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Horizon Europe Developments

Starting in January 2024, the Belgian government took up the rotating presidency of the Council of the European Union. One of the Belgian [priorities](#) is promoting a global Europe and reinforcing the multilateral rules-based international order. The clock starts to tick down to European elections, due to take place on 6-8 June 2024. Meanwhile, the European Union continues to support Ukraine in its fight against Russia's aggression through sanctions and the opening talks for accession to join the EU. January 2024 also marks the arrival in New Zealand of new EU ambassador to Aotearoa New Zealand, Mr. Lawrence Meredith.

Key milestones in the EU-NZ relationship

EU Ambassador, Lawrence Meredith, presents credentials to Governor-General Rt Hon Dame Cindy Kiro

1 February 2024 – H.E. Lawrence Meredith was most recently Director at DG NEAR where he oversaw relations with Armenia, Azerbaijan, Belarus, Georgia, Belarus and Moldova. He has come to be the EU's representative in Aotearoa New Zealand at a critical time, when geopolitical tensions around the world are rising. But the EU-NZ free trade agreement signed last year sets a framework for the parties' continued cooperation and prosperity.

We sat down with the new Ambassador to ask how his first few weeks have been since arriving on the shores of New Zealand.



What brings you to New Zealand?

Together with my Spanish wife and three boys, we're delighted to be in New Zealand. It's been a very exciting first days. New Zealand is a strong partner of the European Union, shares very similar values and above all, we both see huge opportunities to further develop the EU-New Zealand relationship.

The EU has just set out a new vision of its Indo-Pacific strategy, and it's a rapidly growing area of the European Union's Foreign Relations. I've always liked to be where the action's at.

What are your priorities in New Zealand?

First and foremost, the European Union and New Zealand are very much like-minded partners. In light of Russia's brutal and illegal full-scale invasion of Ukraine, it's very important to stand shoulder to shoulder, side by side, with partners like New Zealand, who share the same belief in a rules based international order, strongly committed to our work with the United Nations and stand up for the values that we all believe in.

New Zealand and the European Union have just signed two major agreements. The FTA creates huge economic opportunities for people and businesses across the European Union and New Zealand, extending markets in both cases. My role is to help build and grow those opportunities and help people to take advantage of them.

Secondly, New Zealand is the first country globally outside the European Union's immediate neighbourhood to join Horizon Europe. That is a major programme of research opportunities that brings some of the best brains from New Zealand and the European Union together, putting money behind their brilliant ideas to help them come to fruition and develop market opportunities.

Thirdly, I'd like to talk a bit more about the human dimension. In areas like technology, geothermal and digital, we can gain mutually by working together.

We also have a programme called EUNIC where we're bringing people together, swapping ideas in the cultural field and that, I think, can bring a lot of energy into the EU-New Zealand relationship.

What are the biggest challenges that nations and blocs like New Zealand and the European Union face in the future?

We're talking about what world we want our children to inherit. I think that's a fundamental question that we all face both as parents and as policymakers. We're living in a rapidly globalising, rapidly changing world, and there are a lot of challenges. I must talk about climate change. We need to ensure not just New Zealand and the European Union, but globally the world addresses this major challenge. We'll address it better if we cooperate together and bring our best minds together - that's why I think it's initiatives such as Horizon Europe that are the right way forward in the EU-New Zealand relationship.

Whether it's tackling economic issues, or global foreign policy challenges in the Pacific, we're going to find better solutions to challenges when we work together.





EU secures agreement at COP28 with global partners to accelerate fossil fuel transition and triple renewables

13 December 2023 – The COP28 UN Climate Conference in Dubai concluded with parties preserving the commitment in the Paris Agreement to limit the global average temperature increase to 1.5 degrees Celsius above pre-industrial levels.

The main focus was on the energy sector, resulting in an agreement to expedite the shift away from fossil fuels, aiming for a 43% reduction in emissions by 2030 and a net-zero emissions trajectory by 2050, aligned with scientific recommendations.

The conference marked the first **Global Stocktake under the Paris Agreement**, addressing the insufficient progress in emission reduction and outlining steps to realign national targets with the agreement's objectives. Notably, all parties, including NZ and the EU, through the **Global Pledge on Renewables and Energy Efficiency** committed to tripling global renewable energy capacity and doubling energy efficiency by 2030. The outcomes also included agreements to address **methane emissions**, phase out **inefficient fossil fuel subsidies**, and implement measures for climate finance, adaptation, and loss and damage.

