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Horizon Europe Developments

As the EU marked Europe Day (9 May), it continued its policy focus on the green and digital transition with legislative work on issues like sustainable aviation, energy efficiency and artificial intelligence. The EU also reaffirmed unwavering support for Ukraine, including at the G7 meeting in mid-May. EU-New Zealand bilateral cooperation deepened with the launch of a new climate dialogue, while European and New Zealand cities continue exchanging ideas on urban sustainability.

Key milestones in the EU-NZ relationship

Europe Day 2023

9 May 2023 – Every year the European Union celebrates **Europe Day** to commemorate the signing of the Schuman Declaration. This year, the theme of Europe Day in Aotearoa New Zealand was that the EU and New Zealand are stronger together in support of peace, security and democracy in the face of Russian aggression against Ukraine, and with the agreement on the FTA and New Zealand's

participation in the Horizon Europe research programme.

As part of Europe Day celebrations, the **European Union Delegation to Aotearoa New Zealand** invited Kiwis to the Wellington funicular in partnership with Wellington Cable Car Guests had the chance to experience a beautiful view of Wellington city while traveling through two tunnels one lighted with the EU flag and the second with sunflowers in support of Ukraine.

The **Europe Day reception** held at the New Zealand Parliament was hosted by **Rino Tirikatene** acting Trade Minister and **EU Ambassador**



EU Indo-Pacific Ministerial Forum

13 May 2023 – EU High Representative of the Union for Foreign Affairs and Security Policy **Josep Borrell** and Swedish Minister for Foreign Affairs **Tobias Billström** co-chaired the second *EU Indo-Pacific Ministerial Forum* in Stockholm.

The meeting brought together 60 foreign ministers from the Indo-Pacific region and the EU, along with representatives of Indo-Pacific regional organisations and other partners. Ambassador to Germany Craig Hawke and DHOM Claire Shirley attended on behalf of New Zealand.

Participants emphasised their shared determination to:

- Uphold the rules-based international order;
- Promote an inclusive approach to the challenges affecting the Indo-Pacific region;
- Work together to fight, mitigate and adapt to climate change; and,
- Maintain freedom of navigation, and overflight as fundamental principles that underpin regional security and stability, especially in accordance with the United Nations Convention on the Law of the Sea (UNCLOS).

Comment

Alongside trusted partners in the region such as Aotearoa New Zealand, the EU's engagement in the Indo-Pacific region is based on the rule of law, the protection of human rights and fundamental freedoms, and international law as well as the United Nations' 2030 Agenda and the Paris Agreement on climate change.

More Information: [Press Release](#) (24 April), [Agenda and Program](#), [High Representative's Closing Remarks](#)

Nina Obermaier. The event brought together over 200 people with a shared interest in how to best address common challenges.

Minister Tirikatene highlighted the shared values between New Zealand and the EU and the benefits of trade with the EU, especially with the new **Free Trade Agreement**. Ambassador Obermaier noted that existing connections would be strengthened and new ones created between European and NZ researchers following the association to **Horizon Europe**.

Comment

On the 9th of May 1950, French Foreign Minister Robert Schuman presented his historic proposal for an integrated European coal and steel community, indispensable to the maintenance of peaceful relations. This proposal, known as the "Schuman declaration," is considered to be the founding document of what is now the European Union.

More Information: [Press Release](#), [Europe Day 2023](#), [Press Release](#), [Speech of Minister Tirikatene](#)



Danish delegation visits Whakatū (Nelson) to share ideas on sustainability

20 April 2023 – The EU’s **International Urban and Regional Cooperation (IURC)** programme promotes sustainable urban development through cooperation between cities in Europe and other regions of the world. The program matches local authorities in the EU with those in partner countries to bolster capacity to develop and implement sustainable urban policies and projects, enhance knowledge and skills transfer, and facilitate the exchange of good practices among cities.

From 20-24 March 2023, a delegation from **Lemvig, Denmark** visited **Whakatū (Nelson)**, New Zealand. Visitors and hosts discussed the creation of a **New Zealand Climatorium**. The partners also discussed collaborative research opportunities under Horizon Europe for the *Future Farming and Foods Systems Project*. A follow-up mission by Wakatū representatives to Lemvig is planned for **August 2023**.

There are two other IURC projects ongoing in New Zealand: **New Plymouth** has partnered with **Vilnius** on renewable energy (including green hydrogen), and energy efficiency in buildings. A delegation from New Plymouth is due to visit Vilnius in July. Meanwhile, **Christchurch** has partnered with **Málaga** and **Vitoria-Gasteiz** on mobility, innovation ecosystems, and smart city portals.

