# **European Commission Work Programme 2023 - Scottish Government Commentary**

# European Commission Work Programme 2023 – Scottish Government Commentary

# **Executive Summary**

This paper describes the key features of the European Commission's 2023 Work Programme (CWP) - A Union standing firm and united and sets out the Scottish Government's (SG) priorities under the CWP six headline ambitions - A European Green Deal, A Europe fit for the Digital Age, An Economy that Works for People, A Stronger Europe, Promoting our European Way of Life and A New Push for European Democracy.

Scotland welcomes the Commission's focus on accelerating the green and digital transition to an economy that works for everyone. This aligns closely with our ambitions for a fair and just transition to a digital, net zero wellbeing economy and society. We recognise the importance of standing firm and united behind the key principles that define both the EU and Scotland as a nation, including human dignity, freedom, democracy, equality, the rule of law and respect for human rights.

Scotland remains a proud European nation and the UK's departure from the European Union (EU) will not change our commitment to the EU or the EU's importance to Scotland. We will continue to be a voice in favour of mutually beneficial co-operation and will seek to align with the EU where appropriate and contribute to EU priorities underpinned by the values we share.

# **European Commission Work Programme**

The European Commission set out its priorities for 2023 in the Commission Work Programme (CWP) - A Union standing firm and united, published on 18 October 2022. This included a list of future legislative and non-legislative proposals to take forward the priorities set out in the European Union (EU)'s Strategic Agenda, helping stakeholders and the other EU institutions plan their work with the Commission.

This paper sets out the Scottish Government's (SG) high level commentary on the CWP, highlighting opportunities for alignment where this might be possible, meaningful and within our interest, in line with Scotland's priorities. We recognise that many proposals set out in the CWP are under active development and we will continue engaging with our European partners and monitoring further developments where appropriate.

The context for this SG commentary is that Scotland remains a proud European nation. The UK's departure from the European Union (EU) will not change our commitment to the EU or the EU's importance to Scotland. We will continue to be a voice in favour of mutually beneficial co-operation to help mitigate the impact of Brexit in Scotland and to build the strongest possible relationship between the European Union (EU) and Scotland and indeed the UK.

This SG believes the best future for Scotland is to be an independent country and member of the EU, achieved through an agreed constitutional, legal process. Until that point in time, we will maintain alignment where possible with the EU through policy making and primary and secondary legislation, including the powers granted under the UK Withdrawal from the European Union (Continuity)(Scotland) Act 2021.

Consistent with this commitment, Scotland will seek to align with the EU where appropriate and in a manner that contributes towards maintaining and advancing standards across a range of policy areas, safeguarding the prosperity and wellbeing of the people of Scotland and maintaining Scotland's inclusive, outward-facing reputation.

The priorities outlined in the CWP map across our own ambitions and plans as set out in Scotland's <u>National Performance Framework</u> (NPF), SG's <u>Programme for Government</u> and the First Minister's <u>vision for Scotland</u>. The NPF is firmly rooted in the international framework of the UN Sustainable Development Goals and aligned with the EU's agenda. These priorities will also feed into and shape our engagement approach with European partners over 2023.

#### **European Union Strategic Agenda 2020-2024**

The SG published <u>Scotland's perspective</u> on the European Council's <u>Strategic Agenda for 2019-2024</u> and the <u>vision</u> set out by Ursula von der Leyen for the new European Commission in January 2020, setting out how Scotland sees the EU strategic priorities and how and why they matter for Scotland. We set out our aspirations for Europe and how Scotland will contribute to these in 2020-2024 including:

• Embodying progressive, democratic values on the world stage;

- Rising fully to the challenges presented by the global climate emergency;
- · Actively promoting the wellbeing of all of society; and
- Helping create smart economies which thrive by the intelligent and humane use of new technologies.

# How we engage

We have also set out our engagement approach to ensure that Scotland remains an active, competent and constructive participant on EU matters, including proactive and constructive engagement with the EU institutions.

As part of this engagement, the aforementioned EU Strategic Agenda 2020-2024 document is provided to each incoming presidency country alongside a new ministerial foreword which considers the priorities of each presidency and defines how Scotland can promote and work towards the presidency's goals and themes, whilst reaffirming Scotland's pro-European position and plans for future engagement.