Other key announcements included the operationalisation of the **Loss and Damage Fund**. The EU was the largest donor pledging over **€400 million** to the fund. The fund will support technical assistance to developing countries that are particularly vulnerable to the adverse effects of climate change.

Over 50 oil and gas companies, representing approximately 40% of global production, signed a decarbonisation charter. The signatories pledge to work towards achieving net-zero for direct operational emissions by 2050, and by 2030 zero leakage of methane from production and zero routine flaring.

The EU and NZ both worked together on several other political declarations, including:

- [The Declaration on Climate and Health](#). The political declaration marks the first time that the health impacts of climate change have been the focal point of climate discussions. The declaration serves as a voluntary call to action outside the formal process of the United Nations Framework Convention on Climate Change (UNFCCC).
- [The Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action](#). The non-binding declaration commits signatories to integrating agriculture and food systems into their climate action, adopting inclusive policies, securing finance, promoting innovations, and strengthening international trade.

Pullquote

"I welcome the successful conclusion of the COP28 UN Climate Conference and the first Global Stocktake of the Paris Agreement. It is good news for the whole world that we now have a multilateral agreement to accelerate emission reductions towards net zero by 2050" – President von der Leyen.

More Information: [Press Release](#), [Statement of President von der Leyen](#), [EU at COP28](#), [UN Climate Press Release](#), [Summary of Global Action at COP28](#)

Third Indo-Pacific Ministerial Forum and Pacific Day in Brussels

2 February 2024 – The third **EU Indo-Pacific Ministerial Forum** was held in Brussels on 2 February 2023 chaired by High-Representative Josep Borrell.



Immediately before the Ministerial Forum was Pacific Day. The first of its kind, Pacific Day brought together the EU and the Pacific to showcase the partnership between the two regions and engage on shared challenges, future prospects and opportunities for strengthened cooperation.

The meeting reunited EU Foreign Ministers with their counterparts from the Indo-Pacific region to discuss key steps towards common goals. During the forum Ministers discussed opportunities to foster shared prosperity through economic cooperation, especially through the digital and green transitions. Tackling maritime security was another major point of discussion in light of the recent Houthi attacks on shipping through the Red Sea which is having a negative impact on global trade to and from the EU and the Indo-Pacific region.

More Information: [EEAS Website](#), [Summary of Indo-Pacific Strategy \(video\)](#)

European Economic Area turns 30 and the Euro turns 25

1 January 2024 – The European Economic Area (EEA), a unique framework encompassing 30 states and half a billion people in the world’s largest internal market, has turned 30. 2024 also marks the 25th anniversary of the Euro which began circulating before the turn of the millennium in 1999.



The EEA has been a key contributor to political and economic stability, prosperity, and security on the European continent. Over the past three decades, the European Union, along with Iceland, Liechtenstein and Norway, has collaborated to enhance Europe for the benefit of citizens and businesses.

The EEA fosters a common internal market, ensuring the free circulation of persons, goods, services, and capital, with uniform rules in areas such as competition, environment, climate action, and social policy. This collaborative effort has resulted in significant achievements through shared vision, commitment, and mutual respect.

As a legacy for future generations, the EEA serves as a model of cooperation in the current geopolitical context, and there is the prospect to further strengthening the relationship with Iceland, Liechtenstein, and Norway in the years to come.

More Information: [Press Release](#)

EU-NZ Policy Futures Roundtable on Agriculture & Climate

29 January 2024 – Prof Frank Convery was Guest of Honour at a Policy Futures Roundtable with a gathering of New Zealand agricultural & climate experts. Frank is a leading expert: a member of the Science Committee of the European Environment Agency and Vice President of the European Association of Environmental and Resource Economists.

Participants delved into the complexities of infusing climate-conscious methodologies within agriculture, pinpointing the urgency for innovation and incentive frameworks to enable such advancements. Collaborative engagement with the farming community was highlighted to drive consensus and action towards environmentally sustainable practices.

Conversations navigated the role of venture capital and technology to propel agriculture towards ecological targets. A particular focus was laid on the brisk pace of market evolution, outstripping policy formulation, albeit a dual-edged sword of challenges and prospects for stakeholders.

Horizon Europe was praised for its potential to bridge the gap between research and practical innovation, particularly in the context of carbon offsets and the shaping influence of consumers and governmental bodies.

The discourse culminated in affirming the critical role of informed leadership, policymaking, and evidence-based discourse.



