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I. Political and Policy Developments

1. EPP, S&D and Renew map out legislative demands for next Commission

On 18 July, Ursula von der Leyen will present the next Commission's 'political guidelines' to the European Parliament. Following that, Members of the European Parliament (MEPs) will take a vote on her returning to her post as European Commission President.

The EU's likely next coalition – European People's Party (EPP), the Socialists and Democrats (S&D) and Renew Europe (RE) – are aligned on top priorities but have revealed clear differences in their preferred approach and goal setting. The EPP and Renew's prioritising competitiveness contrasts with the S&D's preference to advance social considerations. In the past few days, a series of media reports have laid out potential policy priorities:

EPP priorities:

- A "Green Growth Deal" aligning existing emission reduction targets with competitiveness and more investments in key agriculture areas such as precision agriculture, robotics and integrated pest management.
- A mandatory target of spending 70% of the EU budget on competitiveness.
- New commissioner portfolios, including a Commissioner for SMEs and Better Regulation, a Commissioner for Trade and a Commissioner for Defence.
- More focus on non-communicable diseases (NCDs) that includes the full implementation of the European Cancer Plan, a plan on Alzheimer's and the launch of EU action plans for cardiovascular and mental health.

S&D priorities:

- The full implementation of the Green Deal, including 2040 climate targets.
- The reinforcement of the EU budget with "new own resources" from pollution taxes, wealth taxes and financial transactions taxes.
- The introduction of a HealthFirst Act that includes security of supply of and access to medicines, efficient NCD prevention, an EU-wide ban on PFAS and progress on rare diseases and mental health.

- A revision of the tobacco products and tobacco advertising directives.
- The adoption of a European climate adaptation law protecting citizens from climate impacts and CAP aids that target employment, environmental services and fair trade.
- A new legislative text on pesticide reduction. They also call on the Commission to move forward on ongoing initiatives such as the REACH reform, water resilience and sustainable food systems.

Renew Europe priorities:

- The continued implementation of the Green Deal on the basis of the previous mandate's priorities.
- The adoption of a "Competitiveness Act" to cut down red tape and of a "Digital Network Act" to improve connectivity.
- The appointment of a Commissioner for Enforcement, whose job should be to fully enforce existing EU rules in a harmonised manner.
- The adoption of an action plan on the circular economy to reduce the use of primary raw materials.
- The revision of the Common Fisheries Policy with the aim of improving "its contribution to sustainable fishing and ocean health"

2. European Commission President von der Leyen courts the Greens; faces growing pressure to open up to ECR

This week, Ursula von der Leyen initiated discussions with the Greens to secure additional MEP support beyond her centre-right majority. Greens' co-president, Bas Eickhout, described meetings, held on 1-2 July, as constructive and noted alignment on key issues such as the Green Deal, climate neutrality, the rule of law and industrial policy.

Negotiations with the Greens are causing tension within the EPP's Italian delegation in particular. On 1 July, EPP Vice President and Italian Foreign Minister Antonio Tajani indicated that von der Leyen would need to engage with Italian PM Giorgia Meloni's European Conservatives and Reformists (ECR) to secure her second term. EPP leader Manfred Weber has also laid out some prerequisites for the Greens. He suggested that supporting the EU's Mercosur trade deal should be a prerequisite for any coalition agreement with the Greens in the European Parliament.

Reports suggest that von der Leyen might seek to meet with the ECR next week. However, this remains uncertain, as S&D, Renew, and the Greens have repeatedly warned the EPP that they would withdraw their support for von der Leyen's coalition if it included Meloni's ECR.

3. Orbán launches new far-right group; ECR appoints leadership

With Hungary taking on the EU Presidency on 1 July, its European Affairs Minister, János Bóka, has emphasised that the country is looking to return more decision-making power to national representatives rather than central EU institutions. He has highlighted the importance of respecting national sovereignty within the EU to maintain stability and effectiveness.

On June 30, the Hungarian Prime Minister Viktor Orbán unveiled the formation of a new right-wing populist alliance in the European Parliament, dubbed "Patriots for Europe", alongside Czechia's ANO 2011 and Austria's FPÖ.

This coalition aims to emerge as the largest far-right bloc in the European Parliament, potentially including parties like Portugal's Chega and Italy's Lega, which are reportedly close to endorsing the group's manifesto. With these additions, the alliance could muster 33 MEPs. Orbán requires the support of MEPs from two more Member States to meet the criteria for officially establishing a political group. Likely candidates include France's RN, the Netherlands' PVV, and Belgium's Vlaams Belang.

Meanwhile, the European Conservatives and Reformists (ECR) appointed Italy's Nicola Procaccini and Poland's Joachim Brudziński as co-chairs on 3 July. These appointments follow rumours that Poland's PiS were deliberating on whether to leave the ECR for Orbán's coalition, a decision that was eventually reversed. Despite this, internal tensions persist within the ECR, resulting in the group's failure to fill half of its anticipated leadership positions.

4. EPP aiming to drive major transformations to EU Green Deal, health and food policy

The EPP is poised to drive major transformations to the EU's Green Deal, health and food policy. The centre-right party is advocating for an EU Green Growth Deal that strikes a balance between climate action and economic growth. They have called for a streamlined CAP budget that supports generational renewal, ensures fair compensation for farmers and underlined the need for increased investment in integrated pest management.

Prolific policymakers within the EPP have also advocated for the separation of health and environmental policies within the European Parliament's ENVI Committee. This proposal is contested by other political groups, such as the S&D and the European Greens, who endorse the so-called One Health Approach. The split suggested by the EPP would require the approval of the Conference of Presidents who meet on 11 July and would be followed by a vote in the first plenary session of Parliament.

Draft documents also suggest potential shifts in the European Commission's range of competencies with its health department, DG SANTE, possibly losing significant authority over food safety. These changes have been denied by Commission spokespeople who indicated these changes were an "exercise of preparing briefing materials" that seeks to ensure all departments collaborate on all dimensions relevant to their policy field. However, if true, these drafts indicate that responsibilities for pesticide approval, animal welfare, animal and plant health, plant varieties, and new genomic techniques might be transferred to DG AGRI, the Commission's farming department, while DG JUST would handle justice and consumer policy.

5. French far-right leads first round of legislative elections

The French far-right party National Rally (RN) scored a historic victory when it came out on top in the first round of France's snap general elections with a 33% score. They dominated the left-wing coalition, the New Popular Front (NFP), and President Macron's centrist bloc who trailed behind with 28% and 21% voter support. Turnout reached 65%, it was one of the highest ever recorded in a legislative election.

The results mark a significant setback for President Macron, who appears poised to change Prime Minister after the elections. His centrist coalition is projected to gain less than 135 seats, much lower than either the RN (between 190 and 220 seats) or the NFP (between 159 and 183 MPs).

French citizens will head to the polls for the second round vote on 7 July. Le Pen's party is not expected to secure an absolute majority because a great number of centrist and centre-left MEPs have dropped out from the race to ensure majority support against the RN.

II. Key institutional milestones

Date	Event
7 July	French legislative elections: 2nd round
16-19 July	European Parliament first plenary session
18 July (exp)	European Parliament vote on Commission President
22-25 July	Formation of European Parliament committees
October-November	European Commissioner-candidates hearings
1 December	New European Council President takes office
16-19 December (exp)	European Parliament vote on the new Commission