training schools and companies to integrate digital technologies.
- The **Technical Support Instrument** is an EU programme that helps Member States get up to speed with their digital transformation, especially in healthcare and education. In 2024, the instrument enabled Estonia, Spain, Italy and Romania to develop training programmes and strategies to improve digital skills in these key sectors, focusing on projects such as:
  - implementing electronic health records;
  - improving the digital skills of both teachers and students.
- **Women4Cyber** is a network that aims to attract more women to the field of cybersecurity.

EDUCATION

- The **midterm review of the 2021–2027 Digital Education Action Plan**, the EU's strategy for high-quality, inclusive and accessible digital education, was published.
- **EU Code Week** included workshops and events that make coding accessible and fun.
- **Bachelor's, master's and doctoral degrees** were developed in digital fields.
- The **Cybersecurity Skills Academy** was updated to ensure it is a comprehensive and up-to-date resource for users.
- Funding was provided for the **Digital Skills and Jobs Platform** to support national digital skills efforts.
- The **European Institute of Innovation and Technology's Girls Go Circular** project has equipped 40 000 girls with digital and entrepreneurial skills, and is three years ahead of schedule.

The European Common Data Space for Skills, launched in 2024, will enable the sharing of and access to skills-related data. The data can be used for a range of purposes, such as analysing trends, devising strategies and developing new applications, while prioritising ethics, diversity and data protection.

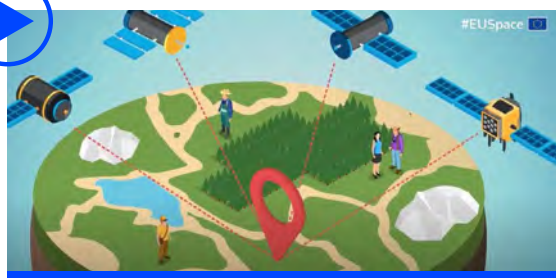
↑
Pupils learning digital skills at a non-governmental organisation that supports children with disabilities in Bologna, Italy, 23 October 2024.

Space

Space policy drives innovation, enhances security and fuels economic growth across multiple sectors. Recognising these far-reaching benefits, the EU rolled out new programmes and expanded existing ones in 2024.

Crucial to this effort was the establishment of the EU Space Information Sharing and Analysis Centre, a hub where experts from government and industry can collaborate on space security matters (see also Chapter 7). A detailed strategy for aerospace companies was also published, outlining steps for a greener and more technologically advanced industry.

Though satellites orbit far above, their impact is closer than we think. From the smartphones in our pockets to the planes in the sky, these orbiting sentinels keep our world connected and moving forward.



Galileo, the EU's navigation system, welcomed four new satellites to its constellation in 2024. This expansion improved precision for industries reliant on satellite data, which now underpin 10 % of the EU's economy.

↑
VIDEO: What is Galileo?

Sentinel-1C and Sentinel-2C, the latest additions to the Copernicus programme, took up their watchful posts, ready to alert authorities to disasters and environmental threats, allowing quicker and more precise emergency responses.

↑
VIDEO: About the Copernicus Sentinel-2C satellite – the latest addition to the EU's satellite family.

IRIS² (Infrastructure for Resilience, Interconnectivity and Security by Satellite), the EU's secure satellite network, offers secure communication for tasks such as border control and crisis management, while also working to provide high-speed internet to remote areas and enhance Europe's digital security.

CHAPTER 6

Building a fair and social Europe

Introduction

Over the past several years, in the face of global challenges such as the COVID-19 pandemic, the cost-of-living crisis, climate change and the digital transition, the European Union has redoubled its efforts to protect and empower people and communities. In 2024, its work to improve living and working conditions for everyone continued apace. As the successful European Year of Skills wrapped up, the Commission presented a new action plan to tackle labour and skills shortages, thereby supporting the EU's sustainable and inclusive growth and ensuring its competitiveness. The EU continued to support new measures so workers can enjoy their social rights. For example, new rules are starting to ensure that workers are protected by adequate minimum wages, while new rights and protections will improve conditions for workers in the gig economy. In addition, the EU approved a groundbreaking law to combat violence against women and introduced new cards that will make travelling easier for persons with disabilities.

A fair and competitive economy for the green and digital transitions

The EU has set an ambitious course towards a fair and inclusive Europe that protects its citizens and creates opportunities. Its policies aim to improve living and working conditions for everyone in the EU by promoting more and better jobs, skills, equality, and social protection and inclusion.

The 20 principles of the European Pillar of Social Rights – and the European Pillar of Social Rights Action Plan that will turn these principles into concrete measures – guide EU and national policies in these key areas. At an April high-level conference in La Hulpe, Belgium, the EU, its social partners and civil-society organisations renewed their commitment to a stronger social Europe by signing a declaration reaffirming the pillar as the guiding framework for EU social policies. The La Hulpe Declaration on the Future of the European Pillar of Social Rights also welcomes the upcoming review of the related action plan in 2025. This review will also serve as a basis for further action to achieve the 2030 EU and national headline targets for employment, skills, and poverty reduction.

Progress at the EU and national levels towards the targets is monitored in detail in the annual Joint Employment Report. The latest report shows that the EU is well on track towards its employment target following a job-rich recovery. However, significant headway still needs to be made to reach the target on poverty reduction, progress towards which has improved slightly even in the face of the various crises over the last several years, and notably despite high inflation. Further progress is also needed on adult learning, with the effects of the EU's policy efforts in this area yet to be felt in most Member States.

Three EU-wide targets

At least 78 % of the population aged 20 to 64 should be in employment by 2030.

At least 60 % of all adults should participate in training every year by 2030.

The number of people at risk of poverty or social exclusion should decrease by at least 15 million by 2030.

Homelessness is one of the most extreme forms of social exclusion, and affects all Member States. In February, an informal ministerial conference brought representatives from Member States and the European Parliament together with experts and associations actively combating homelessness. Delegates expressed their support for the European Platform on Combatting Homelessness, welcoming the work done so far. They stressed the need to increase the effort, political commitment and resources put into tackling homelessness with the aim of achieving the Lisbon Declaration objective of working towards ending homelessness by 2030. The conclusions of the conference were reflected in the La Hulpe Declaration.

Multiple projects complementing the work of the European Platform on Combatting Homelessness and supported by the EU were launched in 2024, including the European Homelessness Count, the OECD Toolkit to Combat Homelessness and four pilot projects tackling homelessness.

↓
Nicolas Schmit, then European Commissioner for Jobs and Social Rights (foreground, fourth from right), with ministers and delegates at the Towards Zero Homelessness conference, Egmont Palace, Brussels, Belgium, 9 February 2024.

Transitioning to a longevity society

With Europeans living longer and healthier lives, EU and national policies need to be forward-looking to empower people of all ages and ensure the welfare of future generations. This means designing policies that encourage active and healthy ageing and have a positive impact on how Europeans grow old. Building on the findings of the *2024 Ageing Report* and the *2024 Pension Adequacy Report*, experts and stakeholders came together to reflect on key challenges of longevity in Europe. Participants noted that further reforms would be needed to ensure adequate and sustainable old-age protection and to tackle socioeconomic and gender inequalities in old age. Investing in active and healthy ageing, prolonging working lives and supporting adapted and flexible work arrangements will be part of the solution, alongside effective and efficient pension and long-term care systems.

↑
Dubravka Šuica, then Vice-President of the European Commission in charge of Democracy and Demography, delivers a keynote speech at the high-level conference Navigating the Future: Challenges and opportunities of longevity in Europe, Brussels, Belgium, 27 June 2024.

Addressing labour and skills shortages

Labour and skills shortages have been rising in all Member States for almost a decade. This is largely due to demographic change and the increasing demand for skills as part of the green and digital transitions, and also to poor working conditions in certain occupations and sectors. The Commission has identified more than 40 occupations across different sectors that are experiencing EU-wide shortages, with some differences across the Member States. Addressing these shortages is key to increasing the EU's capacity for innovation, unlocking its growth potential, boosting its competitiveness, fostering quality job creation and increasing economic and social resilience.

By 2030, 3.5 million new jobs are expected to be created in renewable energy sectors.

Nearly two thirds (63 %) of small and medium-sized enterprises cannot find the talent they need.

Forty-two occupations are experiencing EU-wide shortages.

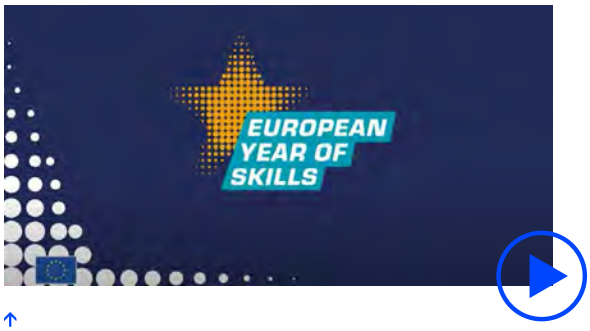
To tackle this challenge, in March the Commission presented an action plan, prepared in close cooperation with its social partners, who, being closest to the labour market, play a crucial role in helping to implement solutions to address these challenges. The plan provides a comprehensive framework to address shortages along five main policy areas at the EU, national and social-partner levels.

Action Plan on Labour and Skills Shortages in the EU

1. Supporting under-represented groups in becoming more active in the labour market.
2. Providing support for skills development, training and education.
3. Improving working conditions.
4. Improving fair mobility for workers and learners across the EU.
5. Attracting talent from outside the EU.

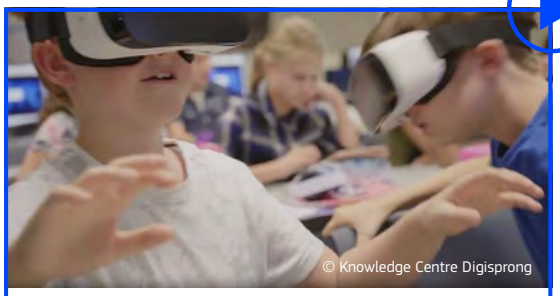
Implementing the action plan will be crucial for achieving the EU's headline targets on employment and skills by 2030. The plan builds on the many policy and funding measures already in place at the EU level, such as the Pact for Skills. Skills partnerships have committed to offer reskilling and upskilling opportunities for more than 25 million people of working age across the EU by 2030. In addition, since its launch in 2020, Pact for Skills members have together invested over €150 million in upskilling and reskilling activities. Moreover, the EU is investing around €65 billion in skills programmes, notably via the Recovery and Resilience Facility (see Chapter 3) and the European Social Fund Plus.

The European Year of Skills, which ran from 9 May 2023 to 8 May 2024, provided fresh impetus to lifelong learning by putting skills centre stage and helping match people's aspirations and skill sets with opportunities in the job market. Local communication efforts reached millions of people, contributing to a significant increase in awareness of EU skills policies.



↑ VIDEO: The European Year of Skills – paving the way towards a more skilled workforce.

The New European Bauhaus Academy, which aims to boost sustainability skills in the construction sector, was launched in April. The academy will combine the values of sustainability, aesthetics and inclusiveness and support the implementation of the European Green Deal. Over the next two years, it will bring together educational and training professionals and connect five local and regional hubs across Europe.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Support for Member States

The EU's Technical Support Instrument is assisting 12 Member States with their skills reforms. The support provided ranges from help designing a competence-based curriculum and the development of micro-credentials (which certify the outcomes of short-term learning experiences) to integrating refugee children into the education system.

Project example

The instrument supported a two-year project in Belgium to assist schools in the effective use of ICT for learning and teaching. The goal was to enable schools to develop team-based approaches to ICT coordination and digital education.

↑ VIDEO: Digital transformation in the Flemish education system.

The European Year of Skills in numbers

2 000+
events across Europe

1.37 million
visitors to 54 events in 23 Member States

69 million
people reached on social media

190
EU-led initiatives on skills

90 million
video views on YouTube and Twitch

41 million
television viewers in five targeted countries

The European Year of Skills – changing minds

MORE AWARE OF EU SKILLS POLICIES

26 %
February 2023

53 %
December 2023

MORE WILLING TO TAKE A TRAINING COURSE

19 %
have not seen Year of Skills initiatives

64 %
have seen Year of Skills initiatives

SAY THAT THE YEAR HAS HAD AN IMPACT ON THEIR LIVES

35 %
have not seen Year of Skills initiatives

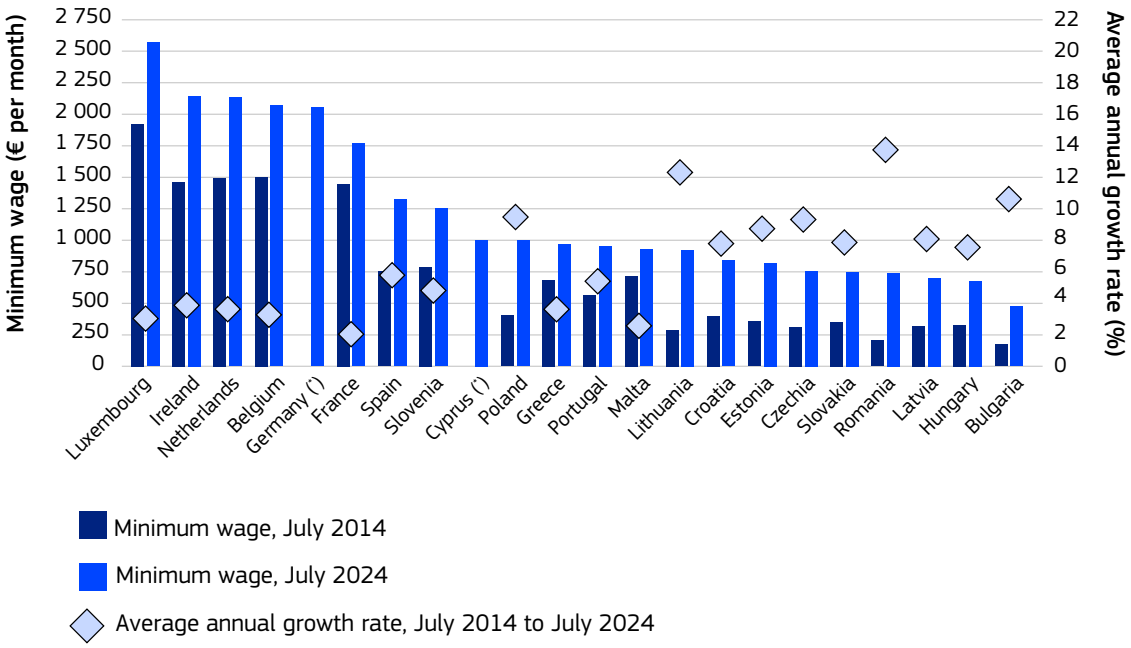
72 %
have seen Year of Skills initiatives

Source: European Union, 'Results of the European Year of Skills', 2024.

Supporting workers

New rules that aim to ensure that national minimum wages guarantee a decent living for workers were to be incorporated into national law by 15 November. The majority of the Member States have notified the Commission that they have done so. The implementation of the directive on adequate minimum wages will contribute to better living and working conditions by improving the adequacy of statutory minimum wages and promoting collective bargaining on wages. It will also enhance the access of workers to minimum-wage protection through better enforcement, information and redress mechanisms. The directive has already started to produce positive effects, prompting debates at the national level on the adequacy of minimum wages. As a result, over the past two years, statutory minimum wages have increased significantly in most Member States, helping to compensate for the impact of high inflation on the purchasing power of low-wage earners.

Minimum wage across the EU (2014–2024)



NB: Denmark, Italy, Austria, Finland and Sweden have no national minimum wage.
(1) 2014 data and average annual rate of change not available.

In July 2024, the minimum wage in the EU Member States ranged from €477 per month in Bulgaria to €2 571 per month in Luxembourg.

Source: Eurostat, 'Minimum wage statistics', July 2024.

The EU established new rules in 2024 to improve the working conditions of 28 million platform workers in the EU. The Platform Work Directive will ensure that the employment status of people working through digital labour platforms is correctly classified. Once reclassified, platform workers will be able to enjoy the labour rights and social benefits they are entitled to. The new rules also promote greater transparency and accountability with respect to automated systems that support or replace managerial functions at work, including the right to contest algorithm-driven decisions. Member States have two years to incorporate the rules into their national legislation.

In addition, efforts to strengthen bodies that represent European workers in multinational companies advanced in 2024. A new proposal to revise the current rules seeks to strengthen the role of European Works Councils, which consult workers and keep them informed about decisions that could affect their employment or working conditions. The aim is to make these bodies easier to set up, improve their gender balance and ensure workers are consulted before decisions are made.

Telework has become widespread, particularly since the COVID-19 pandemic. According to the EU Labour Force Survey, the overall proportion of employees working from home in the EU has more than doubled in the last few years, from 11.1% in 2019 to 22.4% in 2023. At the same time, more attention has been given to the impact of an 'always on' culture on workers' mental health. In March, a two-stage consultation was launched with social partners on fair telework and the right to disconnect.

It is estimated that there are around **3.1 million** trainees in the EU. Quality traineeships can help young people gain practical work experience and learn new skills, while enabling employers to attract, train and retain staff. In March, the Commission put forward an initiative to improve working conditions for trainees in the EU, including pay, inclusiveness and the quality of traineeships. As well as revising the existing Quality Framework for Traineeships to address issues such as fair pay and access to social protection, it also proposes legislative action to improve working conditions for trainees and combat employment disguised as traineeships.

To support the labour market further, the EU introduced new funding worth €23 million through the European Social Fund Plus for innovative projects aimed at reducing long-term unemployment and helping people find work. The European Globalisation Adjustment Fund for Displaced Workers also provided support to nearly 1 600 workers laid off in Belgium, Denmark and Germany.

88 %
of people in the EU consider a social Europe important to them personally.

60 %
are aware of at least one recent key EU initiative strengthening a social Europe.