Foreign Policy Developments

The Ukraine Facility: A new support mechanism agreed

6 February 2024 – The European Council and Parliament have provisionally agreed a new instrument to support Ukraine’s recovery, reconstruction and modernisation. The facility will also support its efforts to carry out reforms as part of its accession path to the EU.

With a total budget of €50 billion, the Ukraine Facility will pool the EU’s budget support to Ukraine into one single instrument, providing coherent, predictable and flexible support for the period 2024-2027.

Support will be given under three pillars:

- The ‘Ukraine Plan’ by the Ukraine Government, for the recovery, reconstruction, modernisation and accession reform.
- The Ukraine investment framework.
- EU accession assistance and other supporting measures.

European Commission President, Ursula von der Leyen has underlined that the EU remains steadfastly side-by-side with Ukraine every day through the war, and every day afterwards.

The provisional agreement is subject to approval by the Council and Parliament before the text can go through the formal adoption procedure. Discussions will also continue as part of the Multi-Annual Financial Framework of which this new facility is a part.

More information: [Press Release](#)



EU adopts 12th sanctions package against Russia for continued illegal war against Ukraine

19 December 2023 – The Council has adopted a twelfth package of economic and individual restrictive measures in view of the continued Russian war of aggression against Ukraine.

The measures primarily target import and export bans, circumvention of sanctions, and loophole closures. The comprehensive package includes additional listings of Russian individuals and companies subject to asset freezes, with a focus on the military, defence, IT sector, and actors involved in recent illegal activities in Ukraine.

Notably, there is an import ban on Russian diamonds and raw materials for steel production, along with new export controls on dual-use and advanced tech, aiming to weaken Russia's military capabilities. The package also introduces stricter asset freeze obligations, energy measures, and anti-circumvention measures to counteract Russia's attempts to evade sanctions.

Furthermore, it outlines specific measures related to the oil price cap, liquefied petroleum gas, and transit prohibition through Russia. The Commission emphasizes the importance of maintaining sanctions to degrade Russia's military and technological capabilities while ensuring they do not impact energy and agrifood exports.

The EU remains committed to supporting Ukraine and pursuing a just and lasting peace, while actively addressing circumvention through international cooperation and monitoring efforts.

More Information: [Press Release](#), [News Article](#), [Official Journal](#)



High Representative Josep Borrell focuses on Middle East

9 January 2024 – EU High Representative for Foreign Affairs and Security Policy, Josep Borrell, travelled to the Middle East to visit Beirut and Riyadh, talking with relevant actors in the region.

In his [remarks](#) following the trip, Mr. Borrell stressed the dramatic humanitarian situation of the people in Gaza, the high risk of escalation in the region, especially on the border of Lebanon – Israel and the Red Sea which threatens the war spilling over and raising tensions even further in the region.

Mr. Borrell underlined that the war must stop, and a political solution – a two-state solution between Israel and Palestine – found so that Israel may live in peace and security and the Palestinian people given a horizon to look towards for their dignity, freedom, and security.

More Information: [Blog Post by Josep Borrell](#), [Le Monde](#), [Euractiv](#)



STRONGER ANTI-CIRCUMVENTION MEASURES

- Broadening of the scope of the [transit prohibition](#).
- Obligation for operators to contractually [prohibit the re-export](#) of certain categories of sensitive goods to Russia.
- Notification of certain transfers of funds out of the EU from EU entities directly or indirectly [owned by more than 40%](#) by Russians or entities established in Russia.

