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Key milestones in the EU/NZ relationship

EU and NZ hold first joint committee hui under Partnership agreement

24 February 2023 – EU and NZ held their first Joint Committee meeting since the **Partnership Agreement on Relations and Cooperation** entered into force in 2022. Both parties welcomed recent milestones such as the conclusion of negotiations for the **Free Trade Agreement** (see below), New Zealand's association to the **Horizon Europe** research programme and the signature of an **agreement to exchange personal data between Europol and New Zealand Police**. NZ and the EU agreed to deepen their cooperation, notably through a High Level Dialogue on Climate and an International Strategic Agriculture Dialogue to be held later in 2023.

More Information: [Press Release](#)

EU/NZ FTA tabled for signature on the European side

17 February 2023 – The European Commission sent the FTA text to the Council of European Member States, for their agreement on signature, a major step towards ratification. Once the Council agrees to signature, the EU and New Zealand can sign the agreement. Ratification, is foreseen on both sides sometime between end of 2023 and mid-2024.

More Information: [Press Release](#), [EU-New Zealand trade agreement page](#), [Factsheet EU-NZ trade agreement](#), [Factsheet - TSD](#), [Factsheet - Agriculture](#), [Questions & Answers](#)



Green Deal Developments

The EU Green Deal Industrial Plan

1 February 2023 – Europe’s response to the U.S. Inflation Reduction Act is here. The European Commission presented a [Green Deal Industrial Plan](#) based on four pillars:

- **A predictable regulatory environment:** a simplification of the regulatory framework including a Net-Zero Industry Act, a Critical Raw Materials Act and electricity market reform (see below);
- **Speeded up access to finance:** making it easier for Member States to provide State-Aid (see below) and exploring the idea of a European Sovereignty Fund to preserve a European edge in critical and emerging technologies;
- **A skills plan:** Net-Zero Industry Academies to roll out up-skilling and re-skilling programmes in strategic industries;
- **New trade policy parameters for resilient supply chains.**

More Information: [Press Release](#), [Communication](#), [Questions & Answers](#), [Factsheet](#), [European Parliament Resolution](#)

Comment

This is widely seen as the EU’s response to the US’ Inflation Reduction Act and aims to lay out a WTO-compatible industrial green technology policy framework able to avert the threat of a subsidy race between the EU and the US in the strategic green industrial sector.



The EU Net-Zero Industry Act: open strategic autonomy applied to green industrial technologies

16 March 2023 – The draft Act sets a target of manufacturing at least 40% of the Union’s deployment needs domestically by 2030 in strategic net-zero technologies. Strategic Net Zero technologies will receive particular support and are subject to the 40% domestic production benchmark, among others: solar, wind, batteries and storage, heat pumps and geothermal energy, electrolysers and fuel cells, biogas/biomethane, and carbon capture. Proposed measures include:

- Streamlined permitting processes and regulatory sandboxes;
- A 50 million tons annual CO2 storage capacity 2030 with mandatory facilitation by the EU’s oil and gas producers;
- Sustainability and resilience criteria in public procurement and auctions; taking into account the proportion of the products already originating from a single source of supply in the EU market where it is more than 65%;
- International Net Zero Partnerships with like-minded countries.

The Commission is also signalling its intent to make Europe the number one place for hydrogen production through a [European Hydrogen Bank](#).

More information: [Press Release](#), [Questions & Answers](#), [Factsheet](#), [Regulation](#), [Annex](#)

Critical Raw Materials: ensuring secure EU access on the path to net zero

16 March 2023 – The draft [Regulation](#) and [Communication](#) on Critical Raw Materials sets clear benchmarks for domestic capacities and for EU supply diversification in the face of rising geopolitical, environmental and social risks and challenges. There are five pillars to the proposed legislation:

- **Domestic supply benchmarks:** at least 10% of the EU’s annual consumption for extraction to be met domestically; at least 40% of the EU’s annual consumption for processing to be met domestically; at least 15% of the EU’s annual consumption for recycling to be met domestically and not more than 65% of the Union’s annual consumption of each strategic raw material at any relevant stage of processing from a single third country;
- **A new mining and exploration drive:** “strategic” projects are to benefit from streamlined permitting and enabling conditions for access to finance. The act would also require all Member States to develop national geological exploration programmes. Interestingly for New Zealand, Strategic Projects can also develop in third countries;
- **A circular and efficient use of critical raw materials:** the legislation would create value chains for recycled critical raw materials. For instance, by obliging operators and Member States to improve the recovery of critical raw materials from products and waste;