# **European Commission's 2023 Priorities**

The European Commission's headline ambitions highlighted in the CWP 2023 include:

- A European Green Deal
- A Europe fit for the Digital Age
- An Economy that Works for People
- A Stronger Europe
- Promoting our European Way of Life
- A New Push for European Democracy

#### A European Green Deal

In the face of climate emergency and the new geopolitical context to global energy supplies, the Commission recognises that accelerating green transition is now of the utmost importance and urgency. The Commission will propose a reform of the EU's electricity market and the creation of a new European Hydrogen Bank to help rapidly scale up the EU's green hydrogen economy. The Commission will also take action to reduce waste and the environmental impact of waste, with particular focus on food and textiles; overhaul the EU's animal welfare laws to broaden their scope and ensure a higher level of animal welfare in response to the 'End the Cage' initiative identified at the Conference on the Future of Europe; and finally the EU has signalled its intention to revise the legislation on registration, evaluation and authorisation of chemicals (REACH) following consultation with key stakeholders.

The work programme also includes measures to green Europe's transport network and bring forward legislation on new genomic techniques.

#### Scotland's priorities

The SG warmly welcomes this key priority. Scotland is committed to reducing greenhouse gas emissions through a <u>Just Transition</u> to a net zero economy and

society, ensuring the journey is fair and creates a better future for everyone. We have already made progress, including extending free bus travel to young people and establishing the nature restoration fund but we know we need to continue to step up delivery and integrate these priorities across the work of government. This will be driven forward through the new climate plan and biodiversity strategy, supported by our legislative programme which includes the introduction of the Circular Economy Bill, enabling us to advance a zero waste and circular economy by increasing reuse and recycling rates, and improving waste and recycling services, and the Wildlife Management (Grouse) Bill, both in 2022- 23.

# **Hydrogen**

The SG published the <u>Hydrogen Action Plan</u> (HAP) in December 2022 and the <u>draft</u> Energy Strategy and Just Transition Plan on 10 January 2023, proposing a route map of actions we will take to deliver a flourishing net zero energy system that supplies affordable, resilient and clean energy to Scotland's workers, households, communities and businesses. In 2023, successful funding applications to the Hydrogen Innovation Scheme will be announced and Renewables Export and Hydrogen Export Plans will be published in 2023/24. These will outline how SG will use its trade and investment levers to support the development of an international market for Scotland's renewables and hydrogen sectors. Hydrogen produced in Scotland could play a significant role in supplying the growing international demand, including in the EU. The opportunity for Scottish businesses extends beyond the trade of hydrogen or hydrogen-derived products and includes the opportunities to increase trade in goods and services across the hydrogen supply chain. Working through our global network of trade and investment offices, SG will promote plans for the export of hydrogen as well as international trade opportunities for Scottish hydrogen companies.

Our ambitions set out in the above publications and initiatives align with and support the EU's ambition to scale up the production, import and use of hydrogen. Where the EU set an ambition to import 10 million tonnes of hydrogen by 2030, our HAP set an ambition for Scotland to be a leading producer and exporter of hydrogen and hydrogen derivatives for use in the UK and in Europe. We will progress the Memoranda of Understanding we have signed with partners in Northern Europe to enable us to build on potential renewable hydrogen trade links and engage on the development of our domestic hydrogen sectors and the global hydrogen economy. Where international regulatory barriers are identified, SG will utilise mechanisms within our competence to help reduce trade barriers. We will seek opportunities for regulatory cooperation with like-minded trading partners to support Scottish exports of hydrogen, including opportunities for Scottish expertise to inform the development of international hydrogen related regulations and standards.

We will seek to ensure the UK's standards, regulations and certification schemes support the needs of Scotland's hydrogen sector and are strategically aligned with Scotland's priority export partners. Where mechanisms for international regulatory cooperation are reserved, we will ask the UK Government to prioritise cooperation with like-minded trading partners, including the European Commission, to facilitate the smooth international trade of hydrogen and renewable energy sources.

#### Animal Health

Protecting our high standards in animal and plant health and welfare is key to our health and wellbeing as well as Scotland's economy and we will continue to align with any protective EU measures that are appropriate for Scotland. For example, we have made commitments to consult on phasing out cages for laying hens and farrowing crates for pigs and we will continue to closely monitor other proposed improvements in EU animal welfare legislation.