To learn more about the IURC sustainable cities projects currently underway, **a webinar was held on 7 June**. In this webinar, New Zealand cities shared insights from their city-to-city policy dialogue with counterparts in Vitoria-Gasteiz, Málaga (both in Spain), Lemvig (Denmark) and Vilnius (Lithuania) and the concrete follow-up actions envisaged.

More Information: [About IURC](#), [Press Release](#), [Link to seminar](#)

Foreign Policy Developments

Commission takes steps to stamp out corruption in the EU and worldwide

3 May 2023 – The European Commission is taking decisive action to fight corruption in the EU and worldwide, delivering on the commitment made by President von der Leyen in her **2022 State of the Union** address.

The set of measures includes a proposal for strengthened rules **criminalising corruption offences** and **harmonising penalties across the EU**, as well as a proposal from the **High Representative**, supported by the Commission, to establish a dedicated **Common Foreign and Security Policy (CFSP) sanctions regime** to target serious acts of corruption worldwide. These new measures place a strong focus on prevention and creating a culture of

integrity, in which corruption is not tolerated and at the same time, strengthen enforcement tools.

The proposed **Directive on combating corruption** will have to be negotiated and adopted by the European Parliament and the Council before it can become EU law. The proposed **new framework of CFSP sanctions** targeting corruption will have to be discussed and adopted by the Council.

Comment

The Commission’s new measures on corruption will bolster the EU’s role as a global actor and support the international rules-based order, a shared priority with New Zealand.

More Information: [Press Release](#), [Questions & Answers](#), [Factsheet](#), [Joint Communication](#), [Proposal for a Directive](#)

Trade Developments

European Parliament reaches agreement for new due diligence rules

25 April 2023 – The **European Parliament** has reached an agreement in the [Legal Affairs Committee](#) to introduce new rules around **due diligence**, particularly with regards to **environmental and human rights issues**. The **Corporate Sustainability Due Diligence and amending Directive** is intended to ensure that **companies operating within the EU** are held accountable for their impact on the environment and society.

Under the new rules, companies would be required to conduct due diligence to identify and address any potential negative impacts on the environment, human rights, and social issues throughout their supply chains. This includes ensuring that their suppliers and business partners also adhere to these standards.

The initiative will also increase transparency and stakeholder engagement, giving employees, customers, and other stakeholders a greater voice in the decision-making processes of companies.

The Parliament's plenary **voted and passed the text** on **1 June 2023**. The next steps are for the EU institutions to meet in Trilogues to agree on a final text.

Comment

Non-EU companies operating the EU will need to comply with this new Directive if they (i) generate a net turnover of more than EUR 150 million in the EU in the last financial year., or (ii) generate a net turnover of more than EUR 40 million in the EU, provided at least 50% of worldwide turnover was generated in a high-impact sector. SMEs would not be directly in scope, but they could be affected in their capacity as contractors or subcontractors to any of the above companies. New Zealand based suppliers of companies operating in the EU should expect to receive information requests for customers.

More Information: [Press Release](#), [Fact-Sheet](#), [Directive](#), [Politico](#) (paywall)

Green Deal Developments

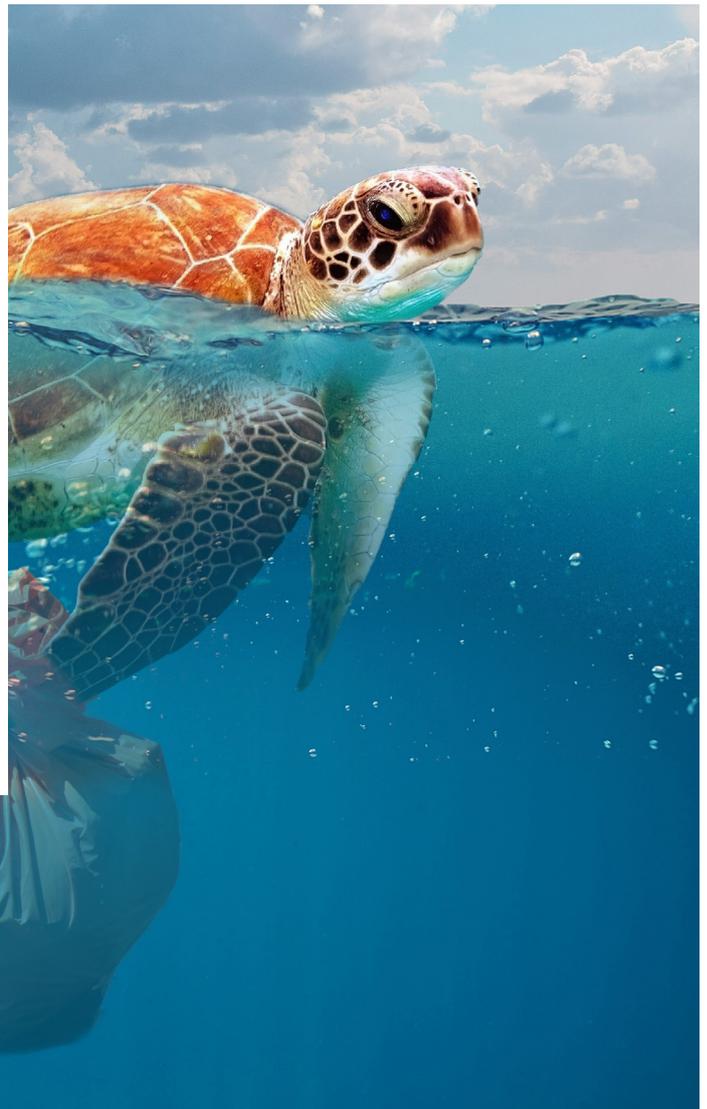
New Zealand and European Union work together to end plastic pollution