- **Joint EU management of supply risks.** The legislation would create a compulsory information exchange and coordination of strategic raw materials’ stocks among Member States. Large companies would have to audit of their supply chains and deploy company-level stress tests;
- **Strategic partnerships with third countries:** the idea is to create a critical raw materials ‘club’ for all countries interested in strengthening global supply chains; to use trade agreements to secure and diversify trade in critical raw materials; to expand the EU’s network of strategic partnerships in this area; to use the EU Global Gateway to support connectivity; to set up an EU export credit facility to lower the risk of investment abroad and to tackle unfair trade practices related to raw materials through increased enforcement.

Comment

One of the key components of the proposal would allow EU countries to jointly purchase critical raw materials. [According](#) to Camille Defard, head of the Jacques Delors Institute’s energy centre, this would give the EU a more powerful position in the global market. While at present the joint purchasing provision is voluntary, some expect that over time it could become mandatory.

More information: [Animated Video](#), [Regulation](#), [Communication](#), [Press Release](#), [Questions & Answers](#), [Factsheet](#), [Critical Raw Materials and Trade – Infographic](#), [Actions on Four Critical Raw Materials – Infographic](#), [Raw Materials Information System](#), [JRC Foresight report](#)

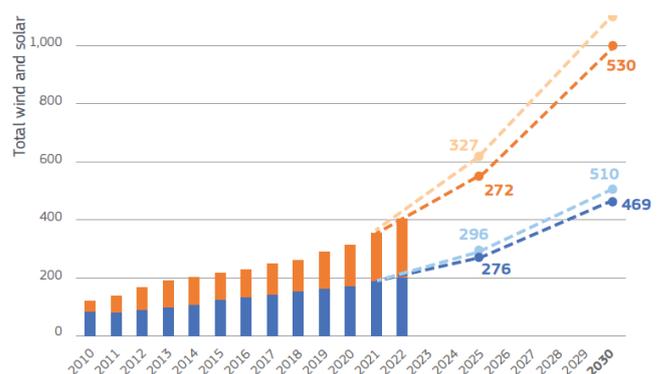
Commission proposes reform of the European electricity market

14 March 2023 – The Commission has proposed a reform of the European electricity market to accelerate the uptake of renewables, phase-out gas, make consumer bills less dependent on volatile fossil fuel prices, better protect consumers from future price spikes and potential market manipulation, and make the EU’s industry clean and more competitive. The proposed reform foresees changes to the [Electricity Regulation](#), the [Electricity Directive](#), and the [REMIT \(Energy Market Integrity and Transparency\) Regulation](#). The reform is built around three main pillars:

- **Stable electricity bills with less fossil fuels:** The reform will make electricity bills less dependent on fossil fuel prices, by promoting long-term contracts for renewable energy and bringing more flexibility into the system.
- **A renewables-based energy system:** The reform will boost investment in renewables through stable long-term pricing agreements, backed by governments, companies and citizens.

- **Making EU industry clean and competitive:** The reform will support the electrification of industry and boost Europe’s position as a global leader in net-zero technologies. Among others, this will be achieved by accelerating the roll-out of multi-country offshore renewables projects in the different European sea basins and by securing market access for offshore renewable energy production.

More Information: [Press Release](#), [Questions & Answers](#), [Factsheet](#), [Electricity market design](#)



Council and Parliament agree to cut maritime emissions

23 March 2023 – In the EU, waterborne transport generated 4% of total CO2 emissions in 2021. The European Parliament and the Council have reached a political agreement to reduce the maritime transport sector's greenhouse gas emissions committing to reduce emissions by **at least 55% by 2030**, and to achieving climate neutrality in 2050.

The [FuelEU Maritime](#) regulation ensures that the greenhouse gas intensity of fuels used by the shipping sector will gradually decrease over time, by **2% in 2025** to as much as **80% by 2050**. The regulation **sets maximum limits** on the yearly greenhouse gas intensity of the energy used by a ship.