49 % Minimum Wage Directive
38 % Work–Life Balance Directive
37 % European Social Fund Plus
33 % Child Guarantee
30 % Platform Work Directive
29 % Skills Agenda

Source: European Commission, Special Eurobarometer 546, April 2024.

Strengthening social dialogue

Social partners – organisations representing the interests of EU workers and employers – play an important role in improving working conditions and productivity, strengthening the competitiveness of EU businesses and boosting the EU's prosperity and resilience. This is especially relevant in view of the changes brought about by new technologies and the need for a fair transition to climate neutrality. At a January meeting in Val Duchesse, Brussels, Belgium, the EU and its social partners agreed to renew their commitment to strengthen social dialogue at the EU level and to join forces in addressing key challenges in the EU's economies and labour markets. The social partners also discussed labour market challenges at the Tripartite Social Summit in March.

↓
Alexander De Croo, then Prime Minister of Belgium (foreground, left), and Ursula von der Leyen, President of the European Commission (foreground, right), signing the Tripartite Declaration for a Thriving European Social Dialogue, Val Duchesse, Brussels, Belgium, 31 January 2024.

Education, training and lifelong learning

The European Education Area

The European Education Area is the EU's main policy strategy for education to help Member States work together to build more inclusive and resilient education and training systems. It aims to remove barriers to learning and improve access to quality and inclusive education, training and lifelong learning for all. As part of this vision, the EU launched an initiative to establish alliances between higher education institutions from across Europe.

Over the last five years, the European Universities initiative, funded by Erasmus+, has gone from strength to strength. With the addition of 14 new alliances, joining the 50 previously selected, this initiative has achieved the goal of having at least 60 European Universities alliances, with more than 500 universities being involved by mid 2024. By working together and pooling resources, higher education institutions can offer innovative programmes and the cutting-edge skills needed for the green and digital transitions across the EU. Universities will be able to offer attractive and competitive joint degree programmes and attract and retain talent from around the world.

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VIDEO: The European Universities initiative.

Following the push for more joint programmes by the higher education sector, including by many European Universities alliances, the Commission has proposed a concrete path for cooperation between Member States and the sector towards the creation of a European degree. The blueprint for a new type of programme, delivered at the national, regional or institutional level, builds on six projects involving more than 140 higher education institutions from across the EU. This vision of how to make the European degree a reality was presented alongside two proposals for Council recommendations to support the higher education sector. The first aims to improve quality assurance processes and the automatic recognition of qualifications in higher education, while the second seeks to make academic careers more attractive and sustainable.

↑
Iliana Ivanova, then European Commissioner for Innovation, Research, Culture, Education and Youth, speaking at a press conference on the higher education package, Brussels, Belgium, 27 March 2024.

Learning mobility

A period spent studying, training or working abroad brings many benefits, such as boosting communication and intercultural skills. To improve learning opportunities abroad for everyone, new EU-level targets have been set.

Spending time in another Member State also provides an opportunity to improve existing language skills or learn a new language. Linguistic diversity is promoted through projects funded by the Erasmus+ and Creative Europe programmes. A 2024 survey revealed that, overall, people in Europe have a positive attitude towards multilingualism and language learning.

New targets on learning mobility

- **At least 23 % of graduates in higher education should have a learning experience abroad by 2030.**
- **At least 12 % of learners in vocational education and training should benefit from a learning experience abroad by 2030.**
- **At least 20 % of all learners benefiting from learning mobility abroad by 2027 should be people with fewer opportunities.**

Europeans and their languages

86 % of people in the EU think that everyone living in the EU should be able to speak at least one other language.

76 % think that improving language skills should be a policy priority.

84 % believe that regional and minority languages should be protected.

3 out of 5 can have a conversation in at least one other language (rising to 4 out of 5 among young people).

Source: European Commission, Special Eurobarometer 540, May 2024.

The EU also engages with governments to make higher education in Europe more inclusive and accessible through the Bologna Process, which brings together countries belonging to the European Higher Education Area and the Commission. In May, 47 representatives of higher education ministries and the EU reaffirmed their commitment to supporting student and staff mobility. In the Tirana Communiqué, they took stock of higher education cooperation and set the direction for 2025–2027. They also agreed updated commitments relating to removing barriers to learning mobility, the internationalisation of higher education, and high-quality education, ensuring strong links to EU flagship initiatives such as the European Universities initiative and the blueprint for a European degree.

Erasmus+

The EU programme for education, training, youth and sport.

- **37 years of Erasmus+.**
- **Over 16 million participants in learning mobility projects.**
- **More than 900 000 organisations have participated since 2014.**
- **2024 budget: €4.65 billion.**

2024 marked the 20th anniversary of Erasmus Mundus, the European higher education cooperation initiative funded by the Erasmus+ programme that supports the setting up of international joint master's degrees. Since its launch, almost 50 000 students from 179 countries have taken part in Erasmus Mundus master's programmes. More than 34 000 students have received a scholarship from the EU. The programme's achievements and its contributions to the development of the international dimension of Erasmus+ were celebrated at a conference in May.

Supporting research and innovation

2024 marked 40 years since the launch of the EU's first funding programme dedicated to research and innovation. Since 1984, the EU has invested over €280 billion in science, research and innovation, providing more than 120 000 grants to around 75 000 beneficiaries. This funding has created quality jobs, supported innovative companies and enhanced the EU's competitiveness and technological leadership. Over the last four decades, the EU has increased its investment in the field of research and innovation and expanded its focus to tackle global challenges, harness the potential of technology and meet the changing needs of society. The fruits of these labours have also been recognised by the awarding of more than 30 Nobel Prizes to EU-funded researchers.

↗
VIDEO: Celebrating 40 years of research and innovation.

→
David Baker, one of the 2024 Nobel Prize winners.

'Support from the EU's research framework programmes has been very important to me throughout my career, from the beginnings in Sweden onwards, allowing me to build a research group, purchase the necessary laboratory equipment and explore innovative ideas.'
Professor Anne L'Huillier, 2023 Nobel Prize Winner in Physics.

© Ian C. Haydon, University of Washington

David Baker, who received funding under the EU's Marie Skłodowska-Curie Actions programme, was awarded the 2024 Nobel Prize in Chemistry 'for computational protein design', alongside Demis Hassabis and John M. Jumper 'for protein structure prediction'. He joins the illustrious list of 18 fellows, scientists and supervisors from the programme who have received a Nobel Prize since 2010.

Horizon 2020

The final evaluation report on Horizon 2020, the EU research and innovation framework programme that ran from 2014 to 2020, shows that investing in research and innovation pays off greatly. The report found that Horizon 2020 made a major contribution to building an EU society and economy rooted in knowledge and innovation, and benefited people in Europe far beyond what could have been achieved at a national or regional level. The programme financed concrete solutions – from novel hydrogen-fuelled transport and mRNA vaccines to micro- and nanoelectronics – and made a decisive contribution to climate science. Each euro in costs linked to the programme will ultimately bring five euro in benefits to EU citizens by 2040, proving the high level of value for money that investment in research and innovation for European society represents.

Horizon 2020 in figures

BUDGET

€80 billion

PROJECTS FUNDED

35 000

Contributing to a 20 % increase in job growth across the EU.

Horizon Europe

A new feature of the current research and innovation framework programme for 2021–2027, Horizon Europe, is the introduction of strategic plans, developed by the Commission together with the Member States, associated countries and the Parliament with input from stakeholders and citizens. The second Horizon Europe Strategic Plan, published in March, sets the focus for the final three years of the programme (2025–2027). This will steer research and innovation funding within and beyond Europe to tackle key global challenges such as climate change, pollution and loss of biodiversity, the digital transition and an ageing population. With this new strategic plan, the EU is raising the programme's ambition on biodiversity by making a commitment to dedicate 10 % of Horizon Europe's total budget for 2025–2027 to biodiversity-related topics. This complements existing targets for climate expenditure (35 % over the lifetime of Horizon Europe) and the main digital activities (€13 billion over the same period).

The strategic plan also introduces the New European Bauhaus Facility, a new funding tool to revitalise neighbourhoods in the EU and beyond. From 2025 to 2027, €120 million per year will be made available for New European Bauhaus projects on research and innovation through Horizon Europe, with a similar level of funding expected to come from other EU programmes to support the roll-out. The pioneering New European Bauhaus initiative brings citizens, public authorities, experts, businesses, universities and institutions together to reimagine and jointly promote sustainable and inclusive living.

Under Horizon Europe, the European Research Council helps to push the boundaries of knowledge across all fields of science and scholarship through its prestigious grant schemes. Grants worth a total of €2.3 billion were awarded in 2024 to projects selected based on their scientific excellence.

€1.25 billion in funding was announced during the year to support research under the Marie Skłodowska-Curie Actions, the EU's flagship programme for doctoral and postdoctoral training. The funding will support and provide jobs to about 10 000 talented researchers from all over the world at all stages of their career.

To improve conditions for career development and attract and retain researchers in Europe, the European Research Area Talent Platform was launched in June. It will act as a central hub offering researchers easy access to career development, funding and international collaboration tools, boosting their mobility and career progression across Europe.

Stepping up measures for a Union of equality

Equality and non-discrimination are core values and fundamental rights in the EU. To ensure an open and inclusive society, the EU has put in place a range of dedicated strategies, with concrete measures and funding available to make a difference to people's lives across the EU.

EU-wide disability and parking cards

New rules creating the European Disability Card and the European Parking Card for Persons with Disabilities were approved in October. The cards will apply to EU citizens and family members with recognised disabilities, and to non-EU citizens with recognised disabilities living in the EU.

When travelling in other Member States, the European Disability Card will provide equal access to special conditions and preferential treatment offered by a wide range of services. These could include, for example, priority or free access, personal assistance in venues, braille or audio guides, and free or reduced fares. European Parking Card holders will be able to access parking conditions and facilities for persons with disabilities in other Member States. The new rules will apply for short stays of up to three months, or for longer periods in some cases, for example for cardholders participating in EU mobility programmes (such as Erasmus+ and European Solidarity Corps projects). Member States may also apply the directive for longer periods for other cardholders.

The European Disability Card will complement national disability cards or certificates, and the new parking card will replace the current EU parking card for persons with disabilities. Both cards are expected to be operational across the EU in 2028.

© Cédric Puisney, European Disability Forum

↑
Helena Dalli, then European Commissioner for Equality (second from right), showcasing the new EU Disability Card together with representatives of the European Disability Forum, Brussels, Belgium, 6 September 2023.

Making our cities more accessible

Accessible spaces are a crucial first step towards achieving equality. 2024 marked the 15th anniversary of the Access City Award, a prestigious prize that recognises the outstanding efforts EU cities are making to prioritise accessibility for persons with disabilities.

In November, Vienna, Austria, won the 2025 Access City Award for being a standout example of how big capital cities can successfully integrate accessibility into every aspect of urban life. To celebrate the 2024 Olympic and Paralympic Games, Nuremberg, Germany, was awarded a special mention for accessible sports infrastructure for investing in inclusive sport centres with adapted equipment and training for coaches in adaptive sports and inclusive swimming.

To mark the 15th anniversary of the Access City Award, representatives from past winning cities, organisations representing persons with disabilities and stakeholder associations met to exchange best practices. They also gathered feedback for the second phase of the 2021–2030 European Strategy for the Rights of Persons with Disabilities.

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VIDEO: San Cristóbal de La Laguna, Spain – the 2024 winner of the Access City Award.

↓
Participants in the round-table discussion organised to mark the 15th anniversary of the Access City Award, Brussels, Belgium, 29 May 2024.

Gender equality

The EU has made significant advances in promoting gender equality over recent years. Milestones include new rules on pay transparency to strengthen the application of the principle of equal pay for equal work, new rights to improve work–life balance and targets to improve gender balance on corporate boards.

However, despite substantial progress, there is still a long way to go to achieve gender equality. According to the *2024 Report on Gender Equality in the EU*, significant gender gaps still exist in the labour market and in decision-making positions, including political representation, while gender stereotypes of women's role in society remain a challenge. In addition, women and girls remain particularly vulnerable to the consequences of war and conflict. The report also notes increased obstacles to freedom of expression, especially online, and a growing backlash against women's rights in various parts of the world.

In 2024, a groundbreaking EU law combating violence against women and domestic violence was adopted. The new law makes certain forms of violence against women into specific criminal offences, notably female genital mutilation, forced marriage and the most widespread forms of cyberviolence (e.g. the non-consensual sharing of intimate or manipulated material, cyberstalking and cyber harassment), along with gender-based cyber incitement to violence or hatred.

1 in 3 women in the EU have experienced physical violence, sexual violence or threats.

Just **1 in 8** women who have experienced violence have reported the incident to the police.

Just **1 in 5** women who have experienced violence have contacted a healthcare or social service provider for help.

Sources: Eurostat; European Institute for Gender Equality; European Union Agency for Fundamental Rights.

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The directive strengthens victims' access to justice, protection and support, and requires Member States to put in place comprehensive measures of prevention and to promote the central role of consent in relationships. Member States have until 14 June 2027 to incorporate the new rules into their national law.

Violence against children also remains a significant challenge both inside and outside the EU. In April, the Commission issued recommendations to support Member States in strengthening their child-protection systems. The recommendations echo the views of more than 1 000 children, collected through the EU Children's Participation Platform.

Promoting gender equality in public policy and budgetary processes

To support its commitment to promote gender equality, in 2024 the EU provided tailor-made technical expertise to 12 administrations in nine Member States (Germany, Ireland, Greece, Spain, France, Italy, Cyprus, Portugal and Romania). The aim is to help them put in place policies and budgets that address and promote gender needs.

Thanks to changes in EU financial rules, gender will now be taken into account in the EU's financial programmes. The changes include improved monitoring, which will now distinguish information by gender. Additionally, the activities supported by EU funds will, whenever possible – starting with the next budgetary period (post-2027) – have to consider the specific needs and priorities of women and girls.

New standards for equality bodies

National equality bodies play an important role in making sure that EU law on non-discrimination is implemented on the ground. They promote equal treatment by providing independent assistance to victims of discrimination, conducting independent surveys, publishing independent reports and making recommendations on matters relating to discrimination. However, despite their valuable work, equality bodies currently face a number of challenges and still have untapped potential for preventing and combating discrimination.

New legislation adopted by the EU in 2024 will give equality bodies greater independence, resources and powers, helping to strengthen the enforcement of EU law on non-discrimination. Member States have until 19 June 2026 to adapt their national legislation.

The new rules will mean that Member States must ensure that all equality bodies can:

provide free and accessible services to all victims on an equal basis;

engage in prevention, promotion and awareness raising;

act in court in discrimination cases to provide reliable support to victims.

People in the EU believe that discrimination is widespread in their countries

DISCRIMINATION BASED ON:

65 % being Roma

60 % ethnic origin

54 % sexual orientation

61 % skin colour

57 % being transgender

Source: European Commission, Special Eurobarometer 535, December 2023.

Strengthening LGBTIQ equality in Europe

The results of the third LGBTIQ survey, published in May by the European Union Agency for Fundamental Rights, show that lesbian, gay, bisexual, trans, intersex and queer (LGBTIQ) people are more open about their sexual orientation, gender identity or sex characteristics in their social environment than they were in the past. However, they face more harassment and violence. At the same time, unreported incidents of discrimination, violence and harassment remain high.

A report on the implementation of the LGBTIQ Equality Strategy shows that it has had a positive impact on the situation of LGBTIQ people in the EU. Twelve Member States have LGBTIQ equality strategies or action plans in place, complementing the EU strategy, while others are currently preparing their first dedicated national strategies or action plans. Cooperation with Member States will be strengthened through the exchange of good practices in the development and implementation of national action plans.

●○

1 in 2 LGBTIQ people are now open about who they are.

●○○

1 in 3 LGBTIQ people experience discrimination.

●○

1 in 2 LGBTIQ people are victims of harassment.

●●○

2 in 3 LGBTIQ people suffered bullying during their time at school.

●○○○○○○

1 in 7 LGBTIQ people experience violence.

Source: European Union Agency for Fundamental Rights, *LGBTIQ Equality at a Crossroads – Progress and challenges*, 2024.

Combating racism in all its forms

A report on the implementation of the EU's Antiracism Action Plan for 2020–2025 shows that although most measures have been implemented, more effective protection from racial discrimination is needed, along with the systematic prevention of racism. It also shows that anti-racism measures and initiatives are being developed across all EU policy areas – from education and employment to external action. However, the report illustrates that racism is widespread in the structures of society, such as in employment, education and access to housing, and that Member States play a key role in countering this. Beyond 2025, the EU will continue to tackle racism in all its forms and will develop a comprehensive anti-racism strategy.

The first progress report of the 2021–2030 EU Strategy on Combating Antisemitism and Fostering Jewish Life was published in 2024. It shows that since the Hamas attacks on Israel on 7 October 2023 and the war that ensued in Gaza, Europe has witnessed the highest levels of hate incidents and violence targeting Jewish people since the founding of the EU. According to a 2023 survey by the European Union Agency for Fundamental Rights, the level of antisemitism was already high even before the Hamas attacks, exacerbated by the COVID-19 pandemic and Russia's war of aggression against Ukraine. The report sets out how the EU and its Member States are working to combat antisemitism and the measures they have taken to reinforce the security of Jewish communities. It presents progress in building sustainable EU and national structures to prevent and fight antisemitism. As a result of the EU strategy, 23 Member States have adopted a national strategy against antisemitism and 20 have appointed a national coordinator on antisemitism.

96 % of Jews in Europe have encountered antisemitism either online or offline.

80 % say antisemitism has increased in recent years.

76 % avoid carrying or displaying items in public that would make them recognisable as Jews.

Source: European Union Agency for Fundamental Rights, *Jewish People's Experiences and Perceptions of Antisemitism – EU Survey of Jewish People*, 2024.

According to the report *Being Muslim in the EU – Experiences of Muslims*, published by the European Agency for Fundamental Rights in October, almost one in two Muslims in the EU faces racism and discrimination in their daily life – a sharp rise since 2016. Muslim women, men and children are targeted, both online and offline, not just because of their religion, but also because of their skin colour and their ethnic or immigrant background. The figures used in the report were collected before the Hamas attacks of 7 October 2023 and the war that ensued in Gaza, which increased anti-Muslim hatred.