29 May 2023 – On average each New Zealander sends nearly 60 kilograms of plastic to landfill every year. Both the European Union and Aotearoa New Zealand have [signed up](#) to the [High Ambition Coalition to End Plastic Pollution](#).

The High Ambition Coalition, brings together like-minded countries, advocating ambitious goals for the new legally binding instrument to tackle the growing amount of plastic waste choking our planet.

The second round of negotiations of the agreement took place in Paris from 29 May to 2 June. Negotiators hope for substantive progress during the negotiation round so that draft text can be discussed prior to the third round of negotiations taking place in late 2023.

More Information: [Press Release](#), [High Ambition Coalition Website](#), [Commission News Article](#), [The EU's work on Plastic pollution](#)





New regulation agreed to cut aviation emissions by promoting sustainable aviation fuels

26 April 2023 – The European Parliament and the Council reached political agreement on the Commission's **ReFuelEU Aviation** proposal.

Once in force, the new rules will help decarbonise the aviation sector by requiring fuel suppliers to blend sustainable aviation fuels (SAF) with kerosene in increasing amounts from 2025. This measure on its own is projected to reduce aircraft **CO2 emissions by around two-thirds by 2050** compared to a 'no action' scenario, and provide climate and air quality benefits by reducing non-CO2 emissions.

Adina Vălean, Commissioner for Transport states "This political agreement is a turning point for European aviation, putting it on a solid pathway towards decarbonisation. Shifting to sustainable aviation fuels will improve our energy security, while reducing reliance on fossil fuel imports. These kinds of measures help make Europe a front-runner in the production of innovative clean fuels, globally. We estimate that the SAF market will create more than 200,000 additional jobs in the EU, mainly in the renewables sector."

The deal marks the last agreement on the transport proposals within the 'Fit for 55' package.

Comment

As aviation is the primary means by which Kiwis and tourists arrive and depart from Aotearoa New Zealand, the EU's efforts will make travelling from the EU to New Zealand more environmentally sustainable.

More Information: [Press Release](#), [Regulation](#), [Fit for 55 Proposals](#)

Carbon Border Adjustment Mechanism formally adopted

16 May 2023 – The co-legislators have signed into law the Carbon Border Adjustment Mechanism (CBAM). It will enter into application in its transitional phase on 1 October 2023, with the first reporting period for importers ending 31 January 2024. Until 2026, no financial adjustments will be paid. The CBAM will apply to imports of certain goods and selected precursors whose production is carbon intensive and at most significant risk of carbon leakage: **cement, iron and steel, aluminium, fertilisers, electricity and hydrogen**. CBAM will eventually – when fully phased in – capture more than 50% of the emissions in Emission Trading Scheme covered sectors.

Comment

This CBAM is a first of its kind legislative tool that ensures a level playing field for companies while also contributing to the fight against climate change. The tool will put a fair price on the carbon emitted during the production of carbon intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries.

More Information: [CBAM Website](#), [Factsheet](#), [Questions & Answers](#), [Regulation](#)

President von der Leyen launches a new initiative on global targets for energy efficiency and renewable energy

20 April 2023 – Speaking at the **Major Economies Forum on Energy and Climate**, European Commission President, Ursula Von der Leyen launched a new initiative to work together towards global targets for energy efficiency, and renewable energy. “We could develop these targets by the **UN Climate Change Conference COP28**, together with organisations like the International Energy Agency”, she explained, adding that these targets would complement other goals, such as the phase out of unabated fossil fuels or the ambitious goals for zero emission vehicles and ships.