#StandWithUkraine



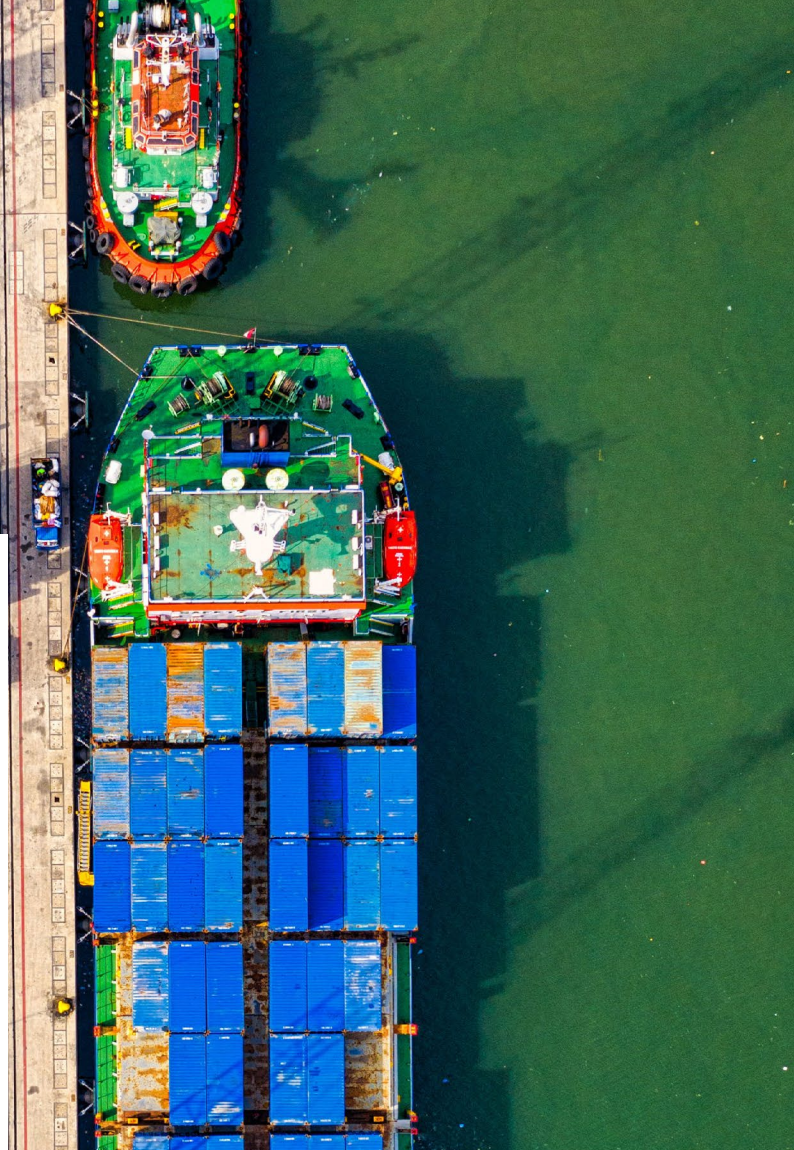
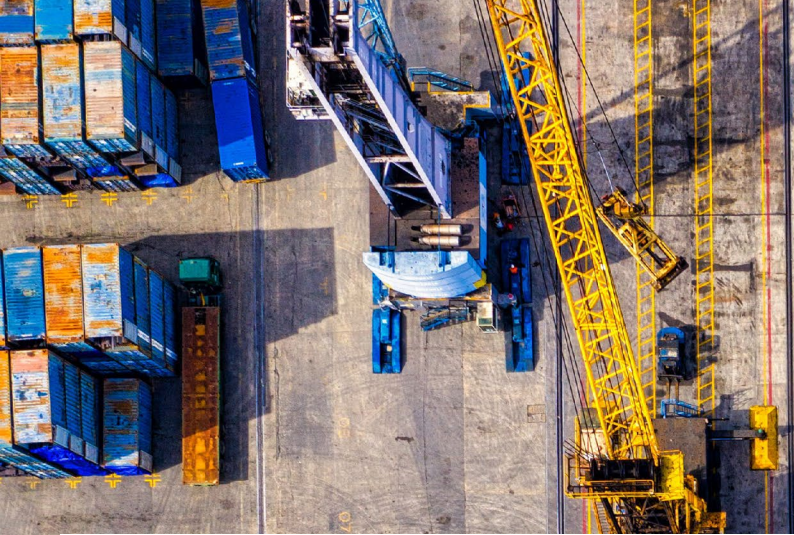


STRICTER ASSET FREEZE OBLIGATIONS

- New listing [criterion](#).
- Possibility to keep [deceased persons](#) on the asset freeze list.
- Tighter obligation for EU countries to [proactively trace assets](#) of listed persons.

#StandWithUkraine





Trade Developments

EU signs trade agreements with Chile and Kenya

13 December 2023 – The EU signed two trade agreements with Chile and Kenya to round out a stellar year for EU trade.

The **Advanced Framework Agreement** and an **Interim Trade Agreement** with Chile enhances political cooperation while promoting trade and investment. The agreements aim to deepen EU-Chile relations, creating economic opportunities while emphasizing commitments to human rights, sustainable trade, and gender equality.

The **Economic Partnership Agreement (EPA)** between the EU and Kenya is an historic agreement that will boost bilateral trade, promote investment, and foster sustainable economic growth. The agreement includes ambitious provisions addressing climate, environmental protection, labour rights, and gender equality.

Both sets of agreements now await approval from the European Parliament and the European Council, with provisional application for parts of the EU-Chile *Advanced Framework Agreement* coming into effect pending ratification by the parties.