A report on the implementation of national Roma strategic frameworks highlights the progress made by Member States and enlargement countries in establishing the necessary structures, processes and programmes for the effective implementation of their national Roma frameworks. While these efforts mark an important step forward, there is still room for increased ambition to fully achieve the EU's targets for 2030, which monitor how well the objectives of the EU Roma Strategic Framework have been achieved in the areas of equality, socioeconomic inclusion and meaningful Roma participation. The EU remains committed to supporting Member States with guidance and by monitoring the implementation of their national Roma frameworks.

Celebrating inclusive societies

European Diversity Month in May embodies the EU's long-term commitment to diverse and inclusive workplaces and societies. More than 50 events took place across the EU in 2024. One of the highlights was the third edition of the annual European Capitals of Inclusion and Diversity Award, which recognises the work done by EU cities, towns or regions to promote inclusion and create discrimination-free societies. A specific award category was included this year for authorities enabling safe towns, cities and regions by addressing violence against women.

The 2024 European Capitals of Inclusion and Diversity Award winners

LOCAL AUTHORITIES ABOVE 50 000 INHABITANTS

Zagreb, Croatia

Växjö Kommun, Sweden

La Laguna, Spain

LOCAL AUTHORITIES BELOW 50 000 INHABITANTS

Corbetta, Italy

Miranda de Ebro, Spain

Casares, Spain

SPECIFIC AWARD

Ljubljana, Slovenia

Miranda de Ebro, Spain

Växjö Kommun, Sweden

CHAPTER 7

Protecting people and freedoms

Introduction

In 2024, the European Union took comprehensive steps to protect its citizens from threats both inside and outside its borders, as work began to ensure that Europe is better prepared to respond to major crises. The EU continued to step up measures to boost European security and defence and introduced new measures to combat human trafficking, drug trafficking and organised crime. 2024 also marked the start of a new era in managing migration. With the Pact on Migration and Asylum now in place, the EU has the tools to manage migration in an orderly way based on the principles of solidarity and the fair sharing of responsibility. The important work to lay the ground for the reforms got under way as the Member States prepared their national implementation plans. Another milestone was reached following the decision in December to lift controls at internal land borders with and between Bulgaria and Romania from 1 January 2025. The EU continued working to protect citizens' health as it proceeded with reforms to medicines legislation. New initiatives were introduced, including important measures to improve mental health and well-being, particularly among children and young people.

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Migrant women working in an orchard as part of a socio-professional integration programme in Culleredo, Spain, 19 June 2024. This EU-funded initiative supports migrants in vulnerable situations by encouraging skills development and inclusion in the labour market and by promoting gender equality.

Protecting citizens

Major crises over recent years, such as the global pandemic, Russia's war of aggression against Ukraine and catastrophic weather events driven by climate change, have proved to be neither isolated nor transitory events. They underline the fact that Europe needs to be prepared for and ready to respond to any crisis at any time. Strengthening Europe's preparedness for future crises is crucial to ensuring the protection of citizens and the smooth running of the EU's economies and societies.

The Sauli Niinistö report *Safer Together*, published in October, assesses the complex challenges facing the EU and sets out how it can boost civilian and military preparedness and readiness for future crises. The report presents around 80 recommendations for short-term and medium-to-long-term measures to help build comprehensive preparedness. Building on these proposals, the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy are developing the Preparedness Union Strategy, which will involve mobilising actors across all levels of government (from the local to the EU level and from civilian authorities to the armed forces) and engaging all parts of society (the private sector, civil society and citizens).

58 %
of people in the EU do not feel well prepared for disasters.

37 %
have personally experienced a disaster (other than COVID-19) in the last 10 years.

46 %
would know what to do in the event of a disaster.

82 %
believe that the EU should be more involved in preparedness efforts for future crises.

Sources: European Commission, Flash Eurobarometer 546, June 2024; European Commission, Special Eurobarometer 547, September 2024.

Building defence capabilities

The EU Member States are already working together to tackle security threats and challenges through a common strategic vision for EU security and defence for the coming years.

Russia's war of aggression against Ukraine has prompted the EU to make Europe's defence industries stronger, more responsive and more innovative. The first European Defence Industrial Strategy, presented in March, aims to ensure that the EU has its defence systems and equipment ready when needed. This will benefit not only the EU, but also key allies including NATO and Ukraine. The strategy is backed up by a €1.5 billion funding programme for 2025–2027 to ready the European defence industry.

European Defence Industrial Strategy – 2030 targets

- **At least 40 %** of defence equipment to be acquired through joint purchases.
- **At least 50 %** of defence procurement budgets to be spent on products and services from Europe.
- **At least 35 %** of defence goods to be traded between Member States (instead of with other countries).

As well as steadily increasing their defence spending, Member States are encouraged to jointly procure defence products with a focus on supporting the European defence industries. In November, five cross-border projects were selected for funding under the new EU programme aimed at incentivising cooperation in defence procurement. Together, these projects represent the combined procurement of more than €11 billion worth of defence products for the armed forces of the Member States. The projects selected involve 20 Member States, with most including the procurement of defence products intended for Ukraine.

At the same time, the implementation of the first industrial ramp-up of ammunition production is already bearing fruit. More than €500 million in grants has been allocated, and European artillery ammunition production has increased capacity to 1 million loaded shells per year.

Three years after its launch, the European Defence Fund has already committed €4 billion in support of 160 collaborative defence projects, covering a wide range of technologies and capabilities and supporting the competitiveness of the European defence industry. The launch of the EU's new Defence Equity Facility aims to improve access to finance for the defence sector and support a thriving system of defence start-ups and small businesses.

In line with its Action Plan on Military Mobility, the EU is funding 38 new projects that will improve the transport of troops and equipment along the Trans-European Transport Network. With a budget of €807 million, these projects will upgrade key transport infrastructure in the EU for both civilian and military transport. A new Military Mobility Pledge was adopted in 2024 to address remaining gaps in military mobility.

Tackling security threats

A report on progress under the Security Union Strategy, published in May, shows that the wealth of legislative and operational measures taken since its adoption have made the EU better equipped to face security challenges. However, the constantly evolving landscape of threats means that every opportunity must be taken to address potential vulnerabilities.

Hybrid threats are one of the most complex and constantly evolving security challenges facing the EU and its Member States. They may include, for example, the hindering of democratic decision-making processes by disinformation campaigns and the use of social media to control the political narrative. The EU has already put in place a wide range of measures to counter hybrid threats, including the Hybrid Toolbox, which is now operational and has been activated to respond to the intensified hybrid campaign by Russia targeting the EU and its Member States. In October, the EU adopted a new sanctions regime in response to Russia's hybrid activities. The Member States finalised the establishment of Hybrid Rapid Response Teams, which will be one of the key tools to support Member States, partner countries and EU missions in countering such threats and campaigns.

Cyberspace, in particular, has become a field of strategic competition. The implementation of the EU Policy on Cyber Defence progressed in 2024, with preparatory work beginning on the EU Cyber Defence Coordination Centre, which will enhance the situational awareness of the defence community. To keep track of the implementation of the policy, the first EU Cyber Census was published in October, with a second one under way.

In view of the unprecedented geopolitical transformation of the space domain and the EU's key role in it, there has been increased focus on the overall security aspects of space and on implementing the EU Space Strategy for Security and Defence. Initiatives focused in particular on improving the common understanding of and response to space threats. In April, the Commission, together with the European Union Agency for the Space Programme, launched the EU Space Information Sharing Analysis Centre. This collaborative initiative for EU space sector companies aims to encourage the exchange of good practices to strengthen the security of the EU's space systems.

At sea, the EU has strengthened its role as a maritime security actor and its relations with external partners in this field. As a key achievement under the revised Maritime Security Strategy, the first maritime security exercise involving Member States, EU institutions and specialised agencies took place in May. The exercise focused on protecting critical undersea infrastructure and tackling illegal, unreported and unregulated fishing in EU waters. It included a successful test of a new information-sharing initiative enabling secure, real-time information exchanges between EU maritime authorities, which became operational in July. The Commission signed grant agreements worth €142 million for 21 projects aiming to upgrade or deploy new connectivity backbone cables, including submarine cables.

Fighting human trafficking

Every year, thousands of people become victims of human trafficking in the EU – both citizens and people from outside the EU. The EU and its Member States are stepping up their efforts to combat this serious crime. Thanks to their action, more than 450 arrests were made and €4.1 million seized in 2023 alone. The revised EU Anti-trafficking Directive, which entered into force in July, introduces stronger rules to fight human trafficking. It provides reinforced tools to help public authorities investigate and prosecute trafficking offences, adds new forms of exploitation to those already covered by EU anti-trafficking laws and makes sexual exploitation committed online an aggravating circumstance. It also ensures better support for victims. Member States have up to two years to adapt their national legislation.

41 % of human trafficking victims are forced into labour exploitation.

41 % of human trafficking victims are forced into sexual exploitation.

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VIDEO: The EU campaign 'End human trafficking – Break the invisible chain' is helping to raise public awareness about this type of crime, which deprives people of their fundamental rights.

The Focus Group of Specialised Prosecutors against Trafficking in Human Beings met in June to exchange views, experiences and best practices in the investigation and prosecution of complex human trafficking cases. Organised by the EU Anti-Trafficking Coordinator and the European Union Agency for Criminal Justice Cooperation, the group's meetings aim to strengthen judicial cooperation in cross-border human trafficking cases and to improve the criminal justice response through greater understanding of this crime.

Stepping up the fight against drug trafficking and organised crime

Drug trafficking is one of the key threats to the internal security of the EU, with almost 40 % of criminal organisations based in the EU reported to be exclusively connected to the illegal drug trade. To help tackle evolving drug threats, the EU launched the European Union Drugs Agency in July. The new agency, which builds on the achievements of the European Monitoring Centre for Drugs and Drug Addiction, has greater powers than its predecessor to address current and future challenges posed by drugs in the EU. Its work will enhance the early detection of dangerous substances. In addition, the agency will create a network of forensic labs, improving Europe's response to new drug epidemics. It will also tackle the complex challenges of drug-related crime, health impacts and social costs highlighted in the *European Drug Report 2024: Trends and developments*.

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Ylva Johansson, then European Commissioner for Home Affairs, outside the new European Union Drugs Agency headquarters, Lisbon, Portugal, 3 July 2024.

The implementation of the EU Roadmap to Fight Drug Trafficking and Organised Crime led to several initiatives that are helping to disrupt criminal networks. For example, the European Ports Alliance Public Private Partnership was launched in January to protect ports from drug trafficking and criminal infiltration by enhancing risk management, law enforcement and collaboration between the public and private sectors.

In addition, the European Judicial Organised Crime Network, supported by the European Union Agency for Criminal Justice Cooperation, was created to improve the exchange of information and good practices among prosecutors.

Law enforcement authorities across the EU work together to fight drug trafficking and organised crime through the European Multidisciplinary Platform Against Criminal Threats. In 2023, Member States, supported through the initiative by the Commission and EU agencies, made over 13 800 arrests and seizures valued at almost €800 million, including 197 tonnes of drugs.

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VIDEO: The 2023 results of the European Multidisciplinary Platform Against Criminal Threats.

Asset-recovery measures enable law enforcement authorities to uncover and dismantle networks of criminal organisations in the EU and beyond. A new law adopted in 2024 aims to ensure that criminals cannot keep illicit gains. The comprehensive set of rules addresses asset recovery from the beginning of the process to the end – from the tracing, identification, freezing and management of assets to their confiscation and final disposal. Meanwhile, new rules that will provide law enforcement authorities with quicker access to financial information entered into force in July. They will help authorities to conduct financial investigations by enabling them to identify whether a suspect holds bank accounts in other Member States.

With an increase in cross-border crime, the EU is increasingly confronted with situations in which several Member States have the jurisdiction to prosecute the same case. To address the challenges of multiple prosecutions, as part of the EU strategy to fight organised crime, new rules were adopted in 2024 setting out a legal framework for transferring criminal proceedings from one Member State to another.

Action to counter terrorism

Radicalisation leading to violent extremism and terrorism is a concern in the Member States and beyond. In June, the Commission launched the EU Knowledge Hub on Prevention of Radicalisation, a networking platform for cross-border collaboration, policy recommendations and prevention tools.

Preventing radicalisation includes removing terrorist content online. A report on the implementation of the Terrorist Content Online Regulation shows that it has been effective in removing extremist content. Since the entry into force of the regulation in June 2022, more than 1 200 removal orders have been issued. The regulation obliges service providers to remove terrorist content as soon as possible, and in any event within one hour of the receipt of a removal order from a competent national authority.

New rules setting the minimum depth for markings on firearms were adopted in 2024. This will improve the traceability of firearms across the EU, aiding investigations and promoting safe trade. The European Parliament and the Council of the European Union agreed in March on new and stronger rules for the import, export and transit of civilian firearms. This initiative introduces harmonised procedures and digital licensing, improving traceability and hindering organised crime.

A fresh start on managing migration and asylum

In May 2024, the EU formally adopted 10 pieces of legislation that together make up the Pact on Migration and Asylum. This set of new rules builds on and amends previous reform proposals, offering a comprehensive approach that aims to strengthen and integrate key EU policies on migration, asylum, border management and integration.

For the first time, the EU will have in place a permanent mandatory solidarity mechanism, which means that no Member State facing sudden migratory pressure will be left to manage the situation alone. Migration is an integral part of the EU's deepening relationships with partners worldwide, as it works with them to address the root causes of irregular migration, fight migrant smuggling and human trafficking and promote legal pathways to the EU.

Following the entry into force of the new rules in June, Member States have until mid 2026 to put the new framework in place. To support Member States with the implementation of the pact, the Commission presented a common implementation plan mapping out milestones for EU and national measures to turn the pact into reality over the next two years. Based on this, the Member States prepared national implementation plans, which were due to be submitted by 12 December.

Nine Member States received tailor-made technical advice to help with the development of their national implementation plans for the Pact on Migration and Asylum. The Technical Support Instrument, which helps Member States to design and implement reforms, provided support and guidance in key areas relating to the new legislation, such as operational processes, policy options and the strategic use of EU funds. The flagship project will continue to support Member States in 2025.

While the full set of migration and asylum reforms provides a sustainable long-term solution, concrete operational measures have also been deployed on the ground to tackle immediate and ongoing challenges. The EU has launched four action plans focused on specific migratory routes, namely the Eastern Mediterranean, Western Mediterranean and Atlantic, Western Balkans and Central Mediterranean routes, together with a 10-point plan for the Italian island of Lampedusa. These initiatives put in place concrete measures, including financial support for Member States and measures to strengthen border management.

←
VIDEO: The Pact on Migration and Asylum – on the way to becoming a reality.

Since 2022, the Voluntary Solidarity Mechanism, which supports those Member States most affected by migratory pressure, has relocated over 5 000 asylum seekers to other European countries. It was set up as a gradual step towards a permanent relocation mechanism among the Member States. From mid 2026, relocation will be one type of solidarity measure that contributing Member States can choose from under the new solidarity framework. They could also provide financial contributions or alternative solidarity measures (i.e. staff and in-kind support).

Tackling irregular migration

The European Union Agency for Law Enforcement Cooperation estimates that more than 90 % of irregular migrants arrive in the EU with the assistance of smugglers. Smuggling networks are closely linked to other forms of serious and organised crime, including terrorism, human trafficking and money laundering, increasing the urgency for action and cooperation with international partners.

Negotiations are ongoing on a set of initiatives proposed in 2023 to update the EU's 20-year-old legal framework to counter migrant smuggling and strengthen rules on police cooperation to harmonise penalties for smugglers, boost resources and improve data collection. In addition, the Global Alliance to Counter Migrant Smuggling, launched in 2023, is strengthening cooperation with partner countries on prevention, response, protection and alternatives to irregular migration.

The EU has launched a number of initiatives to counter migrant smuggling, including common operational partnership projects, which bring together law enforcement and judicial authorities, raise awareness about the risks of irregular migration and offer information on legal migration alternatives. A pilot project in the central Mediterranean to improve awareness raising was launched by the European Contact Group on Search and Rescue in Italy.

The past several years have shown that significant challenges relating to irregular migration and security can derive from visa-free travel to the EU. Investor citizenship schemes, operated by visa-free countries outside the EU that aim to attract investment by granting investors citizenship of or residence rights in the country concerned, present one such challenge. In May, the Commission proposed to permanently reintroduce the visa requirement for citizens of Vanuatu after assessing that the country's investor citizenship schemes represented a risk to the security of the EU and its Member States.

Managing the return of irregular migrants

A functioning migration system needs to provide for the effective return of those who have no legal right to stay in the EU. With the Return Roadmap and support from the Return Coordinator, action is under way to help Member States speed up this process and facilitate the reintegration of returnees. More frequent use of mutual recognition of return decisions will help to accelerate the process, along with increased support from the European Border and Coastguard Agency. Funding worth €25 million was made available under the Asylum Migration and Integration Fund to help Member States with their voluntary return programmes.