The deal complements the provisional agreement reached on 18 December 2022 to include shipping emissions in the **EU Emissions Trading System (EU ETS)**, both key initiatives in the EU's efforts to reduce maritime emissions.

More Information: [Regulation](#), [Press Release](#)

New law to increase alternative fuel stations across the EU

28 March 2023 – The new Regulation for the deployment of alternative fuels infrastructure (AFIR) sets mandatory deployment targets for electric recharging and hydrogen refuelling infrastructure for the road sector. By setting a minimum of recharging and refuelling infrastructure available across the EU, the regulation will end consumer concerns about the difficulty to recharge or refuel a vehicle.

The regulation also promotes a user-friendly recharging and refuelling experience, with full price transparency, common minimum payment options and coherent customer information across the EU. Across the main transportation routes a comprehensive network of recharge and refuelling stations will be in place with new requirements kicking in from 2025. The regulation covers cars, vans, trucks, inland maritime transport, and airports.

The European Parliament and Council have reached a political agreement on the new law, which must now be formally adopted. Once this process is completed, the new rules will be published in the Official Journal of the European Union and enter into force after a transitional period of 6 months.

More Information: [Regulation](#), [Press Release](#)

Commission proposes new 2030 zero-emissions targets for city buses and trucks

28 March 2023 – Trucks, city buses, and long-distance buses (Heavy Duty Vehicles) are responsible for over **6% of total EU greenhouse gas (GHG) emissions** and more than 25% of GHG emissions from road transport. The Commission proposes phasing in **stronger CO2 emissions standards** for almost all new HDVs. These include reductions in emissions from 2019 levels by:

- 45% emissions reductions from 2030;
- 65% emission reductions from 2035;
- 90% emissions reduction from 2040.

The Commission also proposes to make **all new city buses zero-emission as of 2030**. The proposal will have a positive impact on the energy transition and supports the European clean tech industry and boosts international competitiveness (see above). Last year, the EU agreed a 2035 deadline for new cars to be CO2-free.

The legislative proposal will now be discussed by the Council and European Parliament.

Comment

The reduction of emissions producing vehicles in the EU will mean that more low-emissions vehicles will be available on the international markets, which New Zealand will be able to benefit from in its efforts to reduce greenhouse gas emissions in the transportation sector.

More Information: [Regulation](#), [Annex](#), [Press Release](#), [Questions & Answers](#), [Factsheet](#)



Foreign Policy Developments

Council reaffirms commitment to climate and energy diplomacy

9 March 2023 – The Council approved conclusions reaffirming that EU climate and energy diplomacy is a **core component of EU’s foreign policy**, and stressing the EU determination to engage and work with partners worldwide to implement the **Paris Agreement**.

The conclusions also reaffirm the engagement of EU’s external energy policy to support, intensify and accelerate the ongoing global energy transition as a crucial element towards achieving climate neutrality so that it is inclusive, just and ensures energy security and universal access to safe, sustainable and affordable energy.

More Information: [Council Conclusions](#), [Press Release](#)



Trade Developments

Foreign Subsidies Regulation enters into force

12 January 2023 – The **Foreign Subsidies Regulation** ('FSR') has now entered into force. This new set of rules for **addressing distortions caused by foreign subsidies** will allow the EU to remain open to trade and investment, while **ensuring a level playing field** for all companies operating in the Single Market. The tools include:

- **A notification-based tool to investigate concentrations** involving a financial contribution by a non-EU government, where the acquired company, one of the merging parties or the joint venture generates an EU turnover of at least €500 million and the transaction involves a foreign financial contribution of more than €50 million;
- **A notification-based tool to investigate bids in public procurements** involving a financial contribution by a non-EU government, where the estimated contract value is at least €250 million and the bid involves a foreign financial contribution of at least €4 million per third country; and
- **A general tool to investigate all other market situations**, where the Commission can start a review on its own initiative (ex-officio) or it request an ad-hoc notification for smaller concentrations and public procurement procedures.

The **Foreign Subsidies Regulation** will start to apply on **12 July 2023**. From that date the Commission can start ex officio investigations. On 12 October 2023, the notification obligation for concentrations and public procurement above certain thresholds starts to apply.