New Zealand has begun its **ratification of the European Union-New Zealand FTA**. The European Union Free Trade Agreement Legislation Amendment Bill was introduced to the New Zealand Parliament on 26 January. This Bill will enable New Zealand to implement its obligations under the FTA and is necessary to bring the FTA into force. The Bill will now progress through the Parliamentary process, including going through Select Committee, with the aim to complete New Zealand ratification processes for entry into force by the middle of 2024. The EU completed ratification of the FTA last year.

More Information: [Press Release \(Chile\)](#), [Factsheet \(Chile\)](#), [Press Release \(Kenya\)](#), [Factsheet \(Kenya\)](#), [EU-Chile Advanced Framework Agreement](#), [EU-Kenya Economic Partnership Agreement](#), [European Union Free Trade Agreement Legislation Amendment Bill](#), [Factsheet \(New Zealand\)](#), [Council of the EU Press Release](#)

EU prolongs tariff suspension for US products related to the steel and aluminium dispute

19 December 2023 – The EU has extended the suspension of its rebalancing tariffs on US products in the context of the EU-US ongoing steel and aluminium dispute. This extension lasts until 31 March 2025. The EU rebalancing tariffs on US exports was a response to the US Section 232 tariffs on EU steel and aluminium.

The EU is prolonging the suspension of rebalancing tariffs in return for the US extending the suspension of its tariffs for historical trade volumes that are reflected in the Tariff-Rate Quota (TRQ) system established in January 2022.

The EU continues to engage constructively with the US to preserve its legal rights and remove US Section 232 tariffs on EU exports for good. Work between the EU and the US also continues on addressing global overcapacity and decarbonisation of steel and aluminium sectors in the context of discussions on a [Global Arrangement on Sustainable Steel and Aluminium](#) (GSA).

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

Green Deal Developments

EU makes final push on European Green Deal

31 December 2023 – Closing out 2023, with the end of the Commission’s mandate fast approaching, the EU institutions have reached provisional agreements on several Green Deal pieces of legislation (i.e. bills). Each of these bills still must be formally adopted, but the provisional agreements means that the three institutions, the Council of the European Union (the Council), European Parliament, and the European Commission have reached an agreement on a path forward and the substantive elements of the bills are settled. The decision-making process and legislative procedure can be seen in the infographic below with a more detailed description accessible [here](#). The initiatives include:

- **Corporate sustainability due diligence directive (CSDDD):** The proposal aims to foster sustainable and responsible corporate behaviour throughout global value chains. Under the CSDDD companies must diligently identify, prevent, and address adverse impacts such as, but not limited to, **environmental harm, pollution, and biodiversity loss**. They must also **monitor and assess their value-chain partners and align business strategies with sustainability goals**, including limiting global warming to 1.5 degrees Celsius as per the Paris Agreement.

Comment

The CSDDD will affect some 13,000 companies incorporated in the EU, and approximately 4000 non-EU companies. New Zealand companies exporting to the EU should carefully assess their obligations as the scope of the new regime extends to entire value chains. Companies not in compliance with the new rules face civil liability action, and EU member state authorities can impose penalties of up to 5% of annual group turnover.

More Information: [Press Release](#), [Corporate sustainability due diligence website](#), [Euractiv](#), [Global Compliance News](#)

- **The Ecodesign for Sustainable Products Regulation:** The proposal will help make sustainable products the new norm in the EU, by making them last longer, more efficient, and easier to repair. The regulation will also improve the level playing field for sustainable products on the EU’s internal market and strengthen the global competitiveness of businesses offering sustainable products.

Comment

Consumers around the world are clamouring for products to be more environmentally friendly and sustainable. The EU has meaningfully delivered on this promise for consumers, setting a standard for other countries to consider. The Digital Product Passport is particularly interesting from a trade perspective as it will support efforts for a paperless trading system – simplified trading rules with less environmental impact, what’s not to like?

More Information: [Press Release](#), [Proposed Regulation](#), [Ecodesign and energy labelling for energy-related products](#)

- **Electricity market reforms:** The reforms include changes to the **Electricity Regulation and Directive**, and the **REMIT Regulation**, which will expedite the shift towards renewable energy sources and lower energy bills for consumers. The reforms empower consumers to play an active role, acting as “prosumers” and investing in renewable projects. The reform also aligns with the EU’s **binding 42.5% renewable energy target by 2030**, promotes transparency, and encourages Member States to enhance non-fossil flexibility.