Safe and legal pathways to Europe

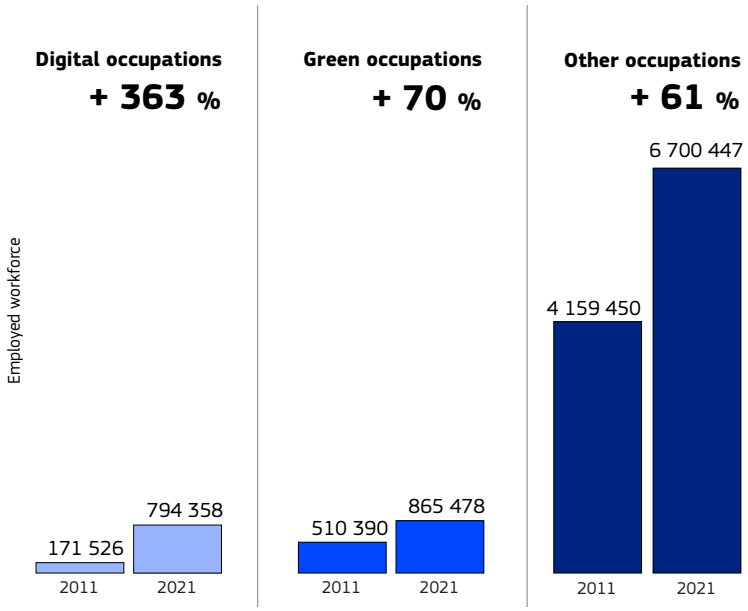
The Union Resettlement and Humanitarian Admission Framework Regulation, which entered into force in June as part of the Pact on Migration and Asylum, puts in place a permanent framework to enhance safe and legal pathways to the EU for those in need of international protection. This will provide a unified procedure for resettlement and humanitarian admission operations based on a two-year plan, which will set the number of refugees to be admitted to the EU. A newly formed High-Level Committee on Resettlement and Humanitarian Admission will support the Commission in making the new system work.

Since 2015, EU-sponsored resettlement schemes, involving a significant number of Member States, have helped more than 128 000 of the most vulnerable people in need of international protection find shelter in the EU. For the 2024–2025 period, 14 Member States have pledged over 61 000 places for refugees under this scheme.

In addition to policies to help those in need of international protection, well-managed migration policies providing legal alternatives for people to come to the EU boost the economy and strengthen cooperation with international partners. Each year, between 3 million and 3.5 million non-EU nationals come to live in the EU legally, mainly for work. They help respond to needs in the EU labour market that are not fully met by EU workers. Non-EU nationals employed in the EU are increasingly filling important gaps in occupations persistently affected by a shortage of workers.

More than 27 million people living in the EU are non-EU citizens – around 6 % of the total population.

Non-EU nationals employed (2011–2021)



Source: European Commission, Eurostat Labour Force Survey 2011–2021, Joint Research Centre elaboration, 12 June 2024.

The Commission's Action Plan on Labour and Skills Shortages (see Chapter 6) reaffirmed the importance of measures on talent attraction, setting out priorities in this area. As part of efforts to attract skills and talent, a revision of the Single Permit Directive was adopted in April. The directive establishes a simplified application procedure and one single permit for the right of non-EU nationals to both work and stay in the EU. The new rules guarantee protection and fair and equal treatment to non-EU workers. The permit will not be linked to one employer alone. This means that non-EU workers will be able to switch jobs, giving them greater flexibility to work and live in the EU during the period of its validity.

The EU continued its work on operationalising the talent partnerships already launched with Egypt, Morocco and Tunisia. Furthermore, the EU launched new programmes with Bangladesh and Pakistan as part of its broader engagement with these countries on migration management. The initiative strengthens legal pathways to the EU by supporting international labour mobility for skilled workers through better labour-market matching.

The Schengen area

The Schengen area has evolved into the world's largest free-travel area. With Bulgaria and Romania joining in 2024, it has grown to cover an area of 4.5 million square kilometres, with a population of 458 million people. Recognising the contribution of both these Member States to the functioning of the Schengen area, controls at air and sea borders were lifted on 31 March. In December, the Member States unanimously agreed to lift controls at the internal land borders of the two countries from 1 January 2025, completing their full entry into the Schengen area.

The effective management of the EU's external borders is a key element of a Schengen area without internal border checks. Bulgaria and Romania strengthened cooperation on border management to support their accession to the Schengen area. These two Member States will contribute further to joint European efforts to address EU security at the external borders and migratory challenges through individual cooperation frameworks.

In 2024, the EU revised the Schengen Borders Code to strengthen the governance of the Schengen area and better equip Member States to deal with challenges at the EU's external borders and with cross-border health and security threats. The revised rules make internal border controls a last-resort measure, promote alternatives and introduce a transfer mechanism for irregular movements. They tackle the instrumentalisation of migrants at the EU's external borders by offering Member States the possibility to limit the number of border-crossing points or to reduce their opening hours. The rules also allow for enhanced border surveillance measures. The Commission has also stepped up support for Member States to counter hybrid threats from the weaponisation of migration by Russia and Belarus and strengthen security at the EU's external borders.

The latest State of Schengen Report assessed developments over the preceding year and set out the key priorities for 2024 and 2025. The report revealed that over 10 million Schengen visas were issued in 2023 and that more than half a billion passengers visited the Schengen area, reaching 92 % of 2019 (pre-COVID-19) levels. This has contributed significantly to the EU economy, as tourism contributes close to 10 % of the EU's gross domestic product and provides jobs to around 22.6 million people.

Strong citizen and business support for the Schengen area

63 %
of people in the EU consider reinforcing cooperation within the Schengen area to be the main priority for the EU up to 2030.

33 %
of businesses say the Schengen area decreases costs due to the absence of internal border controls.

83 %
of companies agree that the Schengen area is good for business and 81 % recognise it as one of the EU's greatest achievements.

Sources: European Commission, Special Eurobarometer 549, October 2024; European Commission, Flash Eurobarometer 542, October 2024.

New procedures for travel to Europe

The Entry/Exit System is an automated IT system that will register non-EU nationals who travel for a short stay each time they cross the external borders of any of the Member States or Schengen-associated countries. It will replace manual passport stamping with digital registration. It will help detect overstayers, ensure real-time information sharing and improve security by preventing identity fraud. It will also allow the automation of border controls, progressively accelerating checks at the external borders, facilitating travel and improving the travel experience. The system is a key step towards achieving digitalised European border control, further reinforcing the EU's approach to integrated border management. In December, the Commission presented a proposal to progressively start Entry/Exit System operations. Once this is approved and a start date has been set, Member States will have six months to deploy the system.

This new system will also pave the way for the European Travel Information and Authorisation System, which will soon simplify travel for millions of visitors from outside the EU. Once operational, travellers who do not need a visa to enter 30 European countries will need to apply for a travel authorisation through this system. This authorisation is linked to a traveller's passport, and will be valid for up to three years or until the passport expires, whichever happens first.

A new initiative to digitalise passports and identity cards aims to make travelling across the EU faster and smoother for EU and non-EU citizens alike. In October, the Commission presented proposals for a common framework for the use of digital travel credentials and a new EU Digital Travel app on which to store them.

Better health

The last five years have been marked by a series of unprecedented challenges that have had, and continue to have, profound impacts on the health of people in the EU and beyond. These events have shown that EU health policy can no longer be limited to its pre-pandemic boundaries and that joint action at the EU level is crucial to Europe's societal well-being. Today, under a stronger European health union, all of the Member States are working together, where joint European action is necessary, to prepare for and respond to health crises. They also ensure that medical supplies are available and affordable and improve the prevention of, the treatment of and aftercare for diseases such as cancer.

Europe's Beating Cancer Plan

Three years after its adoption, Europe's Beating Cancer Plan is having a positive impact on many people's lives by forging a path towards better prevention, early detection, treatment and care and by improving the quality of life of cancer patients and survivors.

How is Europe's Beating Cancer Plan making a difference?

- Better understanding of cancer through research and innovation.
- Better prognosis and more treatment options thanks to earlier detection.
- Stopping cancer before it starts thanks to prevention efforts.
- Improving cancer care and reducing inequalities because everyone has the right to good-quality, affordable, preventive and curative healthcare.

One of the EU's flagship cancer initiatives aims to address cancers that can be prevented by vaccination, namely those caused by human papillomaviruses (HPV) and the hepatitis B virus (HBV). Specifically, Europe's Beating Cancer Plan calls for vaccinating at least 90 % of the EU's target population of girls and for significantly increasing the vaccination rate among boys. In addition, measures should improve access to and increase uptake of the HBV vaccination to prevent liver cancer. However, coverage rates vary significantly across the EU. Currently, HPV vaccination coverage for girls is well below 50 % in many Member States, with limited data available for boys and young adults, and there is a significant lack of data for HBV vaccination rates.

Human papillomaviruses

- Most common viral infection of the reproductive tract, causing a range of conditions in both women and men, including precancerous lesions that may progress to cancer.
- **Some 28 600 estimated cervical cancer cases** and **13 700 deaths** every year in EU Member States / European Economic Area countries.
- **Three vaccines** authorised in the EU.
- Recommended for adolescent and preadolescent girls and boys.
- The objective is to fully vaccinate **at least 90 % of the EU target population** of girls and significantly increase the vaccination of boys by 2030, to ultimately eliminate cervical cancer and other cancers caused by HPV.

Hepatitis B virus

- Chronic infection with the virus is a major cause of chronic liver disease, cirrhosis and liver cancer.
- **An estimated 64 000 deaths** annually due to diseases caused by HBV and the hepatitis C virus across the EU / European Economic Area and the United Kingdom.
- **Twelve vaccines** authorised in the EU.
- For infants, adults at high risk and sometimes in disadvantaged situations, and health professionals.
- The target is to boost vaccination in line with the 2030 target of the World Health Organization (WHO) to eliminate viral hepatitis as a public health threat in the WHO European Region.

It has been recommended that Member States boost the uptake of these vaccinations, improve the monitoring of vaccination rates and combat misinformation and disinformation. Member States are also encouraged to ensure that vaccines are free of charge and easily accessible, and to strengthen efforts to achieve the WHO's 2030 targets for Europe.

Tobacco is a leading risk factor for cancer, with more than a quarter of cancer deaths attributed to smoking in the EU, Iceland and Norway. In 2024, the EU took action to better protect people, especially children, from second-hand smoke and aerosols and to achieve the Europe's Beating Cancer Plan goal of creating a tobacco-free generation by 2040, with less than 5 % of the population using tobacco products. A revised recommendation to Member States, adopted in December, aims to extend smoke-free-environment policies to key outdoor areas, such as public playgrounds, public buildings, transport stops and areas outside healthcare and education premises.

Despite its crucial role in enhancing quality of life, palliative care is often surrounded by stigma and misunderstanding. The Innovative Palliative Care for People with Cancer conference in October aimed to address these issues by informing citizens and policymakers about the need for proper palliative care across Europe.

→ Stella Kyriakides, then European Commissioner for Health and Food Safety, attending the Europa Donna Cyprus Pink Silhouette Walk, an event held as part of Breast Cancer Awareness Month. Nicosia, Cyprus, 5 October 2024.

Tackling mental health

In a complex world full of change, people's mental well-being is under significant pressure. The EU's comprehensive approach to mental health, adopted in June 2023, set out 20 flagship initiatives and EU-level funding opportunities worth €1.23 billion to bring all partners together in the face of this growing challenge. Since the launch of the comprehensive approach there has been significant progress in joint action on mental health across the Member States to promote good mental health and support the most vulnerable.

Promoting good mental health, prevention and early intervention

The **Mental Health Together project:** cooperation between Member States to develop and implement the comprehensive approach to mental health.

The development with UNICEF of a **prevention toolkit for children** addressing key health determinants and the links between mental and physical health.

A repository of best and promising practices for promotion, prevention, early detection and intervention on the EU Best Practice Portal on Public Health.

The '**Healthy workplaces**' campaign by the European Agency for Safety and Health at Work on the impact of new digital technologies.

A **European Alliance Against Depression project** implementing best practices on suicide prevention.

Helping those in need, including vulnerable groups and children

An EU-funded project with the International Federation of Red Cross and Red Crescent Societies to provide **psychological first-aid support for Ukraine's displaced and affected people**.

A **Commission Recommendation** on integrated child protection systems and a revised Directive on Victims' Rights.

€14.5 million for projects implemented by stakeholders, including four aimed at Ukrainian refugees (Well-U, Peace of Mind, MESUR and U-Rise), one on child protection in Portugal (Let's Talk about Children) and one for vulnerable children in Finland (Icehearts).

A **young cancer survivors' mental health support platform**.

Safer digital and online spaces via the Digital Services Act and the Better Internet for Kids strategy.

Mental health among children and young people is a growing concern in Europe. The decline in children's and adolescents' well-being, attributed to various factors including school pressure and social media, underscores the urgent need for a whole-system, whole-school approach to mental health. A set of guidelines has been produced for policymakers and educators, including 11 recommendations and examples of good practice. The initiative is part of efforts to promote a systemic change to address mental health and well-being in schools and build positive learning environments. A series of factsheets with practical tips and links to resources complement the guidelines.

20 % of schoolchildren experience mental health problems during their school years.

1 in 5 children report growing up unhappy and anxious about the future due to bullying, challenges with schoolwork and loneliness.

24 % of teachers in Europe report that their job has had a negative impact on their mental health.

The estimated annual cost of mental health disorders in young people (aged 0–19) in western Europe is €50 billion.

Source: European Commission, *Wellbeing and Mental Health at School – Guidelines for education policymakers*, 2024.

The Child & Youth Wellbeing and Mental Health First project aims to improve the provision of mental health, well-being and psychosocial support for children and young people in Spain, Italy, Cyprus and Slovenia. The project will support the four Member States in undertaking reforms that improve access to mental healthcare and services for children and young people. Supported by the EU's Technical Support Instrument, the project provides technical expertise to national authorities. The instrument also supported 13 Member States with reforms targeting the mental health and well-being of young people, a priority identified during the European Year of Youth in 2022. This includes projects promoting well-being, especially in schools, and the prevention of addictions, including substance use and online gaming and gambling.

The €9 million European Programme for Mental Health Exchanges, Networking and Skills, launched in 2024, will offer multidisciplinary training on mental health for healthcare and other professionals, such as teachers, social workers and those working in prisons and juvenile detention centres. Around 120 professionals from 30 countries, including Ukraine, will be trained to support a comprehensive approach to mental health. The EU is also making a further €10 million available to support the mental health of vulnerable groups, such as children and refugees.

Towards a modern system for medicines

The reform of the EU's pharmaceutical legislation, proposed in 2023, aims to ensure equal access to medicines for all patients and a competitive and innovation-friendly pharmaceutical regulatory framework. In 2024, negotiations advanced on the key legislative proposals that will underpin the biggest overhaul of the EU's pharmaceutical legislation in 20 years.

The Critical Medicines Alliance, launched in April 2024, brings together public and private stakeholders from the European health sector to propose recommendations to reinforce security of supply and strengthen global supply chains of critical medicines. The alliance will look at ways

to mitigate structural risks and reinforce supply by encouraging diversification and by modernising and boosting manufacturing capacity at the EU level, where needed. Its work will also feed into a future legislative initiative for an EU Critical Medicines Act.

The proposed revision of the current rules setting out the procedures for changes to marketing authorisations for medicines aims to make the life-cycle management of medicines more efficient. The review will facilitate quicker processing of variations, benefiting both marketing authorisation holders and regulatory authorities.

New measures to improve the availability of diagnostic medical devices – which range from pregnancy and COVID-19 tests to blood glucose tests for diabetics – were introduced in May. The measures grant more time for companies to transition to new rules on diagnostic devices. Moreover, the new provisions also introduced an obligation on manufacturers of all medical devices to inform national authorities and the health sector in the case of disruptions in the supply of certain devices and to allow for the gradual roll-out of a European database on medical devices.

Preventing infections and diseases

Antimicrobial resistance, which occurs when bacteria and viruses become resistant to the medicines used to fight them, is responsible for more than 35 000 deaths every year in the EU, and costs EU health systems €11.7 billion. Antimicrobial resistance is also one of the biggest threats to global health facing the world today: a continued rise in resistance could result in an estimated 10 million deaths globally by 2050.

The EU is taking positive action to tackle this pressing challenge, working with local communities and global organisations across sectors and borders to ensure antibiotics are used responsibly in both humans and animals. The largest-ever EU-funded project on antimicrobial resistance was launched in February, bringing together 120 partners in 30 European countries to tackle this common challenge. The Joint Action on Antimicrobial Resistance and Healthcare-Associated Infections, supported by €50 million under the EU4Health programme, will focus on areas such as infection prevention and control, surveillance and monitoring, prudent use of antimicrobials, awareness raising and innovation.

To raise awareness of the enormous public health threat posed by antimicrobial resistance, the Commission launched *Beat the Bug*, a free online game developed on the *Fortnite* platform, in which players take on the role of superheroes to save the world from superbugs. The game is part of a communication campaign for young people, parents and teachers across the EU. Educational material has also been developed to support parents and educators, with the aim of promoting preventative measures and responsible antibiotic use.

↑
VIDEO GAME: Play the game - *Beat the Bug*.

In December, the Commission and the European Investment Bank signed an agreement worth €20 million with a Danish medical technology company to develop new, highly selective anti-bacterial medicines for infections that are difficult to treat due to antimicrobial resistance.

HERA Invest is a €100 million top-up to the InvestEU programme. It works to protect people in the EU against the top-three health threats that require the coordination of measures at the EU level: pathogens with pandemic or epidemic potential; antimicrobial resistance; and chemical, biological, radiological and nuclear threats. In October, the Commission and the European Investment Bank signed the first agreement under HERA Invest, worth €20 million, with a French biopharmaceutical company. This will support the company's development and deployment of broad-spectrum therapeutics to combat biological threats to public health.

Avian influenza is a viral disease that occurs primarily in birds. While the threat posed by avian flu to the general population remains low, those at higher risk include poultry and farm workers, along with veterinarians. In June, the Commission secured access for Member States to purchase 665 000 doses of the adapted zoonotic influenza vaccine and to reserve an extra 40 million doses for the next four years.

Celebrating 50 years of global vaccination

The launch of the Expanded Programme on Immunization by the WHO 50 years ago was a pivotal moment in the history of public health. Vaccination has saved millions of lives globally. In 1974, only 5 % of the world's children had been vaccinated against diphtheria, tetanus and pertussis. Today, that figure has increased to nearly 85 % of children worldwide, and 94 % in the WHO European Region.

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VIDEO: The World Health Organization's Expanded Programme on Immunization – averting more than 4 million deaths every year.