The Forum was convened by the **U.S. President Joe Biden** to galvanize efforts needed to tackle the climate crisis and keep a 1.5°C limit on warming within reach.

She also called upon all participants of the [Global Methane Pledge](#) to come up with roadmaps ‘to turn pledges into action’, stressing that the EU would continue contributing to the [Montreal Protocol Multilateral Fund](#).

Comment

Methane is one of New Zealand’s largest sources of greenhouse gas and New Zealand participates in the Global Methane Pledge.

More Information: [Press Statement](#)



Digital Policy Developments

European Parliament reaches deal on world-first AI Act

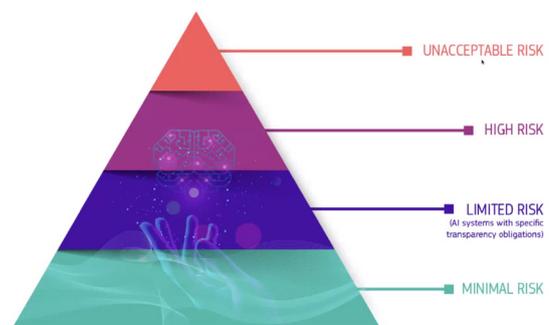
11 May 2022 – Members of the European Parliament’s Civil Liberties and Internal Market committees have reached a political agreement on the **Artificial Intelligence Act**. Following weeks of intense rounds of negotiations, the political groups have reached a deal that includes new provisions to cover ‘General Purpose AI’ such as **ChatGPT**. The new addition is a requirement for AI systems like ChatGPT to disclose if they have used copyrighted material in their systems.

The text was voted in committee on 11 May and next will go before the **12-15 June plenary session**. The Council reached an agreement on the text in December 2022. The three institutions will then meet in Trilogues to decide the final text.

The AI Act categorises AI systems into four risk categories:

- Unacceptable risk;
- High risk;
- Limited risk;
- Minimal or no risk.

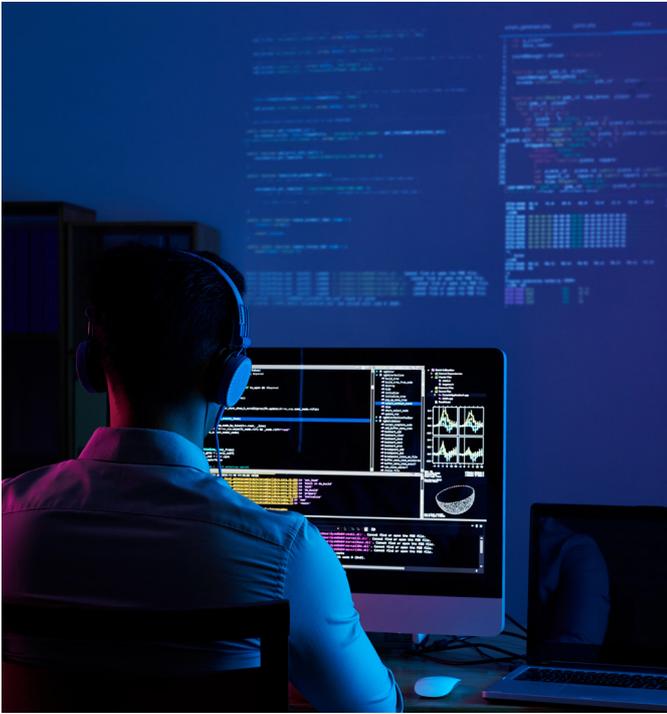
The goal is to ensure that there is a legal framework for the development and use of AI that protects fundamental rights without hindering innovation.



Comment

The AI Act will be the first law of its kind in the world. Some nations and states have passed laws, but the EU is the first to act on this scale. Additionally, like the GDPR, the AI Act will have a global impact, as it will apply to organizations providing or using AI systems in the EU; and providers or users of AI systems located in a third country (including New Zealand), if the output produced by those AI systems is used in the EU.

More Information: [Press Release](#), [Legislative Proposal](#), [FAQs](#), [Euractiv](#), [Reuters](#), [Politico](#) (paywall), [Venture Beat](#)



Agricultural Developments

Commission updates marketing standards of agri-food products to address consumer needs and sustainability

24 April 2023 – The Commission proposed to revise the existing marketing standards applicable to a number of agri-food products, such as **fruit and vegetables, fruit juices** and jams, honey, poultry or eggs. The proposed revisions aim to help consumers make informed choices for healthier diets and contribute to prevent food waste. The proposals cover among other aspects:

- **Origin labelling:** Clearer, mandatory origin labelling rules for honey, nuts and dried fruits, ripened bananas, as well as trimmed, processed and cut fruit and vegetables.
- **Fruit juices:** It will be possible for fruit juices to bear the mention “with no added sugars” to clarify that, contrary to fruit nectars, fruit juices cannot by definition contain added sugars.
- **Jams and marmalades:** The fruit content of jams will be increased from 350g to 450g minimum (to 550g for quality extra) per kilo of finished product.