Comment

Foreign subsidies can have major distortive effects in international markets. These new measures will mean that goods and services offered in the Single Market compete on a level playing field, including for New Zealand exporters who do not rely on subsidies.

More Information: [European Commission website](#), [Regulation](#)



Agricultural Developments

Commission boosts action on pollinators

24 January 2023 – The Commission “[A New Deal for Pollinators](#)” to tackle the decline in wild pollinating insects in Europe. The renewed initiative sets out actions to be taken by the EU and the Member States to reverse the decline of pollinators by 2030. It complements the Commission’s proposal for a **Nature Restoration Law** of June 2022 and is a key part of the **Biodiversity Strategy 2030**, the **Farm to Fork Strategy** and the **European Green Deal**.

The new initiative outline five strains of action:

- **Better conservation of species and habitats:** the Commission will identify pollinators typical of habitats protected under the **Habitats Directive** which Member States should protect; the Commission with Member States will prepare a blueprint for a network of ecological corridors for pollinators, or ‘Buzz Lines’;
- **Restoring habitats in agricultural landscapes:** support for pollinator-friendly farming under the Common Agricultural Policy;
- **Mitigating the impact of pesticide use on pollinators:** consideration of legal requirements to implement integrated pest management or through additional test methods for determining the toxicity of pesticides for pollinators through the [Sustainable Use of Pesticides proposal](#);
- **Enhancing pollinator habitats in urban areas;**
- **Tackling the impacts on pollinators of climate change,** invasive alien species and other threats such as biocides or light pollution.

The full list of actions can be found in the [Annex](#) to the Communication ‘[A New Deal for Pollinators](#)’.

Comment

The loss of pollinating insects is a worldwide phenomenon, and therefore something that will need to be addressed at an international level. Other agricultural focused economies will be monitoring the EU’s actions carefully to assess lessons learned.

More Information: [Press Release](#), [Questions & Answers](#), [Communication](#), [EU Pollinator Information Hive](#)

Political agreement reached on anti-coercion instrument

28 March 2023 – The Council and the European Parliament have reached a provisional political agreement on the **anti-coercion instrument**. The tool will allow the Commission to sanction foreign individuals, companies and even countries if it finds that they are bullying an EU nation.

According to EU media reports as part of the deal struck between the institutions in Trilogues the Parliament ceded the power to determine when economic coercion has taken place to the Council in exchange countermeasures on **sanitary and phytosanitary restrictions, on chemicals, export controls and intellectual property**.

A final deal between the co-legislators still needs to be ironed out. Afterwards it will need to be formally adopted by the European Parliament and the Council before the new rules can enter into force, potentially in the second half of this year.

Comment

The anti-coercion instrument is a major component of the EU’s toolbox to protect its international trading interests in lieu of a well-functioning World Trade Organisation. Without arbitrators nominated to the board of appeal, the EU needs tools like this to protect itself against unfair trading practices.

More information: [Council of the European Union](#), [European Parliament Briefing Note](#), [Politico \(paywalled\)](#)

Commission opens applications for upcoming EU Fertilisers Market Observatory

16 March 2023 – The Commission announced in November 2022 as part of a [Communication](#) on the availability and affordability of fertilisers in the EU and globally, the creation of an **EU Fertilisers Market Observatory**. The Commission has since published the call for applications with a view to formally launch the group of experts before summer 2023. The call is open until 4 April.

The aim of the observatory is to provide comprehensive and public data on price, production and trade of fertilisers. This will increase market transparency. The observatory will also examine ways in which to obtain more real-time data from actors in the chain and at national level.

In the medium to long term, use of fertilisers should be optimised and mineral fertilisers should be substituted, whenever possible, by organic fertilisers. This will help reduce EU's dependence on gas, used to produce nitrogen fertilisers, and on mined mineral fertilisers such as phosphates and potash, as well as reduce the carbon footprint of the sector. This is in line with the wider actions set out in the **Critical Raw Materials Act** (see above).

Comment

The New Zealand farming community may wish to consider monitoring the outcomes of the Fertilisers Market Observatory. Russia's invasion of Ukraine has caused havoc in the international fertiliser market. Monitoring of international prices and market conditions will be informative for farmers in New Zealand.