Vaccines are crucial for controlling infectious disease outbreaks, and investment in research and development is vital for health security and pandemic preparedness, as demonstrated by the rapid development of COVID-19 vaccines. The EU is investing over €100 million in the development of a European Vaccine Hub, which aims to ensure rapid access to pandemic vaccines through a consortium of leading European institutions.

A new initiative to improve access to diagnosis, information and care for citizens suffering from rare diseases, which affect up to 36 million people in the EU, was launched in March. With a total of more than €18 million in funding, the Joint Action on Integration of European Reference Networks into National Healthcare Systems brings together all of the Member States, plus Norway and Ukraine, to help pave the way for more effective, efficient and sustainable cooperation in the future.

Global health

The World Health Assembly, comprising more than 190 countries, including all of the Member States, adopted an ambitious package of amendments to the International Health Regulations in June, following two years of negotiations. The strengthened rules aim to improve the management of public health emergencies of international concern and provide better protection to citizens from serious cross-border health threats – a key priority of the EU's Global Health Strategy. An agreement was also reached to continue negotiations on a pandemic agreement, with the goal of reaching a consensus by the next meeting of the assembly in May 2025.

A new global consortium was launched in March to promote wastewater and environmental surveillance within public health systems and create a global system for the early detection of epidemic outbreaks. The initiative involves more than 300 global collaborators, including the EU, the WHO, the Bill and Melinda Gates Foundation, the US Centers for Disease Control and Prevention and the Africa Centres for Disease Control and Prevention.

In response to the WHO's declaration of the mpox outbreak as a public health emergency of international concern in August, the EU and its Member States (Team Europe) took immediate and comprehensive action to help partners control and respond to the disease. This included the donation of more than half a million vaccine doses, with the EU being the first to deliver them on the ground in the Democratic Republic of the Congo, the country most affected by the outbreak.

→
The first shipments of mpox vaccines arrive at Kinshasa Airport, Democratic Republic of the Congo, 5 September 2024. The initiative is part of a comprehensive set of EU measures under the EU Global Health Strategy, a key component of the Global Gateway initiative to support partners in the rest of the world.

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CHAPTER 8

A stronger Europe in the world

Introduction

Conflicts, humanitarian crises and natural disasters continued to challenge the world in 2024. The European Union took an active role, reaffirming its commitment to peace, security and human dignity. In what was the third year of Russia's aggression against Ukraine, the EU continued to strengthen its defence and security. It also worked with candidate countries, including Ukraine, on their necessary reforms, and with potential candidate countries on preparing for future accession. The EU is providing humanitarian aid for and remains committed to finding solutions to the various crises in the Middle East, including in Gaza and Syria. During the year, the EU strengthened its international partnerships, helped people in need and responded to disasters around the world. By adapting its relief efforts to new risks and building stronger partnerships, the EU consolidated its leading role in global assistance. This united approach has shown the EU's resilience and its vision of an open, prosperous continent, even in the face of global challenges.

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Nearly half of the 1.9 million displaced people in Gaza are children. Thanks to EU funds, UNICEF has provided essential winter clothes to over 120 000 displaced children. 28 January 2024.

Neighbourhood policy and enlargement negotiations

Enlargement

The current geopolitical tensions, notably Russia's war of aggression against Ukraine, have underscored the importance of the enlargement policy.

Enlargement is an investment in long-lasting peace, security and stability for our continent. Each new Member State strengthens the EU's economy, creating growth and jobs.

2024 marked the 20th anniversary of the 2004 EU enlargement, the largest in its history. Twenty years ago, the EU welcomed 10 new Member States, becoming one of the world's largest single markets. Since then, millions have benefited from new opportunities, jobs and programmes across the EU.

Over 2.7 million
young people from the 10 Member States that joined in 2004 have participated in the Erasmus+ programme since 2004.

26 million
new jobs have been created across the EU since 2004.

79 %
of citizens in these Member States believe that their country has benefited from EU membership.

← VIDEO: Why is celebrating the 2004 EU enlargement so important?

The door to membership remains open to European countries that embrace the EU's values and meet key criteria. Aspiring members must, among other things, demonstrate strong democratic practices, respect the rule of law, keep their economies steady and improve their governance (see also Chapter 9).

The EU regularly evaluates the progress of all enlargement countries. In October, the EU released its annual enlargement package, which reviews the progress made by the candidate countries (Albania, Bosnia and Herzegovina, Georgia, Moldova, Montenegro, North Macedonia, Serbia, Türkiye and Ukraine) and by the potential candidate country Kosovo (this designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence). The annual reports focus on key reforms, such as the rule of law, public administration, democratic institutions and meeting the economic criteria for joining the EU.

Accession negotiations, once opened, take place at intergovernmental conferences between ministers and ambassadors of the Member States and the candidate country negotiating its accession. The first such conference with Moldova and Ukraine took place in June 2024, formally launching their accession negotiations. The screening process began in July and will continue through 2025, during which time Moldova and Ukraine must show how they plan to adopt and implement EU rules and policies and outline plans for further alignment.

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The EU–Ukraine Intergovernmental Conference round table, Luxembourg, 25 June 2024.

The Western Balkans' progress on the path to EU membership in 2024

Albania and North Macedonia completed the screening process, the first step towards joining the EU.

- A screening report was presented on the first of six clusters of rules for which the two countries must meet specific requirements (benchmarks), such as reforms in their judicial system, public administration, governance, etc.
- The opening of the first cluster with Albania took place at an intergovernmental conference in October.
- The opening of the first cluster with North Macedonia will take place once it meets the required conditions.

Bosnia and Herzegovina began EU accession negotiations in March. A high-level forum then discussed the reforms needed for the next steps to begin.

Montenegro advanced in its EU accession process, meeting key requirements on the rule of law and fundamental rights in June, as confirmed in its country report. The EU has since begun provisionally closing negotiation chapters when the relevant conditions are met, starting with three chapters in December.

Kosovo achieved visa-free travel to the EU in January, meaning its citizens can now enter the EU for short stays without needing a visa

Serbia has made progress on judicial reforms and anti-corruption but still needs to fully implement media laws, better align with EU foreign policy, support civil society and media and meet its commitment to normalising relations with Kosovo.

Georgia's bid to join the EU, however, suffered a setback in 2024 when a controversial law targeting foreign-funded organisations was passed, which sparked concerns about the deliberate stifling of independent voices and the curtailing of democratic freedoms. As a result of this and other negative developments in Georgia's progress towards joining the EU, the accession process has effectively come to a halt.

Accession talks with Türkiye have remained at a standstill since 2018 because of ongoing concerns about democracy, the rule of law, judicial independence and respect for fundamental rights.

The prospects of a larger EU will have implications for the way the EU works. With this in mind, a communication on pre-enlargement reforms and policy reviews was adopted in March, examining the implications of a larger EU in the areas of values, policies, budget and governance. This proactive approach aims to ensure the EU is prepared for future enlargement.

Supporting the reform, growth and integration of enlargement countries

Narrowing the economic gap between the EU and its future members helps prepare the latter for a smoother transition. The EU is actively supporting the development of future members through new funding tools, such as the Ukraine Facility (see Chapter 1), the Moldova Growth Plan and the Growth Plan for the Western Balkans, and is providing expertise from current Member States to accelerate reforms.

Since 2021, the EU has provided €2.2 billion in financial assistance to Moldova, supporting energy independence, justice reforms and stronger ties with the EU. The new growth plan proposed in October will support Moldova's path to EU membership, providing up to €1.8 billion between 2025 and 2027 to grow its economy and drive EU accession reforms.

As a result of Georgia's democratic backsliding, the EU has downgraded political contacts and suspended the provision of €30 million under the European Peace Facility and €121 million in direct assistance to its government. This has not affected the EU's support for civil society and independent media, as they are vital for upholding democracy. On 20 December 2024, the EU also proposed that Georgian diplomats and officials, along with family members holding diplomatic or official passports, must obtain a visa to travel to the EU for short stays.

Despite their accession progress, Western Balkan countries have a gross domestic product per person that is between a quarter and a half of the EU average. To bridge this gap, the EU adopted the Growth Plan for the Western Balkans, which aims to strengthen economic ties both with the EU and within the region and potentially double the size of the Western Balkan economies within a decade. The implementation of the growth plan has started, and the €6 billion Reform and Growth Facility entered into force in May. Five of the six partners in the Western Balkans have since presented ambitious reform agendas detailing key improvements to be made in areas such as the rule of law, governance, human capital, the energy and digital transitions and the private sector, along with an indicative list of projects for investment. These reform agendas were approved in October.

New investment package for the Western Balkans under the Economic and Investment Plan

- €1.2 billion for investment in eight areas relating to rail transport, water supply and the private sector.
- The plan now includes 68 flagship projects in areas such as transport, digitalisation, energy transition, the environment, education and private-sector growth.
- The EU has already provided €5.4 billion in grants, which are expected to bring in another €17.5 billion worth of investment, covering over half of the total €30 billion plan.

↑
Ursula von der Leyen, President of the European Commission (fifth from left), and Olivér Várhelyi, then European Commissioner for Neighbourhood and Enlargement (left), hosted a working lunch with the leaders of six Western Balkan partners in Brussels, Belgium, 19 September 2024.

↑
Ursula von der Leyen, President of the European Commission (front row, right), Roberta Metsola, President of the European Parliament (second row, right), and António Costa, President of the European Council (front row, fifth from right), together with EU and Western Balkans leaders at the EU–Western Balkans Summit, Brussels, Belgium, 19 September 2024.

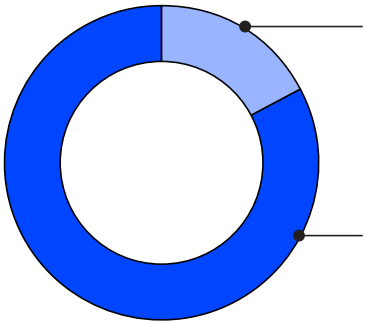
The leaders of the Western Balkans organised several ministerial meetings on the growth plan during the year to discuss integration efforts (in North Macedonia in January, in Albania in February and in Montenegro in May). Ursula von der Leyen, President of the European Commission, visited the six Western Balkans partners in autumn, while the EU–Western Balkans Summit took place on 18 December.

The 2024 Berlin Process Summit saw the adoption of a new action plan for the Common Regional Market to enhance regional economic integration, which is also a core objective of the growth plan.

Following tensions over illegal drilling activities in the eastern Mediterranean, the EU is gradually rebuilding ties with Türkiye through high-level visits and dialogues on health, research, innovation and trade. In addition, the EU pledged significant financial resources to support the country in various areas in 2024.

↑
VIDEO: With EU support, thousands of projects celebrate the vibrant and unique cultural heritage of the Western Balkans, fostering creativity and collaboration.

EU funding for Türkiye



Instrument for Pre-accession Assistance: **€211 million**

Refugee and host-community assistance: **€1 billion**

Türkiye Investment Platform: up to **€3 billion** for investment by 2027

Eastern partners

The EU is also helping to strengthen economies in its Eastern Neighbourhood and to connect them more closely to the European Union.

In April, a €270 million Resilience and Growth Plan for Armenia was announced at an EU–US–Armenia high-level meeting. This initiative aims to strengthen Armenia's economy and support displaced people. Negotiations on an EU–Armenia Partnership Agenda also aim to strengthen cooperation through a bolder partnership roadmap.

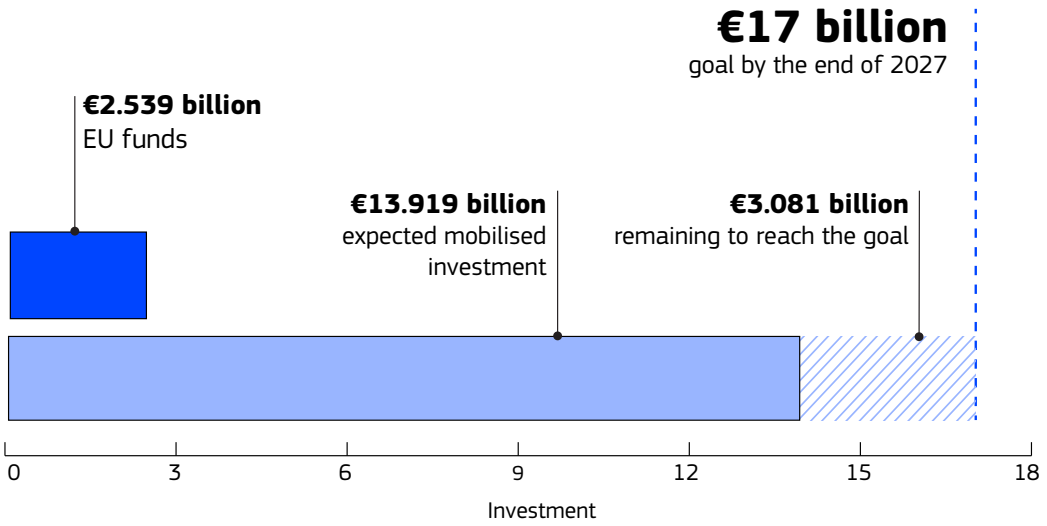
Azerbaijan remains a valued energy partner, diversifying the EU's gas sources away from Russia. The EU's ongoing support for the Azerbaijani renewable energy sector in the context of the 29th UN Climate Change Conference (COP29) in Baku is fostering closer cooperation on the green transition.

The EU remains committed to supporting the peace negotiations between Armenia and Azerbaijan and is funding peace efforts, including support for peace dividends, through the Economic and Investment Plan. This aims to create tangible economic and social benefits that promote lasting peace in the region.

↑
With EU support, students in Baku, Azerbaijan, took on environmental challenges at the EU4Climate competition, looking for ways to improve the environment and save Lake Masazir. The EU4Climate initiative helps Eastern Partnership countries create and implement climate policies, fostering low-emission and climate-resilient development. 5 June 2024.

The close economic ties between Belarus and Russia have allowed Russia to circumvent some of the sanctions imposed on it. In response to the Lukashenko regime's involvement in the war against Ukraine, additional sanctions were introduced against Belarus in June 2024. These new measures against Belarus mirror many of the measures already imposed on Russia and make the EU sanctions against Russia even more effective (see Chapter 1).

The EU's investment in the Eastern Partnership since 2021



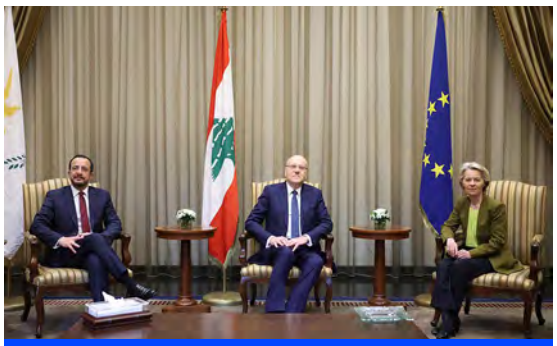
Southern Neighbourhood

Greater emphasis was placed on comprehensive partnerships with the southern neighbours to improve their living standards and enhance their macroeconomic stability. These tailored partnerships make the region more secure by addressing migration's root causes and openly tackling complex issues such as security.

In March, the EU and Egypt established a comprehensive partnership covering political relations, migration, economic stability, sustainable investment and trade. In June, they organised an EU–Egypt Investment Conference, attracting new investment worth €49 billion.

The signing of an important comprehensive partnership with Tunisia in 2023 led to a major EU–Tunisia Investment Conference in June, at which a memorandum of understanding (a formal framework for cooperation) focusing on energy, including renewable energy, was agreed.

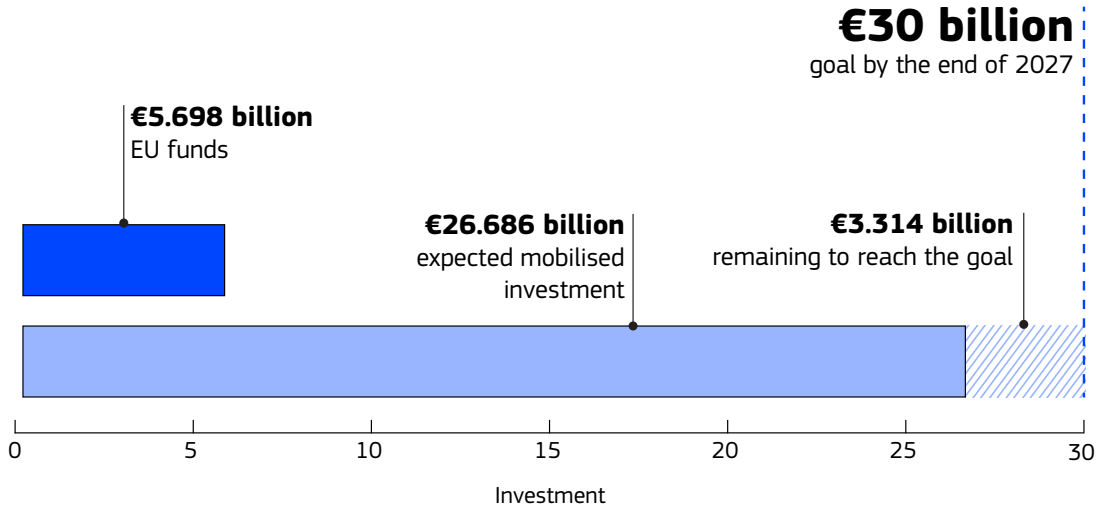
Recent events in the Middle East have increased uncertainty about its political, social and economic stability. The EU and the Palestinian Authority agreed on a €400 million short-term emergency financial support package for the latter to address its most pressing financial needs and support reforms. This short-term financial support will pave the way for a multi-year programme that aims to ensure the Palestinian Authority's long-term financial stability and the implementation of its reform agenda.