More Information: [Press Release](#), [Green Deal Industrial Plan](#)

- **Energy Performance of Building Directive:** Buildings are the single largest energy consumer in Europe. The objectives of the new (recast) **Energy Performance of Building Directive (EPBD)** are to substantially reduce greenhouse gas emissions and energy consumption in the EU building sector by 2030 and make it climate neutral by 2050.

Comment

Like the EU, the New Zealand government has committed to a target of net-zero emissions by 2050. In 2020 the Ministry of Business, Innovation and Employment launched the [Building for Climate Change](#) programme to reduce emissions from buildings.

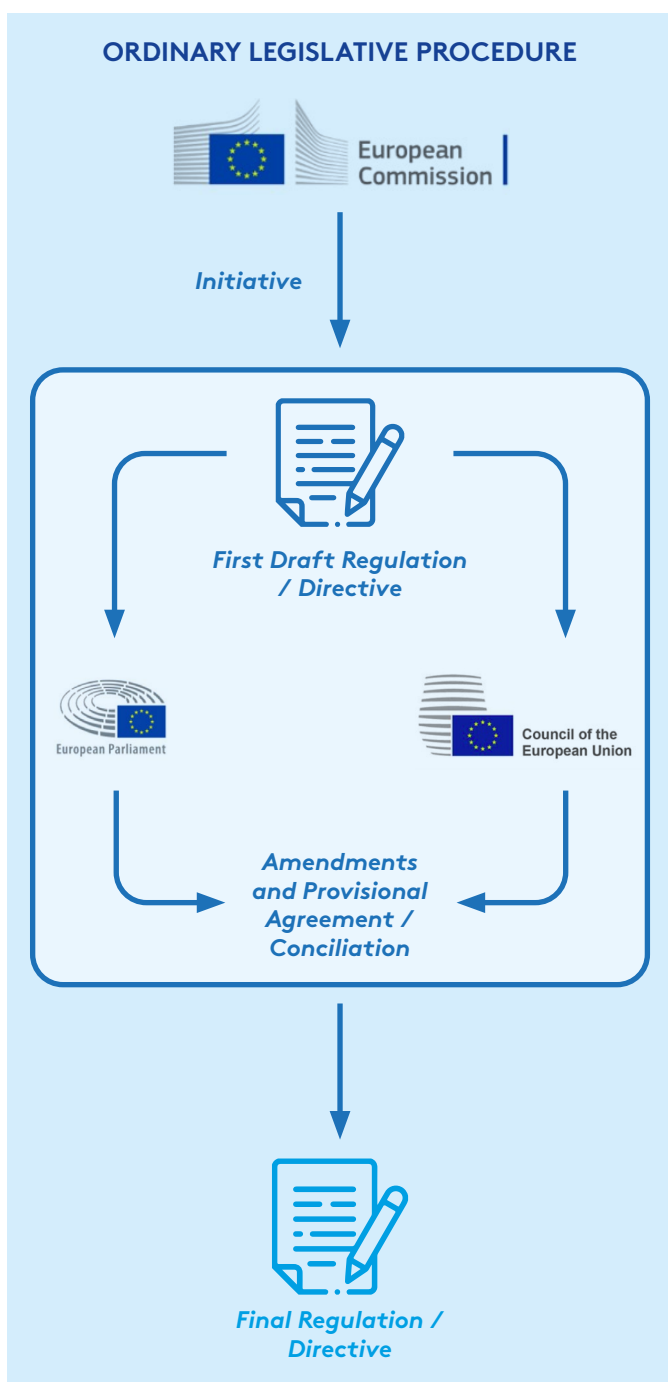
More Information: [Press Release](#), [Energy Performance of Buildings Directive website](#)



- Net Zero Industry Act:** The aim of this initiative is to boost the EU's overall strategic net-zero technologies manufacturing capacity to reach at least **40% of annual deployment needs by 2030**. This will accelerate the progress towards the EU's 2030 climate and energy targets and the transition to climate neutrality by 2050. It will also boost the competitiveness of EU industry, create quality jobs, and support the EU's efforts to become energy independent.

The NZIA is one of the three key legislative initiatives of the **Green Deal Industrial Plan** (see March 2023 Newsletter), together with the **Critical Raw Material Act** (see March 2023 Newsletter) and the **reform of the electricity market** (see above).