# New genomic techniques

Scotland's GMO (genetically modified organisms) <u>regulations</u> remain in alignment with the EU regulations currently in place, including in their treatment of new genomic techniques. However, regulations in England on similar technologies are diverging (via the Genetic Technology (Precision Breeding) Act and this may have impacts on Scotland. We will continue observing the Commission's movement on new genomic techniques with interest and look forward to further information on their proposed legislation.

#### Soils

We also welcome the Commission's focus on healthy soils which are central to storing, sequestering, and regulating carbon, and are a key component of many Scottish policies, for example, our Vision for Agriculture and National Test Programme, Climate Change Plan, National Planning Framework 4, Scottish Biodiversity Strategy, and Land Use Strategy.

#### Waste

The SG is aligned with the EU commitment to halve food waste at the retail and consumer level by 2030. We committed to this target as part of our work with the Courtauld 2030 Commitment where we have access to, and engage with, the UK's biggest food and drink businesses, other devolved governments, and best practice research and interventions on food waste reduction. However, our immediate focus is our target to reduce food waste by 33% by 2025 and we aim to publish a cocreated action plan this year which will work for and benefit stakeholders, businesses and householders to review their behaviours and make better-informed decisions to reduce food waste.

The SG is also aware of the negative environmental impacts of current fast fashion culture - textile waste makes up just 4% of household waste but 31% of the carbon impacts. This is why we launched the <u>Circular Textiles Fund</u> (CTF) in June 2022 designed to help reduce the environmental impact of textiles and throwaway culture, and to support the development of circular supply chains in Scotland.

This year we will be bringing forward a Circular Economy Bill to establish the legislative framework to support Scotland's transition to a zero waste and circular economy, significantly increase reuse and recycling rates, and modernise and improve waste and recycling services. We will also be publishing a Waste Route Map later this year which sets out how we intend to deliver our system-wide, comprehensive vision for Scotland's circular economy.

#### Marine

We also continue to actively monitor a range of developments in marine and fisheries policy making in the EU – particularly in relation to actions being taken to deliver priorities such as European Green Deal, Biodiversity Strategy for 2030 and the REPowerEU Plan. Scotland shares the EU's commitment to enhancing protection and sustainable use of marine species and habitats, tackling climate change and marine biodiversity loss, and to accelerating the transition to secure renewable energy, and will continue to align with – or go beyond – EU outcomes on these priorities wherever possible.

# **REACH**

We have agreed with the other UK Appropriate Authorities for UK REACH (UK Government (UKG) and Welsh Ministers) that we will keep the proposals for EU REACH reform under review, and consider these further as they become clearer during this EU Presidency. The SG is feeding into a Chemicals Strategy being developed by the UKG; we believe this should be used to prioritise actions that will drive the most important improvements for environment and human health protections, and that these should include a commitment to consider necessary changes to regulation which, as well as improving protections, will help alleviate divergence with EU REACH.

# A Europe fit for the Digital Age

The Commission's proposals have reinforced the commitment to accelerate the digital and green transition in tandem, driving efficient economy while minimising environmental impact of digitalisation. This includes proposals to introduce an EU Critical Raw Materials Act, to ensure an adequate and diversified supply for Europe's digital economy as well as its green transition, prioritising re-use and recycling. Other proposed measures include a common European mobility data space and EU regulatory framework for hyperloop as well as tools on developing open human-centric virtual worlds and tools to fight illegal streaming of live events. The Commission will also look to strengthen the single market by expanding and upgrading the use of digital tools and processes in company law to simplify existing procedures and facilitate cross-border expansion of companies and ensure stable regulatory environment by introducing a patent licensing package, as well as revising the late payments Directive to reduce burden on SMEs. Crucially, 2023 will be the European Year of Skills, recognising the importance of reskilling and upskilling workforce to deliver the digital and green transition in a fair way.

#### Scotland's priorities

We will continue to support enhancements to Scotland's digital infrastructure – by incentivising commercial deployment, targeting our own SG investment through for example the Reaching 100% (R100) broadband roll out and Scottish 4G mobile infill (S4GI) programme - and urging the UK Government to extend gigabit and mobile networks to some of our most rural and island communities, given telecommunications is an entirely reserved matter.