President von der Leyen pledged €1 billion to Lebanon during her visit to the country in May. The first part, €500 million, adopted in August, will support Lebanon in 2024 and 2025. This funding will focus on basic services such as health, education and social protection, along with water, sanitation and hygiene, for vulnerable groups, including Syrian refugees and vulnerable Lebanese. It will also support key reforms, the security sector, border management (including combating human trafficking and smuggling), economic resilience and the green transition.
In addition, the EU has continued its commitment to supporting Syrian refugees through ongoing humanitarian and development aid (see the section 'Humanitarian aid and civil protection' below).

↑
From left to right: Nikos Christodoulides, President of Cyprus, Najib Mikati, Prime Minister of Lebanon, and Ursula von der Leyen, President of the European Commission, Beirut, Lebanon, 2 May 2024.

The EU's investment in the Southern Neighbourhood since 2021



International agreements and partnerships

Western European partners

In 2024, the relationship between the EU and the United Kingdom remained a key focus, based on the full, faithful and timely implementation of the Withdrawal Agreement, including the Windsor Framework, and the Trade and Cooperation Agreement. These efforts protect the rights of millions of EU citizens and UK nationals living abroad, support economic stability and facilitate trade. Negotiations to finalise an agreement between the EU and the United Kingdom in respect of Gibraltar also continued.

The EU launched and completed negotiations with Switzerland on a broad package of agreements that aim to deepen and expand the bilateral relationship. It also made progress towards the signature of the association agreement with Andorra and San Marino.

For information on trade and technology agreements, see Chapter 2.

Global Gateway

Through the Global Gateway, its global investment strategy, the EU continued to forge partnerships around the world in 2024. Together, the EU, its Member States, development banks and European financing institutions aim to provide up to €300 billion in investment by 2027 to narrow the global investment gap and support the green and digital transitions globally.

The Global Gateway supports projects to improve digital connectivity, increase access to sustainable energy, develop transport routes and strengthen health, education and research. The goal is lasting prosperity for both partner countries and the EU.

Up to €300 billion
in investment from 2021 to 2027.

200+
flagship projects across the world so far.

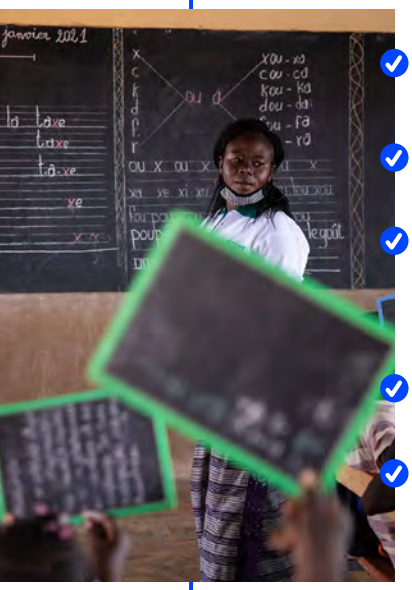
€3.2 billion
for renewable energy projects in Africa.

The EU and its Member States together remain the leading provider of official development assistance worldwide, with €95.9 billion in 2023 (the latest year for which data are available), representing 42 % of the total. The EU is also the biggest contributor to the World Trade Organization's Aid for Trade initiative.

Sub-Saharan Africa

In 2024, the EU made significant strides in its partnerships with Africa, with a focus on sustainable development, health and economic growth. The EU made progress on the deployment of the €150 billion Global Gateway Africa–Europe Investment Package, targeting areas such as clean energy, digital infrastructure, transport, health and education.

At the Global Gateway High-level Event on Education, agreements on programmes totalling €245 million were signed, covering:



- research and learning mobility in Nigeria;
- support for girls' education in Zambia;
- a new Team Europe initiative on vocational education and training in Africa;
- the launch of an Africa–Europe Youth Academy;
- 15 new projects for academic mobility across Africa.

These initiatives reflect the EU's continued commitment to inclusive and quality education under the Global Gateway.

→
Medina Maneno, a young entrepreneur from Uganda, proudly runs her tailoring business after receiving training through a skills development programme supported by the EU and Belgium. The €50 million investment aims to help more young people and women like Medina access employment opportunities and build sustainable livelihoods. Adjumani, Uganda, 9 November 2023.

2024 initiatives in sub-Saharan Africa

> A major programme was launched in Cabo Verde to support renewable energy and the digital and blue economy / strategic corridor (Praia–Dakar–Abidjan) sectors.

> A €210 million package was pledged to support Mauritania, and a new EU–Mauritania Migration Partnership was launched in March.

> An additional €40 million was provided to support initiatives to strengthen Rwanda's capabilities in vaccine research and manufacturing, and access to health products through better education, infrastructure and supply-chain management.

> Progress was made on the rehabilitation of the Kariba Dam, which is critical to Zambia's and Zimbabwe's clean-energy needs.

> New initiatives were launched for transboundary water management in Africa.

At the third Uganda–EU Business Forum on 6 and 7 March, eight new projects worth over €200 million were launched. These projects aim to support small businesses, young female entrepreneurs, agribusinesses and digital infrastructure. The forum brought together 12 Member States, eight financial institutions, including the European Investment Bank, and 193 European companies.

© Enabel Uganda

The EU helped strengthen African agriculture during the year by protecting local food products with geographical indications – quality labels that prove a product's origin and offer access to the European market. The Partnership on Food and Nutrition Security and Sustainable Agriculture worked towards the formation of a research consortium for climate change, biodiversity and gender equality in agriculture, focusing on practical farming solutions and knowledge sharing.

The Commission and South Africa, together with Global Citizen, an international advocacy group, have launched a one-year 'Scaling up renewables in Africa' pledging campaign. It will mobilise public and private investment to accelerate renewable energy projects across the continent to give African people access to affordable energy and help reduce global emissions in line with the commitments announced at the 2023 UN Climate Change Conference (COP28).

Asia and the Pacific

As part of the Global Gateway initiative, the EU is also working to transform the Trans-Caspian Transport Corridor into a fast, modern route linking Europe and Asia. The EU also strengthened its relations with countries in the region by signing a new partnership agreement with Kyrgyzstan and a memorandum of understanding and action plan on critical raw materials with Uzbekistan.

The EU also deepened its partnership with South-East Asia, including through closer collaboration with the Association of Southeast Asian Nations, supporting projects such as skills and job training in Cambodia; sustainable agriculture and the rehabilitation of a national road in Laos; and a digital economy package in the Philippines.

In addition, the EU has further expanded its cooperation in Asia. An important policy dialogue with Japan on education, culture and sport took place in Tokyo in April, while South Korea was included in the EU's Horizon Europe research and innovation programme.

The launch of the Pacific Regional Protocol, a regional agreement under the Samoa Agreement (the EU's 20-year partnership framework with African, Caribbean and Pacific countries, signed in 2023), strengthened the EU–Pacific partnership. The EU continued supporting the Pacific Island Countries in relation to climate resilience, the blue economy and sustainable agriculture.

The Americas and the Caribbean

In 2024, the EU advanced its Global Gateway Investment Agenda in Latin America and the Caribbean by launching an initiative to support fair and inclusive societies. The EU also launched EL PAcCTO 2.0, a programme to combat transnational organised crime. It supports law enforcement and judicial systems in tackling challenges such as drug trafficking, human trafficking and cybercrime. Together with projects on drug policy (the Cooperation Program between Latin America, the Caribbean and the European Union on Drug Policy) and border management (Eurofront), these efforts are creating safer communities and stronger partnerships across the region.

←
Jutta Urpilainen, then European Commissioner for International Partnerships, participates in a tree-planting ceremony at Phnom Penh Thmey Primary School in Cambodia, 13 March 2024. During her visit to Cambodia, Commissioner Urpilainen launched measures to promote green jobs and sustainable growth and toured the Bakheng Water Treatment Plant, a Global Gateway initiative that provides clean water to more than 2 million people.

Overseas countries and territories

The EU signed five new cooperation agreements with the overseas countries and territories, focusing on digitalisation, water and sanitation, the protection of marine ecosystems, sustainable tourism and intra-regional cooperation. As part of the EU's Arctic strategy, a new EU office was established in Nuuk, Greenland, to strengthen the partnership between the EU and the territory.

International summits

At the G7 and G20 Summits, the Heads of State and Government of the world's most important economies come together to address global challenges, coordinate political measures and make important commitments on global issues.

The June G7 Summit in Fasano, Apulia, Italy, confirmed the G7's strong support for Ukraine. Leaders agreed to provide an additional €45 billion loan to Ukraine, drawing on extraordinary revenues generated from immobilised Russian sovereign assets. G7 leaders also launched initiatives to strengthen economic security, enhance cooperation in the energy sector (especially with Africa), improve food security and combat human smuggling.

The G7 is also committed to promoting safe, secure and trustworthy artificial intelligence (AI). It plans to launch an action plan on the use of AI in the workplace and develop a brand to support the international code of conduct for organisations developing advanced AI systems. The EU's AI Act (see Chapter 5) and its signing of the Council of Europe's Framework Convention on Artificial Intelligence set out frameworks to ensure AI respects human rights and democratic values.

At the G20 Summit in Rio de Janeiro, Brazil, in November, leaders focused on inequality, global governance reform and climate change, and launched the Global Alliance against Hunger and Poverty. The EU joined the alliance as a founding member, together with 82 countries, the African Union, 24 international organisations, 9 international financial institutions and 31 philanthropic organisations and non-governmental organisations. At the summit, President von der Leyen announced the launch of the year-long pledging campaign on renewables in Africa. To sustain broader progress towards the targets agreed at COP28, President von der Leyen invited G20 leaders and other leaders to join forces in a new Global Energy Transition Forum. This will unite governments, international organisations and financial actors in efforts to strengthen implementation efforts.

↑
Clockwise, from left foreground: Charles Michel, then President of the European Council, Olaf Scholz, Federal Chancellor of Germany, Justin Trudeau, Prime Minister of Canada, Emmanuel Macron, President of France, Giorgia Meloni, Prime Minister of Italy, Joe Biden, then President of the United States, Fumio Kishida, then Prime Minister of Japan, Rishi Sunak, then Prime Minister of the United Kingdom, and Ursula von der Leyen, President of the European Commission, at the G7 Summit in Fasano, Apulia, Italy, 13 and 14 June 2024.

EU relations with the Gulf Cooperation Council

The Gulf Cooperation Council brings together six Arab Gulf states to further political and economic integration. The Gulf holds almost a third of the world's oil reserves.

The EU and its Member States hosted their first summit with the council in October to discuss Middle East issues and explore how they could work together in new areas, such as:

- **renewable energy**
- **energy security**
- **connectivity**
- **the green transition.**

Security and defence partnership

Founded on the ideals of peace and cooperation, the EU continued to work with its allies to tackle major global challenges in order to maintain peace, strengthen defence and protect its people. In this spirit, the EU–NATO partnership gained renewed importance in 2024, helping to maintain stability on both sides of the Atlantic and providing support for Ukraine. The EU and NATO worked to better coordinate civilian and military action, making vital infrastructure more resilient and improving how they understand and respond to crises and disasters. New structured dialogues now also address issues such as cyber threats, space activities, disruptive technologies, climate-change effects and the defence industry.

↑
Ursula von der Leyen, President of the European Commission (right) and Mark Rutte, Secretary General of NATO (left), Brussels, Belgium, 29 October 2024.

The UN is another important partner of the EU in the fight for peace, security and stability. Together, they work to prevent conflicts, support peacekeeping missions and facilitate post-conflict reconstruction around the world. The EU–UN strategic partnership on peace operations and crisis management for 2022–2024 progressed during the year.

The EU–UN partnership on peace operations and crisis management

1. There has been a unique and long-standing EU–UN partnership on crisis management and civilian, police and military peacekeeping, based on shared values and commitments.
2. Regular high-level dialogues are held, such as in the EU–UN Steering Committee on Crisis Management, and there is continuous working-level interaction between missions and operations, along with close cooperation between headquarters.
3. The EU is currently conducting 21 Common Security and Defence Policy missions and operations, of which 12 are civilian, 8 are military and 1 is civilian–military. Eleven of the 21 missions and operations are deployed in parallel with UN missions, such as in the Central African Republic, Iraq, Israel/Palestine (this designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue), Kosovo, Libya and Somalia.
4. Together, the Member States contribute a quarter of the UN peacekeeping budget.

Security and defence cooperation: 2024 overview

Security and defence dialogues were held with partners in the EU's Eastern and Southern Neighbourhoods, Africa, the Indo-Pacific, Latin America and North America.

> The EU cooperated with regional organisations such as the Organisation for Security and Cooperation in Europe, the African Union and the Association of Southeast Asian Nations.

> A regional security dialogue was launched with the Gulf Cooperation Council.

Security and defence partnerships were concluded with Albania, Japan, Moldova, North Macedonia, Norway and South Korea.

The European Peace Facility.

> Support was provided for partners' military and defence capacities.

> Twenty-six beneficiaries have been assisted so far across multiple regions:

- Africa
- the Eastern and Southern neighbourhoods
- the Western Balkans.

> The network of military advisors in EU delegations was expanded.

The second edition of the Schuman Security and Defence Forum took place in Brussels, Belgium.

The EU recognises that decisive action is essential to maintaining peace and stability, especially in times of crisis. Events beyond the EU's borders can have a direct impact on the security of its people. The Common Security and Defence Policy enables the EU to respond to security challenges by deploying missions and operations abroad. In doing so, the EU helps prevent conflicts, improves the ability of partner countries to deal with security issues and minimises threats that could reach Europe.

As part of this policy, the EU launched a security and defence initiative in 2024 to support West African countries along the coast of the Gulf of Guinea and help them tackle security problems spreading from the Sahel, such as terrorism and illegal activities.

↑
In Benin, 90 officers from five Republican Police units were trained to handle counter-improvised explosive devices. This training, part of the Gulf of Guinea Security and Defence Initiative, took place in Kandi, Parakou, Dassa and Cotonou. Dassa, Benin, 2 May 2024.

EU security and defence engagement around the world

5
ongoing military missions/operations.

12
ongoing civilian missions.

3
ongoing military naval operations.

1
civilian and military initiative.

Integrated approach

EU security and defence actions are deployed and implemented in concert with other EU tools and instruments to achieve strategic impact.

Objectives

Peacekeeping, preventing conflict, strengthening international security, supporting the rule of law, preventing human trafficking and piracy, contributing to maritime security and providing military equipment and security infrastructure to EU partners.

In February 2024, the EU also launched Eunavfor Operation Aspides, a sea-based operation to protect ships travelling through the Red Sea from attacks by the Houthi rebels, an armed group in Yemen. This operation helps to ensure that ships can move safely and strengthens security in the Red Sea and the nearby Gulf region.

↑
From 6 to 8 July 2024, Josep Borrell, then High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission in charge of a Stronger Europe in the World (right), visited Djibouti to strengthen ties with this key regional partner and assess the impact of EU naval operations. He toured the Italian frigate *Virginio Fasan*, operating under Eunavfor Operation Aspides, an EU military mission that protects maritime security and freedom of navigation in the Red Sea, the Indian Ocean, the Persian Gulf and other nearby areas.

Humanitarian aid and civil protection

The Middle East crisis

The humanitarian situation in the Gaza Strip has deteriorated drastically since October 2023, when the brutal terrorist attack by Hamas against Israel, the subsequent escalation of hostilities between the parties and full-scale Israeli military operations aggravated an existing crisis.

In 2024, the EU continued to call for an immediate ceasefire in Gaza, the unconditional release of all hostages, an urgent increase in humanitarian aid to Gaza and an enduring end to hostilities. It also repeatedly called on all parties, including Israel, to abide by international law and international humanitarian law, in particular the Geneva Conventions, and to do everything possible to protect and not harm innocent civilians. The EU is working tirelessly to prevent further spillover of the conflict to the wider region. It remains fully committed to a lasting and sustainable peace based on the two-state solution and the relevant resolutions of the UN Security Council through reinvigorated efforts in the Middle East Peace Process.

More than 2.2 million people have been affected, with hundreds of thousands facing severe shortages of basic necessities such as food, water and shelter. Damage to school and hospital infrastructure has further impacted access to vital services. Children are bearing the heaviest burden, with many of them facing both physical and psychological trauma. The West Bank too is grappling with a deteriorating situation, as widespread settler violence intensifies humanitarian needs among Palestinian communities.

Human toll of the Gaza crisis (as at September 2024)

40 000
fatalities.

88 000
injuries.

1.9 million
displaced people.

In the midst of these challenges, the EU remains committed to its humanitarian mission, providing a lifeline through direct assistance and substantial financial support. This wide-ranging aid is providing essential services – from food and clean water to medical care, shelter, education and protection – to those most in need across the affected areas. The EU's emergency response system, the EU Civil Protection Mechanism, was also activated 10 times in 2024 to provide assistance to Gaza, coordinate evacuations and support neighbouring countries affected by the crisis.

←
Health infrastructure in the Gaza Strip sustained severe damage due to ongoing military operations in 2024. EU humanitarian aid operations help fund the World Health Organization, allowing it to supply hospitals across the Gaza Strip with critical equipment and medicines. 6 April 2024.

Despite the significant security risks, the EU continues to provide assistance under the mechanism, including through the Cyprus Maritime Corridor, a key sea route through which Germany, Cyprus, Romania and Slovakia have provided food and shelter materials. Nine Member States have supported the Egyptian Ministry of Health with in-kind assistance. The mechanism is also supporting its partners by sending experts and coordinating medical evacuations of seriously ill Palestinian patients to Europe.

Over 20 years of EU support for Palestinians

The EU is the largest international donor to the Palestinian people.

DEVELOPMENT SUPPORT

2014–2020

€2.2 billion
allocated.

2021–2024

€1.36 billion
allocated (of which more than **€920 million** has been approved).

HUMANITARIAN SUPPORT

Since 2000
More than

€1.1 billion.

In 2024

€238 million
of humanitarian aid committed (*).