More Information: [Science Business](#), [Net Zero Industry Act website](#)



Commission launches first European Hydrogen Bank

23 November 2023 – The European Commission has initiated the first auction through the **European Hydrogen Bank**, allocating an initial **€800 million** from emissions trading revenues via the [Innovation Fund](#). Producers of renewable hydrogen can bid for support, with a fixed premium per kilogram aimed at bridging the initial investment and production-cost-consumer-price gaps, in a market where non-renewable hydrogen remains cheaper. Selected projects will receive the awarded subsidy on top of market revenues generated from hydrogen sales, for up to a decade.

The Hydrogen Bank complements policies that foster a renewable hydrogen market, encourage private investments in production capacity, and aid production scaling. This aligns with Europe's energy goals, targeting heavy industry and transport sector decarbonization.

The application deadline for bidders is 8 February 2024. The Commission plans to launch a second round of auctions in 2024, leveraging lessons from this pilot auction scheme.

More Information: [Press Release](#), [European Hydrogen Bank](#), [Auction-as-a-Service concept note](#)

Digital Developments

New Zealand's data protection standards positively assessed by the European Commission under the GDPR

15 January 2024 – The European Commission has reconfirmed NZ's adequacy of data protection under the General Data Protection Regulation (GDPR). This means that personal data transfers between European Union and New Zealand and can proceed smoothly, without additional procedures like transfer impact assessments.

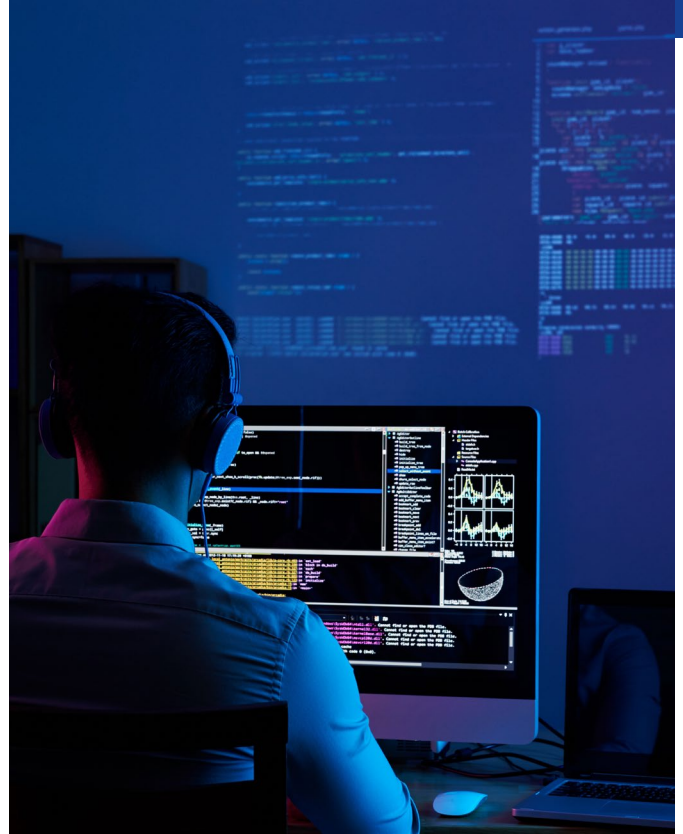
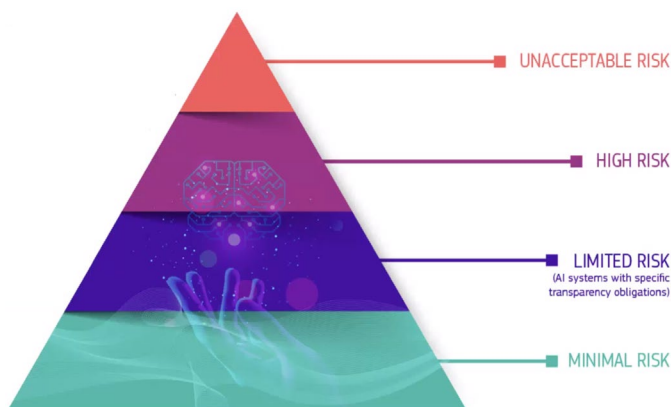
The Commission welcomes the advancements in New Zealand's legal framework, especially since the adoption of the Privacy Act 2020, which aligns closely with the EU's data protection standards, particularly concerning international data transfers and the authority of New Zealand's data protection body (the Office of the Privacy Commissioner).

These adequacy decisions are considered 'living instruments', this means that the Commission will continuously monitor any changes that might impact its data protection adequacy.