The Connecting Scotland programme aims to ensure that everyone in Scotland has access to digital services by providing access to devices, connectivity, skills and

support. The programme has brought a total of 60,000 digitally excluded people online since its launch in 2020. The new Connecting Scotland Programme is due to be re-launched in Summer 2023.

The SG is committed to increasing digital participation and ensuring that all of Scotland is able to enjoy the social, cultural and economic benefits of a digital society. An expert academic group has considered the key issues on digital ethics and made recommendations in their report, "Building Trust in the Digital Era: Achieving Scotland's Aspirations as an Ethical Digital Nation" (Nov 2022). The report represents the completion of the first stage of our actions.

The SG ambitions on data sharing are aligned with EU Agenda For Data Mobility and we will facilitate timely access to public sector data for innovation and research, in ethical, trustworthy ways, aligned with EU data protection standards. Our Unlocking the Value of Data (UVOD) programme is addressing challenges and blockages to data access and use, to enable businesses to innovate in the public interest and we are working with the UKG and partner organisations across the Scottish Public Sector on the implementation of the Digital Economy Act 2017 (DEA) to ensure that current data sharing legislative frameworks are properly understood and the highest safety and security standards are maintained. The SG is facilitating the use of the data sharing powers in the Digital Economy Act 2017 by providing organisations with the necessary confidence to share personal data in compliance with data protection law.

As set out in our Vision for Trade, the SG believes that digital trade should balance economic and social considerations, upholding data protection and digital rights. Our Export Growth Plan, A Trading Nation, identifies competitive advantages for Scotland in digital, tech, media and e-commerce. Scotland's approach to digital trade will aim to maximise these advantages, enabling more digital trade in both goods and services by reducing barriers to trade as well as restrictions to digital services (e.g. certain data localisation and source code disclosure requirements; web filtering or taxes on digital transactions).

We will ensure that Scottish digital sector companies are fully aware of opportunities that may exist through FTAs and that they are able to take advantage of these. In our Technology Sector Export Plan, we have set out our aim to work collaboratively across the technology ecosystem to support companies and industries to build export capacity and capability. We will work towards increasing the volume of engagement between our Trade Envoys and GlobalScots and technology companies. The focus of implementing our Inward Investment Plan will include key digital sectors: Software & IT, Digital Financial Services and Digital Business Services.

We will take advantage of opportunities from digital trade while boosting the international recognition of Scotland as an ethical digital nation. Our approach to digital trade will be set in a context of good regulatory practice and international regulatory cooperation. The SG opposes any FTA provisions and UK-level policy reforms which could threaten data adequacy with the EU.

#### Skills

As part of our National Strategy for Economic Transformation, which sets out our vision for the transition to a fairer, greener wellbeing economy, we have commissioned an independent review of the skills landscape which will report in 2023. The review will focus on the skills functions of Scotland's national public bodies including Skills Development Scotland (SDS) and the Scottish Funding Council (SFC), including the design and delivery of apprenticeship programmes, regional and sectoral skills planning, and employer engagement.

#### Late payments

Regarding late payments proposals, we will consider the recommendations from the Commission following their recent <u>consultation</u>. We are also closely monitoring the current UKG's payment and <u>payment and cash flow review</u> which will involve both public consultation on payment reporting regulations and a statutory review of the effectiveness of the Small Business Commissioner's office.

# **An Economy that Works for People**

In light of the illegal Russian invasion of Ukraine, the Commission is in the process of reviewing its trade and investment approach to strengthen its economic security, including revising the foreign direct investment (FDI) screening regulation. In reinforcement of the European Social Market economy model and the Social Rights Action Plan, the Commission will also present proposals for digitalisation of social security systems and social safety nets in support of labour mobility and update the framework for quality traineeships to promote fair remuneration and access to social protection, to boost Europe's social resilience.