The proposals are covered by delegated and implementing acts. The texts will be available for [public feedback](#) for one month. Afterwards, the delegated acts will be adopted and sent to the European Parliament and the Council for a scrutiny period of two months.



Commission designates 19 very large online platforms and search engines under new Digital Services Act

25 April 2023 – The European Commission has designated the first tranche of **19 very large online platforms and search engines** under new **Digital Services Act (DSA)**, which came into force in November 2022. The 19 Very Large Online Platforms (VLOPs) or Search Engines (VLOSEs) are: AliExpress, Amazon Store, AppStore, Bing, Booking, Facebook, Google Maps, Google Play, Google Search, Google Shopping, Instagram, LinkedIn, Pinterest, Snapchat, TikTok, Twitter, Wikipedia, YouTube, and Zalando.

The DSA is one of the most comprehensive laws to regulate online commerce. The new rules applying to these very large platforms and search engines mean that they will have to address any risk they pose on society, including public health, physical and mental well-being.

Comment

One of the key provisions in the DSA are rules for curbing the spread of illegal content, tackling disinformation and protecting freedom of speech. As Aotearoa New Zealand continues its work internationally under the [Christchurch Call](#) to eliminate and terrorist and violent extremist content online, the DSA not only helps the EU and online platforms to meet their obligations in the EU, it provides a potential model for other nations around the world to follow.

More Information: [Press Release](#), [European Commission Statement](#), [Christchurch Call](#), [Regulation on a Single Market For Digital Services](#), [Digital Services Act Q&A](#)

Comment

New Zealand horticultural exporters of products in the scope of these measures may wish to assess the extent to which they will need to comply with these new marketing standards. Products which are placed on the market or labelled before 24 months after the date of entry into force of the Directive may continue to be marketed until the exhaustion of stocks.

More Information: [Press Release](#), [Proposal for a Directive](#), [Impact Assessment](#), [Have Your Say Platform](#)



Consumer Protection Developments

European lawmakers strike deal to extend system of Geographic Indications to craft and industrial products

3 May 2023 – The European Parliament and Council have reached provisional political agreement on a new **Regulation to protect the intellectual property for craft and industrial products** that rely on the originality and authenticity of traditional skills from their regions.

This framework will cover products such as glass, textiles, porcelain, cutlery, pottery, cuckoo clocks, musical instruments and furniture. The new Regulation will enable EU producers to protect craft and industrial products and their traditional know-how in Europe and beyond, including online. The Regulation will make it easier for consumers to **recognise the quality of such products** and make more informed choices. It will help to promote, attract and retain skills and jobs in Europe's regions, contributing to their economic development. The regulation will also ensure that traditional craft and industrial products are finally put on an equal footing with protected geographical indications that already exist in the agricultural area.

Comment

As New Zealand reviews its own geographical indications system in order to implement its obligations under the EU-NZ FTA, stakeholders in Aotearoa New Zealand may also consider how such a system could be expanded to protect local food and beverage production and beyond.

More Information: [Press Release](#)

Horizon Europe Developments

CASCADES 2023 Roadshow of Research and Policy Results

In the coming months, **CASCADES** will be hosting a series of events in cities across Europe to present different aspects of its research into cascading, cross-border climate risks, and to discuss the policy responses that exist to address them.

The events are a mixture of formats: briefing, workshop, high-level panel discussion, and conference. The events are as follows:

- 13–14 June 2023: Cascading and tipping interactions in the climate and social systems (University of Graz, Austria).
- 26 June 2023: Cascades: resilience to climate risks that cross borders (Chatham House, London, UK).
- TBC September 2023: How can Sweden respond to cascading climate risk? (Stockholm Environment Institute, Sweden).
- 25 September 2023: Enhancing European financing for adaptation to cascading climate risks (European Centre for Development Policy Management, Brussels, Belgium).
- 16–18 October 2023: Cross-border climate change impacts and systemic risks in Europe and beyond (Potsdam Institute for Climate Impact Research, Potsdam, Germany).
- TBC October 2023: Climate change, development and security in the Central Sahel (European Centre for Development Policy Management, Brussels, Belgium).

More Information: [List of events and details for registration](#)