More than

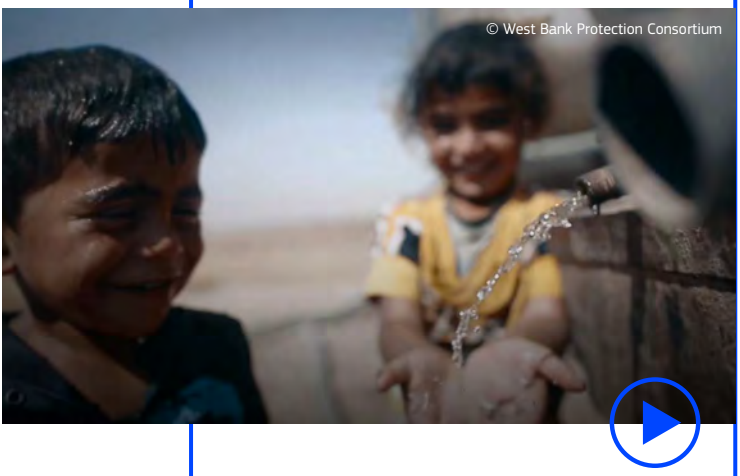
4 000 tonnes
of humanitarian supplies for Palestinians in need in Gaza.

(*) Including the additional top-up of €45 million announced by President von der Leyen in September.

© WHO

← VIDEO: Helping Gaza – medical support for Palestinians in need.

In the West Bank, the EU and several Member States are working with humanitarian partners on the ground to protect communities at risk of forced displacement and settler violence.



↑
VIDEO: Clean water for Palestinians in the West Bank – the EU has teamed up with 13 countries to build water networks like the one in Masafer Yatta so that thousands of Palestinians have access to clean, affordable water.

Humanitarian aid

When natural disasters occur or conflicts break out, millions find themselves in peril. Humanitarian aid then becomes a lifeline, providing food, shelter and medical care to those most vulnerable.

The EU is at the forefront of these relief efforts and is one of the world's leading donors of humanitarian aid. It provides needs-based aid to people affected by human-made crises and natural disasters around the world. In 2024, the EU allocated €2.49 billion to help more than 300 million people in need.

The Commission is launching a new Humanitarian Air Bridge operation for those most in need in Syria, to deliver emergency healthcare and other essential supplies, and is increasing its humanitarian funding.

EU humanitarian aid around the world in 2024

Total budget:

€2.5 billion

€956 million
Sub-Saharan Africa

€665 million
Middle East and North Africa

€447 million
Asia, Latin America, the Pacific and the Caribbean

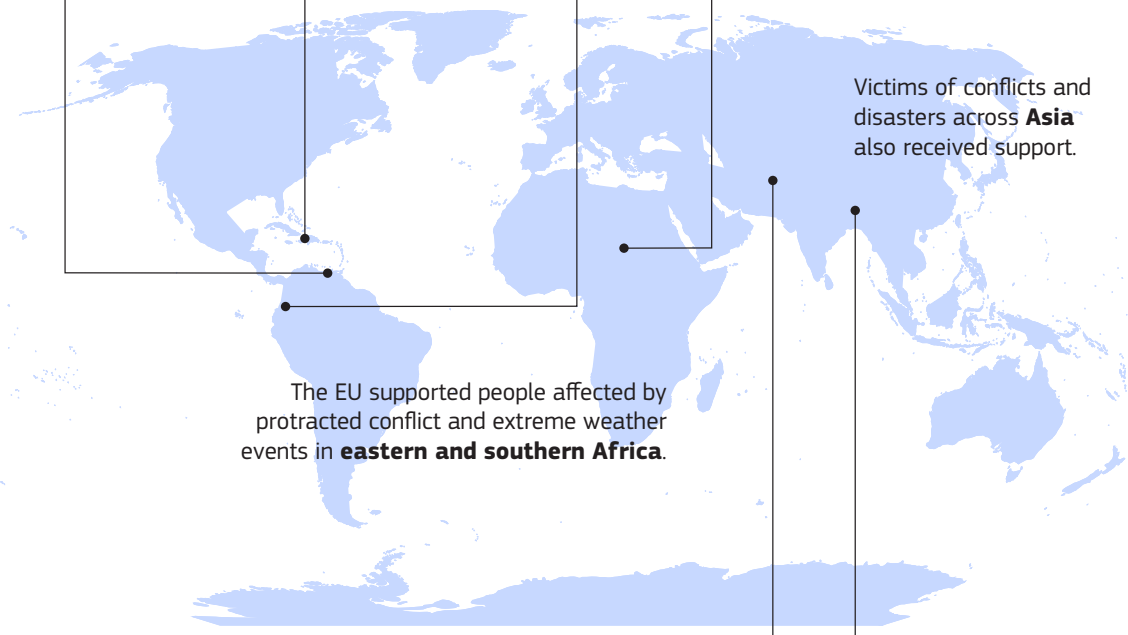
€214 million
Ukraine, the Western Balkans and the Caucasus

€205 million
Non-geographical allocations

In the **Americas**, the EU helped:

- deal with the humanitarian crisis in **Venezuela**;
- victims of conflict in **Colombia**;
- people affected by violence and crime in **Central America** and elsewhere;
- displaced people across the region;
- organise the first-ever **Humanitarian Air Bridge to Haiti** in 2024 in response to rising gang violence.

In the **Sahel** region, ravaged by conflict, climate crises and epidemics, the EU provided vital aid in the areas of malnutrition, displacement, health and education.



Victims of conflicts and disasters across **Asia** also received support.

The EU supported people affected by protracted conflict and extreme weather events in **eastern and southern Africa**.

In **Afghanistan**, where more than half of the population is in need of humanitarian assistance due to conflict, poverty and climate change, the EU provided critical aid both within the country and in neighbouring countries, focusing on food security, healthcare and protection.

In the midst of the escalating conflict in **Myanmar/Burma**, the EU helped meet the increasing needs of the local population and support Rohingya refugees in Bangladesh.

The European Humanitarian Response Capacity in 2024

16 crises addressed in 17 countries (Afghanistan, Burkina Faso, Chad, Cuba, Democratic Republic of the Congo, Haiti, Laos, Lebanon, Mali, Niger, Palestine, Rwanda, Saint Vincent and the Grenadines, Somalia, Sudan, Syria and Yemen).

The European Humanitarian Response Capacity supported Team Europe initiatives in 5 crises, cooperating with 8 Member States for joint operations.

93 chartered flights.

5 402 metric tonnes of aid transported (by air, sea and land).

16 683 passengers transported via EU Humanitarian Aid Flights.

3 warehouses opened.

817 tonnes of stock mobilised.

13 experts deployed.

Throughout 2024, the EU also organised various high-level events to maximise humanitarian impact. In March, the third European Humanitarian Forum was held in Brussels, Belgium, where the EU announced that it would allocate over €7.7 billion to global crises in 2024.

The following month, the EU, Germany and France co-organised an international conference on Sudan.

In April 2023, civil war had broken out in the country, leading to large-scale displacement and a severe humanitarian crisis. In response to the UN appeal in February 2024, international donors pledged more than €2 billion at the conference. This included almost €900 million from the EU and its Member States to support the civilian population in Sudan and refugees in neighbouring countries.

↓
Farchana in Chad is facing a humanitarian crisis caused by the influx of Sudanese war refugees and the effects of recurring natural disasters. More than 800 000 people now face acute food insecurity and are in urgent need of humanitarian aid. 28 and 29 April 2024.

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© MYOP for the EU

Continuing its commitment to tackling global humanitarian challenges, the EU chaired the high-level ministerial segment of the eighth Brussels Conference on supporting the future of Syria and the region in May. Participants emphasised the need for a peaceful political solution to the Syrian conflict and for continued financial support for those affected. The EU and its Member States pledged €3.8 billion in grants and remain the largest donor of aid to Syria. These funds are earmarked for the urgent needs of Syrians in Syria, refugees in neighbouring countries and their host communities.

Syria is now in its 13th year of crisis and faces humanitarian needs on an unprecedented scale. Approximately 7.2 million Syrians remain internally displaced, and the need for humanitarian assistance is at an all-time high. Women and children, who make up more than two thirds of the displaced population, are largely cut off from formal education due to the ongoing conflict.

© GOAL

↓
In the challenging landscape of rural Syria, EU-supported initiatives bring education to communities that have long been excluded from formal schooling. Here, children, many of whom have been displaced by the conflict, take part in learning activities that offer them a path to a better future. 27 January 2024.

© WeWorld-GVC

Helping others with disaster prevention, preparedness and response

The EU's commitment to shaping the future of global crisis management was made clear in June at the Civil Protection Forum and the Crisis Management Conference. This commitment resonates strongly with public opinion, which supports a unified disaster response.

In 2024, the EU took further steps to strengthen its Civil Protection Mechanism to better prepare for, prevent and respond to disasters across the EU and beyond (see Chapters 4 and 7).

94 %
of people in the EU think that Member States should provide help to other Member States hit by disaster.

91 %
think that Member States should provide help to non-EU countries hit by disaster.

90 %
think it is important that the EU help coordinate the response to disasters anywhere in the world.

90 %
agree that coordinated EU action in this area should be increased in the future.

Source: European Commission, Special Eurobarometer 541, February 2024.

↑
Janez Lenarčič, then European Commissioner for Crisis Management (third from left), at the eighth European Civil Protection Forum in Brussels, Belgium, 5 June 2024.

CHAPTER 9

Strengthening democracy

Introduction

In 2024, the European Union's institutions and bodies worked closely together to address the common interests of the EU and deliver results for its citizens. Efforts continued in relation to improving the EU's lawmaking process and reforming administrations so they are better prepared for the opportunities and challenges of a changing world. Work also advanced on building more resilient democracies across the EU by promoting free and fair elections, strengthening media freedom and countering disinformation. Achieving better results for citizens by improving EU rules is a shared objective, and is the responsibility of all the EU institutions and Member States. This includes empowering citizens to participate actively in the democratic process.

↑
Members of the European Parliament voting during a Parliament plenary session on a new EU media freedom law designed to protect journalists from political interference and to improve transparency on media ownership, Strasbourg, France, 13 March 2024.

Working together for a better future

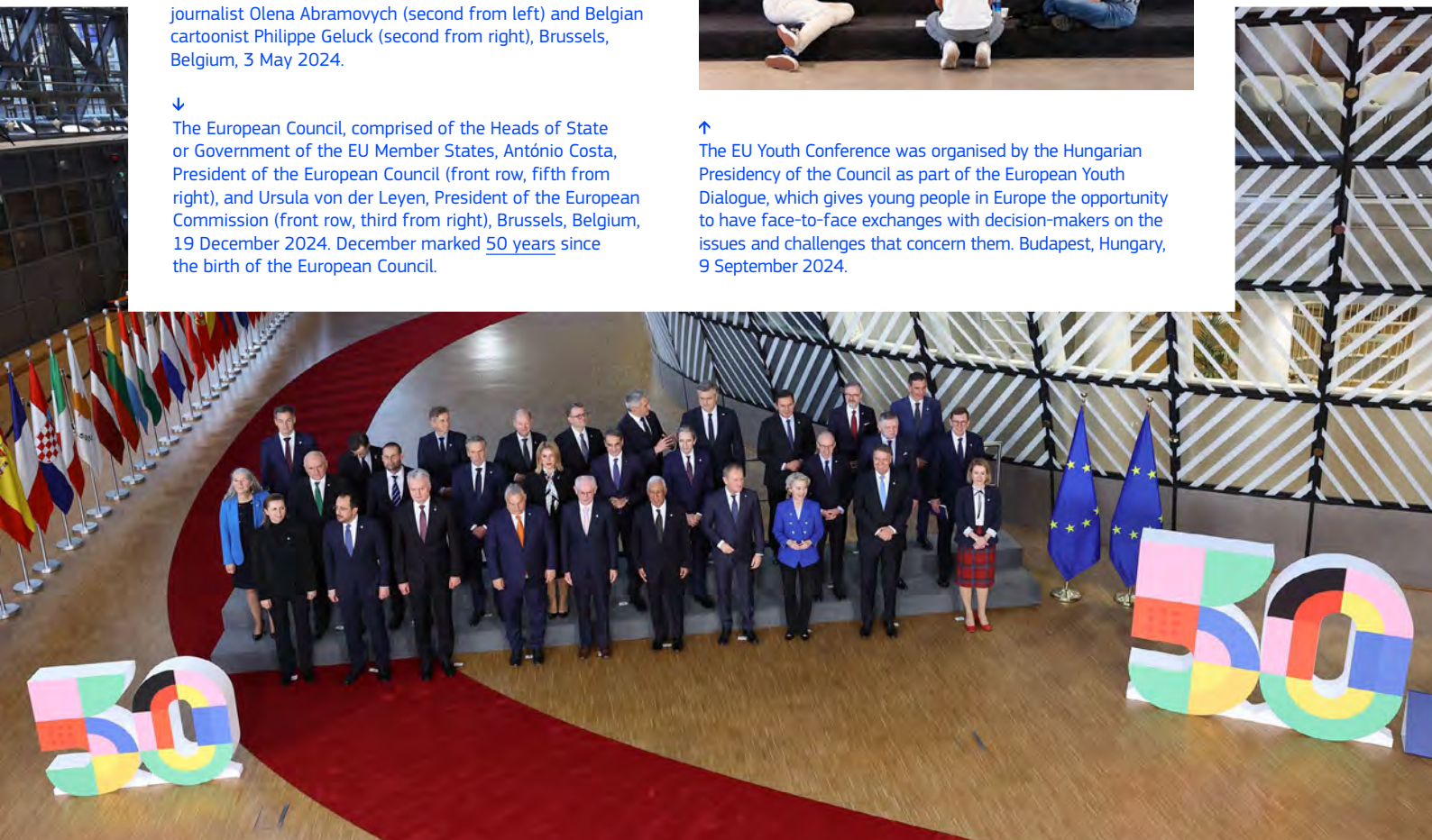
Strong institutions

The EU's institutional set-up is unique, and its decision-making system is constantly evolving. In principle, the European Commission proposes new laws in line with the political direction of the European Council, and the European Parliament and the Council of the European Union, as co-legislators, adopt them. The Member States then implement the laws, and the Commission ensures that they are properly applied. The work of these institutions is complemented by other institutions and bodies.

The presidency of the Council rotates between the Member States every six months. In 2024, the presidency was held first by Belgium and then by Hungary.

↗ A media freedom panel organised under the Belgian Presidency of the Council to mark World Press Freedom Day, with media expert Katrien Thienpont (right), Ukrainian journalist Olena Abramovych (second from left) and Belgian cartoonist Philippe Geluck (second from right), Brussels, Belgium, 3 May 2024.

↑ The EU Youth Conference was organised by the Hungarian Presidency of the Council as part of the European Youth Dialogue, which gives young people in Europe the opportunity to have face-to-face exchanges with decision-makers on the issues and challenges that concern them. Budapest, Hungary, 9 September 2024.



↓ The European Council, comprised of the Heads of State or Government of the EU Member States, António Costa, President of the European Council (front row, fifth from right), and Ursula von der Leyen, President of the European Commission (front row, third from right), Brussels, Belgium, 19 December 2024. December marked 50 years since the birth of the European Council.

The EU's institutional cycle begins anew every five years with the elections to the Parliament. These elections and the subsequent appointment of a new Commission are essential parts of the EU democratic process as set out in the treaties. In the last year of the 2019–2024 cycle, the EU institutions successfully delivered on their ambitious objectives set for that period, and prepared the ground for the smooth beginning of the new 2024–2029 political cycle (see Chapter 0).

The proper functioning of EU interinstitutional processes, including the involvement of the Member States' national parliaments and the EU's consultative committees and decentralised agencies, is key to the success of EU policymaking. In 2024, the European Economic and Social Committee and the European Committee of the Regions focused on enhancing their cooperation with civil-society actors and local and regional authorities in the EU candidate countries to prepare for a possible future enlargement of the EU. At the same time, the EU institutions continued their reflections on the reforms needed to help the EU become fit for the future, when it comes to both further enlargements and the need to respond to increasingly complex global challenges.

In June, a new decentralised agency was created to better protect EU citizens and the EU's financial system against money laundering and to counter terrorist financing. The Authority for Anti-Money Laundering and Countering the Financing of Terrorism is one of a number of agencies across the EU that contribute to the implementation of EU policies.

↑
PODCAST: A podcast discussing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism.

↑
VIDEO: 2024 marked the 30th anniversary of the European Committee of the Regions.

Strategic foresight

Strategic foresight supports the EU's forward-looking policymaking and strategic planning by exploring future trends that are likely to have a significant impact on the EU. It helps anticipate both risks and opportunities that will shape Europe's future. The 2024 global trends report – a joint project by nine EU institutions and bodies under the European Strategy and Policy Analysis System – outlines the key medium- and long-term trends and provides insights to EU leaders on the main strategic choices for the years to come (see Chapter 0).

During the year, the EU institutions strengthened their cooperation with the Member States on EU-level strategic discussions thanks to the EU-wide Foresight Network. Related to this are efforts to modernise public administrations across Europe, which continued in 2024 under the ComPAct initiative. In addition to helping Member States address skills gaps and deliver on the target of having 100 % of key public services accessible online by 2030, the initiative also aims to make public administrations less bureaucratic, faster in delivering services, more transparent and closer to the people. In 2024, the initiative also supported national and regional administrations (e.g. in Italy, Lithuania and Malta) in building foresight capacity and using foresight techniques to develop new policy approaches in areas such as health, social policy and education.

The EU institutions and bodies continued to invest in their foresight capacity. For instance, the European Economic and Social Committee established its internal strategic foresight framework, and the European Committee of the Regions strengthened foresight cooperation with interested regions. By anticipating emerging challenges and opportunities, these efforts ensure that policies are future-proof and will continue to improve the quality of life of current and future generations of citizens.

Good administration

Transparency, integrity and accountability are the key characteristics of a democracy based on the rule of law. They promote good governance and build trust in the policymaking process.

> The revamped DORIE (Documentation and Research on European Institutional Issues) database now allows users to search for documents on EU institutional matters in all official EU languages.