# Scotland's priorities

Scotland's Vision for Trade sets out the five principles that underpin the Scottish Government's trade decisions and relationships: inclusive growth, wellbeing, sustainability, net zero and good governance. Making the transition to a Wellbeing Economy is a top priority for the SG. This means building an economy that operates within safe environmental limits, and which serves the collective wellbeing of current and future generations first and foremost, and incorporates the internationally recognised Community Wealth Building (CWB) practical approach to economic development. Our wellbeing economy approach includes sustainable, inclusive economic growth for a purpose, to drive improved living standards, promote wellbeing, reduce poverty, and deliver sustainable high quality public services. Our economic transformation aims to fundamentally reshape our economy, delivering a just transition to a net zero, nature-positive economy based on the principles of equality, prosperity, sustainability and resilience.

As part of a wider commitment to maximising incomes, the SG is exploring opportunities to automate social security payments, ensuring we minimise as far as possible any burdens and maximise uptake across all devolved benefits.

We welcome the Commission's focus on fair remuneration and remain committed to the vision for Scotland to be a leading Fair Work nation by 2025. For those who are able to work, paid employment offers a sustainable route out of poverty. That is why payment of, at least, the Real Living Wage is all the more important now as a way of supporting those in low pay jobs through the cost crisis and is an important enabler for sustaining productive, committed and engaged workforces during these difficult times. While employment law remains reserved to the UKG, we will use the levers available to us to promote fair work practices across Scotland, including through our public spend. We are strengthening our flagship Fair Work First conditionality approach, by requiring recipients of public sector grants awarded on or after 1 July 2023 to pay at least the real Living Wage and provide appropriate channels for effective workers' voice.

# A Stronger Europe

Reflecting the stark reality of the war and the need to ramp up efforts in the area of security and defence, the Commission will develop a new space strategy for security and defence, as well as a new EU maritime security strategy. While continuing the sanctions against Russia, the Commission will also update its sanctions toolbox to include corruption. The Commission will continue cooperation with candidate countries including Ukraine while also engaging with other European countries through the Economic Political Community and beyond Europe, including discussions on trade to diversify supply chains and broaden engagement with the Latin America and the Caribbean.

# Scotland's priorities

While security and defence are reserved matters where Scotland has no devolved powers, the EU maritime security strategy also covers maritime infrastructure (ports, underwater pipelines and cables, windfarms etc); which would overlap with areas of devolved competence including marine energy and offshore wind.

The recently published draft Energy Strategy and Just Transition Plan seeks views on an increased level of ambition for offshore wind deployment and on appropriate levels of ambition for the wave and tidal sectors for 2030 and 2045. SG -is currently engaging with the UKG on mitigating the impacts on defence radar systems from the expansion of offshore wind turbines. This work is being coordinated by the UKG and envisages collective investment by developers in mitigation technology, to be rolled out in phases that will include Scottish waters as and when needed as a result of ScotWind and Innovation and Targeted Oil and Gas offshore wind leasing round (INTOG) installations.

#### **Promoting our European Way of Life**

As part of the European Year of Skills, the Commission will update the current EU learning mobility framework to enable students to move more easily between education systems and present proposals on recognising the qualifications of non-EU nationals. Building on the European Health Union, the Commission will create the Health Data Space and propose a comprehensive approach to mental health, as well as a revised recommendation on smoke-free environments, and a new recommendation on vaccine-preventable cancers. As part of building a Security Union, the Commission will propose a revision of the Directive on combatting child

sexual abuse in line with the rights of the child and a number of home and justice proposals including strengthening cross-border police cooperation.

# Scotland's priorities

The SG believes that trade and investment in an increasingly service-based economy is tied closely to the mobility of skills and labour. Mutual Recognition of Professional Qualifications is an increasingly important consideration, both for the provision of tradeable services and the recruitment of highly skilled, qualified people. With Brexit, Scotland lost access to the EU system for recognising professional qualifications gained overseas. The UK Professional Qualifications Act 2022 now provides national authorities in the UK with the power to make regulations which facilitate the assessment of individuals with overseas qualifications or experience for the purposes of establishing if they should be allowed to practise a profession in the UK. In 2023, the SG will continue to work with BEIS on the implementation of the Act.

The UK and Scotland are still members of the European Higher Education Area and Bologna process and Scotland, through SQA, can align our HE qualifications with the European Qualifications Framework (EQF).

