

WHAT'S NEW IN EUROPE?

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With this brief summary, CEMBUREAU, the European Cement Association, aims to update its broader membership on a monthly basis on relevant developments in Europe. We very much appreciate input and comments at aj.johnson@cembureau.eu

- **Status of BREXIT:**

- **Timing:** on 29 March, the UK Government has notified the European Council of its intention to withdraw from the European Union in accordance with Article 50 of the Treaty on the Functioning of the EU. As a reminder, the EU Treaties will cease to apply to the UK once the withdrawal agreement enters into force or, failing that, two years after the notification date (unless extended by the remaining 27 Member States). The UK remains a full EU Member until that moment.
- **Procedure:** it is the European Council (27 Member States) that drives the political process and it will adopt Guidelines for the negotiations on 29 April 2017. The Council will then appoint the European Commission as negotiator for the EU and the latter will report regularly to both Council and European Parliament. At the end of the negotiations, the European Parliament will need to give its consent to the withdrawal agreement after which it is concluded by the European Council. See the process [here](#).
- **Some of the main discussion points and positions:**
 - ✓ **Legal certainty:** both the EU and the UK emphasize the need to avoid a legal vacuum for people and businesses; in its [positioning document](#), the UK Government refers to the Great Repeal Bill (further explained [here](#)) which will (i) withdraw the European Communities Act which gave effect to EU law in the UK and gave supremacy to EU law; (ii) convert EU law as it applies to the UK into UK law and (iii) create powers to adopt secondary legislation that allows to adapt the converted law to the UK situation.
 - ✓ **Free movement of people:** this will be one of the thorniest issues in the negotiations: the UK wants to continue to attract international talent but, at the same time, wishes to better control immigration; it is now assessing the impact on several economic sectors and the labor market; the fate of EU nationals in the UK (2.8 million people) and of UK nationals in the EU (1 million people) will be part of that discussion which both sides have agreed to tackle early on.
 - ✓ **Internal market:** the UK does not seek continued membership of the internal market (specifically because of issues on the free movement of people) but is looking for a “*new strategic partnership*” including a Free Trade Agreement and a new Customs Agreement. The UK’s view that it may be possible to “*take in some elements of current Single Market arrangements in certain areas as it does not make sense to start again from scratch*” may meet with opposition from the EU side which always considered the four freedoms (goods, persons, services and capital) as an undivided whole with no possibility of “cherry-picking”;
 - ✓ **Trade:** the UK will seek to conclude trade agreements with its major trading partners (US and increasingly South Korea, China, Brazil and Mexico) but the EU holds a firm stance that such trade negotiations with third countries or even individual EU countries cannot be initiated before the UK leaves the EU;
 - ✓ **Research and innovation:** the UK wants to maintain a strong research and innovation focus and reassures companies and researchers that they can continue to bid for EU research funding as long as the UK is in the EU and HM Treasury has committed to underwrite payments even after the departure of the UK from the EU. Recent press reports on the European Commission asking the right to cancel contracts when the supplier is not based in the EU may cast doubt on the ability of UK companies to bid for EU contracts.

- **White Paper on the Future of Europe:**

Starting from the finding that “*there is still support for the European project but it is no longer unconditional*”, President Juncker of the European Commission has set out five possible scenarios for the future of the European Union by 2025. You find a summary table of these scenarios in annex with more details on each of the options in the full version of the White paper which will now be discussed by the EU Member States.

ANNEX: Five scenarios offering a glimpse into the potential state of the Union by 2025

	<p>Carrying On <i>The EU27 focuses on delivering its positive reform agenda</i></p>	<p>+</p> <p>+</p> <p>-</p> <p>-</p>	<p>The positive agenda of action continues to deliver concrete results</p> <p>The unity of the EU at 27 is preserved</p> <p>The unity of the 27 may still be tested in the event of major disputes</p> <p>The gap between promise and delivery will only progressively be closed if there is collective resolve to deliver jointly</p>
	<p>Nothing but the Single Market <i>The EU27 cannot agree to do more in many policy areas beyond key aspects of the single market</i></p>	<p>+</p> <p>-</p> <p>-</p>	<p>Decision-making may be simpler to understand</p> <p>It becomes harder to address issues of concern to more than one Member State and therefore the gap between expectations and delivery widens on common challenges</p> <p>Citizens' rights guaranteed under EU law may become restricted over time</p>
	<p>Those Who Want More Do More <i>The EU27 proceeds as today but allows willing Member States to do more together in specific areas</i></p>	<p>+</p> <p>+</p> <p>-</p> <p>-</p>	<p>The unity of the EU at 27 is preserved while progress is made possible for those who want more</p> <p>The gap between expectation and delivery closes in countries who want and choose to do more</p> <p>Questions arise about the transparency and accountability of the different layers of decision-making</p> <p>Citizens' rights guaranteed under EU law vary depending on where people live</p>
	<p>Doing Less More Efficiently <i>The EU27 focuses on delivering more and faster in selected policy areas not acting in where it is perceived not to have an added value</i></p>	<p>+</p> <p>+</p> <p>-</p>	<p>European citizens feel that the EU is only acting where it has real added value</p> <p>A clearer focus of resources and attention on a number of selected domains helps the EU27 to act faster</p> <p>The EU at first has difficulty in agreeing which areas it should prioritise</p>
	<p>Doing Much More Together <i>Member States decide to do much more together across all policy areas</i></p>	<p>+</p> <p>+</p> <p>-</p>	<p>There is far greater and quicker decision-making at EU level</p> <p>Citizens have more rights under EU law</p> <p>Parts of society which feel that the EU lacks legitimacy or has taken too much power away from national authorities risk being alienated</p>

- Market opportunities created by EU Funds in Member States:**

	Project	Amount funded	Press release
	Renovation Olomouc railway station	EUR 17.2 million	See EC press release
	Building 13,000 affordable housing units (Aix-Marseille-Provence)	EIB loan EUR 500 million	See EIB press release
	Infrastructure works (metro, tramway, tunnels, ringroad, sewage network, highways)	EUR 1,580 million	See EC press release
	Upgrade 14 regional Greek Airports	EIB loan EUR 280 million (European Investment Fund)	See EIB press release
	Refurbishment of 9,000 apartments to higher energy efficiency standards	EUR 90 million EIB loans	See EIB press release
	Infrastructure: water reservoir (185 cubic meters) + dams and flow channels on River Odra	EUR 76 million (Cohesion Fund)	See EC press release
	Infrastructure: railway modernisation on Warsaw-Lublin route	EUR 91 (Cohesion Fund)	See EC press release
	Infrastructure: Krakow Ring Road	EUR 93 million (loan European Investment Fund)	See EC press release
	Sustainable construction: construction of two "nearly zero-energy buildings"	EUR 75 million EIB loans	See EIB press release