To further strengthen public trust in the EU institutions and bodies and to create a common culture of ethics, eight of them signed an agreement to establish an interinstitutional ethics body with a mandate to develop common standards for the ethical conduct of their members and to establish a formal mechanism for the coordination of ethical requirements.

↑
From left to right: Roman Schremser, Chief Compliance and Governance Officer of the European Central Bank, Alessandro Chiocchetti, Secretary-General of the European Parliament, Willem Van de Voorde, Ambassador and Permanent Representative of Belgium to the EU as Presidency-in-Office, Věra Jourová, then Vice-President of the European Commission in charge of Values and Transparency, Koen Lenaerts, President of the Court of Justice of the European Union, Tony Murphy, President of the European Court of Auditors, Oliver Röpke, President of the European Economic and Social Committee, and Luca Menesini, Vice-President of the European Committee of the Regions, at the signing ceremony for the creation of the interinstitutional ethics body, Brussels, Belgium, 15 May 2024.

The European Ombudsman is the body responsible for investigating complaints about maladministration in the activities of the EU institutions. In 2024, cases finding maladministration were very rare (around 5 %), and about three quarters of the Ombudsman's recommendations were successfully implemented.

Through its Better Regulation agenda, the EU also continued its work to ensure efficient and effective legislation and reduce administrative burdens without undermining policy objectives. The 'one in, one out' approach ensures that any newly introduced burden is offset by removing an equivalent burden in the same policy area. The approach complements the Regulatory Fitness and Performance programme, which seeks to systematically identify and remove red tape and unnecessary costs whenever EU legislation is revised and evaluated.

Efforts also continued to enhance the environmental performance of EU institutions, save energy and optimise the use of resources.

Making sure that EU rules are applied

The groundbreaking laws adopted during the 2019–2024 cycle, such as those helping the green and digital transformations of our societies, will only achieve their intended effects and benefits if they are fully implemented and properly applied. The Commission has the role of ensuring that this is done by all Member States in the first place through preventive measures and, if necessary, by opening infringement procedures. The purpose of an infringement procedure is to ensure that Member States correctly apply EU law. Particular emphasis is put on violations that affect many people or businesses. Where the identified breaches cannot be remedied, the Commission may refer the cases to the Court of Justice of the European Union, which may impose financial sanctions on the Member State in question.

2024 SIMPLIFICATION/ RATIONALISATION INITIATIVES		EXPECTED SAVINGS/BENEFITS
Simplification measures for farmers	→	€165 million reduction in administrative costs
Single portal for declaring the posting of workers	→	€259 million reduction in administrative burden
Simplified recognition process thanks to the Drinking Water Directive	→	€530 million in savings per year
Introduction of central register for small amounts of aid (*de minimis*) to reduce reporting obligations for companies	→	€120 million in savings per year
Support for sustainability reporting and due diligence	→	Prevention of a spillover effect on small and medium-sized enterprises and overcompliance

568 new infringement procedures were opened in 2024.

52 cases were referred to the Court concerning 19 Member States.

Financial sanctions were requested in 10 cases.

542 infringement procedures were closed.

93 % of them in the early stages of the procedure, saving time for people and businesses.

These measures will bring concrete benefits across different policy areas and result in better protection of consumer and citizen rights.

↑
Foreground, left to right: Maroš Šefčovič, then Executive Vice-President of the European Commission in charge of the European Green Deal, Interinstitutional Relations and Foresight, visiting the estate of Jonas Lemaire-Taelemans, a Belgian farmer, together with Peter Meedendorp, President of the European Council of Young Farmers, Lennik, Belgium, 9 January 2024.

The EU continued its work to prevent breaches from happening in the first place by providing early support to Member States on the implementation of EU law through practical guidance, meetings, training and technical assistance in all main policy areas. For example, through the Accele-RES initiative, the Commission helped Member States to implement the revised Renewable Energy Directive, facilitating the digitalisation of national permitting processes. This initiative includes financial and technical support, guidelines and regular exchanges on implementation.

2024 also saw increased efforts to improve cross-border law enforcement with a proposal for new rules against unfair trading practices in the agricultural sector. The rules will strengthen the position of the weakest actors in the supply chain, notably farmers (see also Chapter 4). It will do so by ensuring that enforcement authorities have the necessary tools to investigate, gather evidence and take measures against buyers located in another Member State.

The EU also continued funding the training of the judiciary and judicial staff in civil and criminal matters in line with the European Judicial Training Strategy. The strategy promotes joint training events for staff from several Member States to enable networking and enhance mutual trust. The aim is to strengthen cross-border judicial cooperation and ensure the standardised application of laws across the EU.

Safeguarding the rule of law and democracy

Upholding the rule of law

In an increasingly unstable and polarised world, it is vital that democracy, fundamental rights and the rule of law be proactively defended and upheld, in the EU and beyond. The 2024 Rule of Law Report, as a preventive tool, made an important contribution to this, showing that 68 % of the recommendations issued to Member States in 2023 had been fully or partially addressed. This reflects the significant efforts that are ongoing in the Member States to undertake the necessary reforms to strengthen the rule of law in key areas such as the justice system, the anti-corruption frameworks, media pluralism and freedom, and institutional checks and balances. The 2024 report was extended to four enlargement countries (Albania, Montenegro, North Macedonia and Serbia) to support their reform efforts. The report provides the basis for regular dialogue among ministers in the General Affairs Council and among Members of the European Parliament. The Commission is also organising national rule-of-law dialogues with stakeholders in the Member States.

↑
VIDEO: Collaborating on the Rule of Law Report.

Another important EU tool to protect the rule of law against breaches by Member States is the possibility to reactively trigger Article 7 of the Treaty on European Union. This procedure, which can ultimately result in the suspension of membership rights, was initiated against Poland in 2017 and Hungary in 2018. In 2024, the procedure was closed for Poland after the country introduced substantial measures to protect judicial independence and renewed its commitment to address the serious rule-of-law concerns through a dedicated action plan. This led the Commission to conclude that there was no longer a clear risk of a serious breach of the rule of law in Poland. The procedure remains open for Hungary.

Defending democracy

In a healthy and thriving democracy, citizens can freely express their views, choose their political leaders and have a say about their future. Democracy in the EU is strong, but it faces challenges, such as rising extremism; election interference; the spread of manipulative information; and threats against journalists, media freedom and pluralism. The defence-of-democracy package, adopted at the end of 2023, aims to address challenges such as foreign interference and to build resilience from within by encouraging civic engagement and democratic participation. A key element of the package is the proposal to enhance transparency and democratic accountability by shedding light on covert foreign influence. In 2024, the Parliament and the Council started discussing this proposal. The measures will also improve the functioning of the Single Market through common standards for interest-representation activities carried out on behalf of non-EU countries.

In addition, the package includes two recommendations: one to strengthen electoral processes in the EU and another to promote the inclusive participation of citizens and civil society in policymaking. In line with the first recommendation, a Code of Conduct for the 2024 European Parliament elections was developed and presented in April to ensure the integrity of the elections and fair campaigning.

The comprehensive checklist was agreed to by all European political parties, enhancing the efforts to prevent foreign interference and information manipulation.

Similarly, the new rules on the transparency of political advertising, adopted in March, will support accountability in the use of political ads, protect fundamental rights and help counter information manipulation and foreign interference in elections. Under the new rules, political adverts will need to be clearly labelled and must include information such as who paid for them and how much; to which election, referendum or regulatory process they are linked; and whether they are targeted.

In 2024, the EU continued to protect and promote human rights worldwide. For example, under the Human Rights and Democracy Thematic Programme (amounting to €1.5 billion), the EU supported the Global Initiative Against Impunity, a civil-society-led initiative against international crimes and serious human rights violations.

↑
Roberta Metsola, President of the European Parliament (middle), with Edmundo González Urrutia (left) and María Corina Machado's daughter Ana Corina Sosa (right), during the 2024 Sakharov Prize award ceremony, Brussels, Belgium, 17 December 2024.

The 2024 Sakharov Prize for Freedom of Thought – the highest tribute paid by the EU to human rights work – was awarded to María Corina Machado and President-elect Edmundo González Urrutia for their brave fight to restore freedom and democracy in Venezuela.

↑
The leader of Venezuela's democratic opposition, María Corina Machado, and the country's President-elect, Edmundo González Urrutia, won the 2024 Sakharov Prize. Puerto La Cruz, Venezuela, 10 July 2024.

Media freedom

Independent media act as a public watchdog, holding those in power accountable. They are a key pillar of European democracy and must be protected. The European Media Freedom Act, which entered into force in May, aims to better protect media and journalists against political interference and to ensure that they can operate more easily across borders. Most of its provisions will start to apply as of August 2025.

8 projects
funded through the Journalism Partnerships action of the Creative Europe programme.

€12 million
to support the resilience of the news media sector.

€6 million
earmarked for other projects to enhance media freedom and pluralism in the EU.

In April, the EU also adopted new rules to protect journalists and human rights defenders against abusive lawsuits meant to silence them. The rules aim to prevent unfounded or abusive legal actions, known as strategic lawsuits against public participation, or SLAPPs, that aim to silence those participating in public debate on matters such as fundamental rights, the environment and public access to information. For the first time ever, a system of powerful procedural safeguards for cross-border cases are in place. These safeguards will equip courts to deal with abusive litigation, and will also deter potential claimants from engaging in such practices. Work also continued on the implementation of the related Anti-SLAPP Recommendation, covering applicable frameworks, training, awareness raising and support mechanisms, along with data collection, reporting and monitoring.

Countering information manipulation

The EU institutions are strengthening their response to disinformation and to foreign information manipulation and interference targeting EU policies and European democracy.

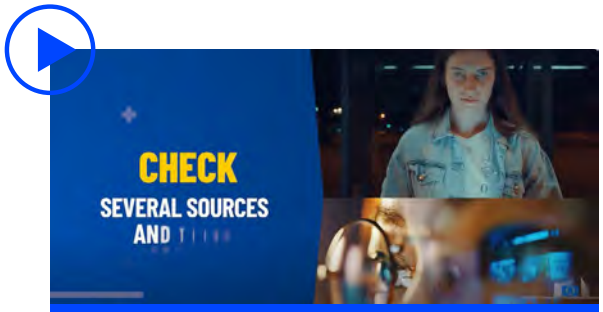
Action is centred around four key areas:

1. developing policies to strengthen European democracies, making it more difficult for disinformation actors to misuse online platforms and protecting journalists and media pluralism;
2. countering foreign interference and cyberattacks through awareness-raising projects, advanced technological solutions and improved coordination;
3. building societal resilience against disinformation through media literacy and awareness raising;
4. cooperating with institutions, national authorities, civil society and other organisations.

In 2024, efforts included raising situational awareness via the Integrated Political Crisis Response mechanism and dedicated campaigns targeting citizens.

With half of the world's population having the opportunity to go to the polls in 72 countries in 2024 – the biggest election year in history – particular focus was placed on strengthening awareness raising and protecting election integrity, especially linked to the European elections in June.

The European Cooperation Network on Elections held a number of events to exchange practices to combat disinformation.



Ahead of the European elections, the Commission launched a joint communication campaign with the European Regulators Group for Audiovisual Media Services to inform citizens about the related risks, encouraging critical thinking and providing practical tips on how to spot and tackle disinformation.

↑
VIDEO: Decode the lies – how to safeguard yourself against deceptive content during the EU election season.

In March, the Commission published guidelines on recommended measures for very large online platforms and search engines to mitigate systemic risks that may impact the integrity of elections. A post-election report published in July found no evidence of any major disinformation or foreign interference in the European elections. A comprehensive report on the elections will follow in 2025.

The major online platforms and signatories to the Code of Practice on Disinformation reported on the measures they had taken to protect the integrity of the European elections. These included requiring advertisers or creators to clearly label any image, video or audio file that had been digitally created or altered; cooperating with fact-checking organisations; promoting high-quality and authoritative information to voters; and developing targeted media literacy and pre-bunking campaigns.

During the year, the Commission renewed its support for important initiatives to counter disinformation, namely the European Digital Media Observatory hubs. The observatory and its hubs played a key role in monitoring and exposing disinformation campaigns, raising awareness and promoting media literacy in advance of the European elections.

The EU continues to support Ukraine's information resilience and outreach towards global partners, notably to promote Ukraine's Peace Formula.

To do this, the EU uses a whole-of-society approach, working with government institutions, civil society, media organisations and online platforms. To help curtail the reach of Russian information manipulation and propaganda, the EU has suspended the broadcasting activities of numerous Russian state-owned and pro-Kremlin disinformation outlets. With the entry into force of the Digital Services Act, providers of very large online platforms and search engines need to evaluate the potential societal risks posed by their services. These include threats to freedom of expression and the risk of their services being used for disinformation campaigns.

Regular exchanges on the Ukraine war continue with signatories to the EU Code of Practice on Disinformation. The European Digital Media Observatory and its national and regional hubs continue to monitor and debunk war-related disinformation, including tracking its share of the total volume of disinformation circulating in the EU. This is complemented by wider efforts to fight disinformation, such as the EUvsDisinfo campaign, which is estimated to have reached over 20 million people in 2024, and with the Rapid Alert System, which facilitates the sharing of insights relating to disinformation campaigns and helps coordinate responses.

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↑
Protesters calling on social media firms to do more to counter Russian disinformation over its war of aggression in Ukraine, Dublin, Ireland, 2 March 2022.

Empowering citizens

The EU is committed to listening closely to citizens and stakeholders and opening up policymaking processes to the public. This is another way to help the EU become more transparent, accountable and effective. The Have Your Say hub offers citizens and stakeholders access to the three main channels for citizen engagement: public consultations and feedback; the European Citizens' Initiative; and the European Citizens' Panels. As of 2024, citizens can also actively engage with one another, civil society and other stakeholders via the Citizens' Engagement Platform.

Citizen engagement in 2024

27 PUBLIC CONSULTATIONS LAUNCHED.

FEEDBACK ON:

- **60** calls for evidence documents,
- **12** legislative proposals,
- **131** draft implementing and delegated acts.

11 NEW CITIZENS INITIATIVES REGISTERED.

They called for action in various areas: agriculture; food and water security; safe abortion; consumer rights of video gamers; etc.

↑
A still from one of the winning entries for the ImagineEU video competition. The competition invited secondary schools to promote democratic participation and the European Citizens' Initiative, which enables citizens to invite the Commission to submit a proposal for a legal act if enough citizens support the initiative.

30 000 REPLIES/COMMENTS RECEIVED FROM CITIZENS AND INTERESTED PARTIES.

2 EUROPEAN CITIZENS' PANELS ON:

- **how to tackle hatred in society**, resulting in 21 recommendations;
- **how to bring benefits of energy efficiency to citizens, public authorities and enterprises**, resulting in 13 recommendations.

Both sets of recommendations will contribute to shaping future EU initiatives.

↑
Some of the 150 randomly selected citizens participating in the European Citizens' Panel on Energy Efficiency, Brussels, Belgium, 14 April 2024. The Citizens' Panels are becoming a regular feature of democratic life in the EU. Special care is taken to ensure that they are representative of the EU population and diverse enough to reflect a wide variety of perspectives and opinions.

The EU Prize for Citizen Science connects science with society, encourages public involvement and builds trust in scientific progress. In 2024 it was awarded to three projects, focusing on marine pollution, agricultural biodiversity and mental health.

Grand Prize, €60 000

INCREASE, for advancing knowledge on seed preservation through the empowerment of civil society and citizens, in particular in rural areas.

Digital Communities prize, €20 000

CoAct for Mental Health, for its use of digital technologies to develop a personalised approach and improve quality of life for people facing mental health problems.

Diversity & Collaboration prize, €20 000

SeaPACS – Participatory Citizen Science against Marine Pollution, for producing transformative knowledge that filled the existing cognitive and emotional gaps between society and the sea.

EMPOWERING CONSUMERS

Thanks to the EU's consumer protection rules, consumers are well protected and entitled to receive clear information on the products and services they are buying. As of 13 December, new rules ensure that all non-food products on the EU market are safe by design. The new rules seek to address major societal and market changes that have affected consumer product safety in the past two decades and to better ensure that all kinds of products are safe, whether they are sold offline or online. Furthermore, new rules will empower consumers for the green transition, allowing them to choose longer-lasting and more repairable products (see Chapter 4).

EMPOWERING CHILDREN AND YOUNG PEOPLE

To become active citizens, young people need to understand how democracy works and what their rights and responsibilities are. They also need to be given specific tools to engage with decision-makers. With this in mind, the Youth Policy Dialogues and the Youth Sounding Board offer the possibility for young adults to make their voices heard, while the EU's Children's Participation Platform provides a safe space for 10–17-year-olds to have their say on the European laws and policies that concern them. In 2024, more than 1 000 children were actively consulted on the Recommendation on Integrated Child Protection Systems.

During the year, the EU announced 60 measures that will give young people a greater say in the decisions that affect them and deepen the youth dimension in a range of EU policies. One of these measures is the 'youth check' to ensure that the impact on young people is systematically factored in when designing new EU policies.

Citizens of all ages and backgrounds should play a leading and active part in setting the priorities for and the level of ambition of the EU's policies. The more they participate in designing policy, the more effective and efficient EU laws will be in making a difference to people's lives. This is why the EU institutions have been actively working on giving Europeans a stronger role in EU policymaking, and will continue to do so under the new political cycle (see Chapter 0).

↑
Margaritis Schinas, then Vice-President of the European Commission in charge of Promoting our European Way of Life (first from right), hosting a Youth Policy Dialogue on the European Way of Life, underscoring the EU's commitment to promoting democracy, human rights and solidarity, Brussels, Belgium, 9 April 2024.

What do children think about democracy?

CHILDREN AND TEENAGERS WOULD LIKE:

- **a bigger role in influencing decisions that directly affect their lives;**
- **more information about the democratic process and encouragement to take part in it.**

Source: Survey on democratic participation, spring 2024.

1 921 children from 23 Member States answered the online survey.

28 children and 3 young activists were interviewed.

122 children participated in focus groups.

Getting in touch with the EU

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