More Information: [European Commission News Article](#), [Communication](#), [Factsheet](#)



Consumer Protection Developments

Commission tables legislation to end Greenwashing advertising

22 March 2023 – The Commission has proposed common criteria against **greenwashing and misleading environmental claims** in a [Green Claims Directive](#). The proposal creates greater clarity and reassurance that when something is sold as green, it actually is green.

The goal is to support better consumer choices and support those businesses which make a genuine effort to improve the environmental sustainability of their products – at present these companies face unfair competition.

The legislative proposal will complement other European legislation already in force. Products sold under **EU Ecolabel** or the **organic food logo** are excluded from the scope, as are claims which will be covered by upcoming EU regulatory rules.

There are two main elements to the legislative proposal:

- **Verified claims backed by science:** before companies communicate any of the covered types of 'green claims' to consumers, such claims will need to be **independently verified** and proven with **scientific evidence**.
- **Putting an end to unreliable labelling schemes:** moving forward, new public labelling schemes will not be allowed, unless developed at EU level, and any new private schemes will need to show **higher environmental ambition** than existing ones and get a pre-approval to be allowed.

The legislative proposal will now move the Council and European Parliament as per the ordinary legislative procedure.

Comment

New Zealand exporters will need to make sure that products making green claims meet the new requirements or otherwise fall under one of the pre-existing scheme (EU Ecolabel or organic food logo).

More Information: [Directive](#), [Press Release](#), [Questions & Answers](#), [Factsheet](#)

Right to Repair legislation proposed to reduce product waste

22 March 2023 – The Commission has proposed legislation that makes it easier for consumers to have products repaired. The [directive on common rules promoting the repair of goods](#) aims to support the **European Green Deal** targets by increasing incentives for consumers to repair their products instead of replacing them, especially after the legal guarantee of a product expires.

The proposal introduces a ‘right to repair’ for consumers. Within the products legal guarantee period sellers will be required to offer repair except when it is more expensive than replacement. After legal guarantee period consumers will be able rely on the new set of rights. These include:

- Consumers can ask producers to repair products that are technically repairable under EU law;
- Producers will be obliged to inform consumers about products they are obliged to repair themselves;

- Consumers will be able to use an online tool find repair services in their neighbourhood;
- A **European Repair Information Form** will provide more transparency on repair conditions and price;
- A **European quality standard** for repair services will be developed to help consumers identify repairers who commit to a higher quality.

The legislative proposal will now move the Council and European Parliament as per the ordinary legislative procedure.

Comment

The new measures have been heralded as a major win for consumers. Alongside the common charger directive the new right to repair will help consumers preserve products and reduce electronic waste.

More Information: [Directive](#), [Press Release](#), [Questions & Answers](#), [Right to Repair Website](#)

Horizon Europe Developments

Transitional arrangements for New Zealand participation in Horizon Europe

17 February 2023 – The signing of the Association Agreement between New Zealand and the European Union allowing NZ researchers and organisations access to **Horizon Europe** will take place later in 2023. In the interim, a **transitional agreement** is in place to allow researchers in to participate in **Pillar II** calls and activities of the Horizon Europe programme on equal terms with entities from the EU.

More Information: [News Article](#), [Horizon Europe Work Programme 2023-2024](#), [Programme Guide](#)



CASCADES and RECEIPT joint conference on cross-border climate change

1 February 2023 – Climate impacts in one location can knock-on effects in other locations around the globe. These effects can be felt through trade and value chains, development and security policies, and financial systems. Disruptions of this kind can have similar effects as COVID-19 and the war in Ukraine. **RECEIPT** and **CASCADES** are two Horizon Europe projects building storylines around the effects of climate change.

RECEIPT and **CASCADES** are organising a **joint conference on transboundary impacts of climate change** and systemic risks at the **Potsdam Institute for Climate Impact Research (PIK)**, Germany, on **16-18 October 2023**.

The conference aims to bring scientists together across disciplines that work on approaches to better understand and respond and/or adapt to cross-border climate impacts and risks.

Registration for attendance is now open. You can submit abstracts, posters or simply attend the conference. For further information on the event and the programme, see [PIK's website](#).

More information: [European Commission news article](#), [@RECEIPT_eu](#) and [@CASCADES_EU](#)