Scottish Ministers have been clear consistently that association with the EU's flagship research programme, Horizon Europe, is a matter of significant importance to Scotland and the best option for our nation and research sector. Agreement on the Windsor Framework clears the path for talks to resume on UK association to Horizon Europe, and we urge the UKG urgently to make the most of this opportunity.

#### **EU Health Union**

We are also continuing to track developments in the EU's Health Union. This year will see the Union launch a new preventative approach to mental health, addressing all policies and the determinants that affect mental health. We will assess any proposals in terms of alignment and possible involvement as they arise and consider these as we develop our forthcoming Mental Health and Wellbeing Strategy.

Scotland remains focused on creating a tobacco free generation in 2034, our world-leading tobacco control measures in Scotland are working and the numbers of people smoking continues to reduce, according to the Scottish Health Survey. In September 2022 it became an offence to smoke within 15 metres of a hospital building, expanding existing smoke free legislation in line with European Council recommendations on smoke free environments. We aim to continue to de-normalise smoking in everyday life and will publish our refreshed Tobacco Action Plan later this year.

# Justice and Home affairs

Insofar as the EU's justice and home affairs portfolio is concerned, there are a number of expected developments that will be relevant for consideration of alignment including:

- The proposed directive on combatting child sexual abuse
- Prüm II, on biometrics and police information sharing

- The recasting of the Victims' Rights Directive, which will likely mirror some of the Scottish Government's proposals in upcoming the Criminal Justice Reform Bill - broader work on the criminalisation of violence against women and girls, linked to the Misogyny Law consultation.

We will continue monitoring any developments of these proposals and consider possible alignment following an analysis of whether Scotland can or already has made such domestic legal changes.

# A New Push for European Democracy

Protecting democratic values and institutions as a key pillar of the European Democracy Action Plan, the Commission will introduce defence of democracy package including proposals to promote free and fair elections, to step up the fight against disinformation and to support media freedom. This will include proposals to strengthen the European Parliament elections by proposing a new Electoral law. The Commission will also continue to further equality by proposing a European disability card that will ensure the mutual recognition of disability status across all Member States and addressing gaps in the legal protection against discrimination. The Commission will also propose amendments to the rules governing cooperation between consumer protection authorities and improve the cooperation between national data protection authorities.

# Scotland's priorities

Scotland shares the fundamental values of the European Union – human dignity, freedom, democracy, equality, the rule of law and respect for human rights. The SG will continue working with all our partners and stakeholders including civil society (such as the Scotlish Advisory Forum on Europe) to ensure that voices of all people in Scotland are heard and reflected in our priorities.

We welcome the Commission's commitment to furthering equality and specific focus on disability rights. Scottish Ministers have committed to introducing Scotland's first National Transitions to Adulthood Strategy in this Parliamentary term to ensure there is a joined up approach in order that all disabled young people can experience a supported and positive transition to adult life. We are ensuring that the voices of disabled young people are clearly heard in this vital work.

We are incorporating the UN Convention on the Rights of the Child into Scots law and we are committed to incorporating four additional international human rights treaties into Scots law, within the limits of devolved competence, including the United Nations Convention on the Rights of Persons with Disabilities (CRPD). Incorporation of the CRPD will place greater impetus on public bodies to remove barriers and support disabled people to fully participate in society.

#### Conclusion

Despite the UK's departure from the EU, Scotland remains committed to continue building the strongest possible relationships with our European partners and contribute to EU priorities underpinned by the values we share. We acknowledge the

enormous challenges presented by the seismic geopolitical shifts facing the EU and the international community and we recognise the importance of standing firm and united behind the key principles that define the EU as well as Scotland as a nation, including respect for human rights, democracy and the rule of law.

We will continue monitoring the Commission's proposals as they develop further and consider alignment where appropriate and in a manner that contributes towards maintaining and advancing standards across a range of policy areas and facilitating Scotland's return to the EU as an independent member state.



© Crown copyright 2023



This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit **nationalarchives.gov.uk/doc/open-government-licence/version/3** or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: **psi@nationalarchives.gsi.gov.uk**.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at

The Scottish Government St Andrew's House Edinburgh EH1 3DG

ISBN: 978-1-80525-955-8 (web only)

Published by The Scottish Government, June 2023

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA PPDAS1301802 (06/23)

www.gov.scot