Comment

Adequacy status grants New Zealand businesses a commercial edge in promoting their services and interacting with EU customers and/or suppliers. This advantage sets them apart from other countries, such as Australia, for example, who lack adequacy status. This will enhance the fostering and stimulating trade as well as the exchange of information between the EU and NZ.

More Information: [Press Release](#), [First Review of Adequacy Decisions Report](#)



Artificial Intelligence to be regulated on a risk-based approach

9 December 2023 – The EU is the first major economy in the world to pass comprehensive legislation specifically on artificial intelligence. In the June issue of Policy Futures, we reported on the AI Act passing through the Parliamentary committee stage. The law has now been agreed between the Council and Parliament, paving the way for it enter into force.

The AI Act follows a risk-based approach. It categorises AI systems into unacceptable, high, limited or minimal/ no risk categories based on their capacity to cause harm to society, where the higher the risk, the stricter the rules. AI systems whose use poses an unacceptable risk will be banned.

In practical terms, it means AI systems like **ChatGPT** and **DALL-E** will need to comply with transparency obligations before they are put on the market. For very powerful models that could pose systemic risks, there will be additional binding obligations related to managing risks and monitoring serious incidents, performing model evaluation and adversarial testing.

The definition of what is AI has been the subject of considerable debate in the EU and around the globe. To ensure that the definition of an AI system provides sufficiently clear criteria for distinguishing AI from simpler software systems, the regulation's definition of AI aligns with the approach proposed by the **OECD**. This paves the way for potential international harmonisation on the definition across jurisdictions, making it easier for business to operate across borders.

The main provisions of the AI act should apply two years after its entry into force, with some exceptions for specific provisions.

Comment

The AI Act is 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. 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](#), [Questions & Answers](#), [Proposed Regulation](#), [BBC](#), [Reuters](#)

Agreement on Cyber Resilience Act paves the way for secure digital infrastructure

1 December 2023 – The Cyber Resilience Act is the first of its kind in the world. It is designed to significantly improve the cybersecurity of digital products. It introduces mandatory cybersecurity requirements that apply to a wide range of hardware and software products, - from baby monitors, smart watches and computer games to firewalls and routers.

The Act will also introduce a legal obligation for manufacturers to provide consumers with timely security updates for several years after purchase of products (proportionate to the period of time that the product is intended to be used). This means that consumers will benefit from making more informed decisions about their purchases as manufacturers will have to be more transparent about the security of their products.

Upon entry into force, companies that make or sell these products will have 36 months to adapt to the new requirements, with the exception of a more limited 21-month grace period in relation to the reporting obligation of manufacturers for incidents and vulnerabilities. The introduction of this Act represents a significant step towards safer and more secure digital infrastructure.

Comment

New Zealand companies providing digital services towards the EU should consider carefully studying and working with their customers in the EU to comply with the new legislation.

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



Economic Security

Commission presents five initiatives to bolster economic security

24 January 2024 – The European Commission has published a new communication setting out five new initiatives to bolster the economic security of the EU. The package includes initiatives that aim to:

- **Improve existing legislation** for screening of Foreign Direct Investment;
- Foster further discussions within the EU on **export controls of dual-use technologies** that impact European security;
- Consult Member States and stakeholders on potential **risks stemming from outbound investments**;
- Stimulate discussions on how to **better promote research and development involving technologies with dual-use potential**;
- Propose that the Council recommends measures to **strengthen research security at national and sector level**.

Commenting on the new strategy, Valdis Dombrovskis, Executive Vice-President and Commissioner for Trade, said: *“The EU has benefitted greatly from being an export powerhouse, investing abroad and keeping its market open to trade and foreign investors. But to keep making the most of these opportunities, we must be more clear-sighted about the risks we face at this time of profound geopolitical turmoil and fast technological shifts.”*

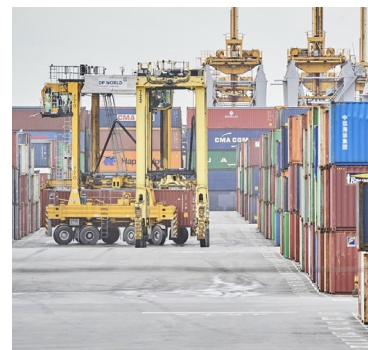
This recent announcement builds on the June 2023 [European Economic Security Strategy](#) which identified four risk categories to be addressed: supply chains; physical and cyber-security of critical infrastructure; technology security and technology leakage; weaponisation of economic dependencies or economic coercion.

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



Anti-Coercion Instrument enters into force

27 December 2023 – The **Anti-Coercion Instrument (ACI)** has officially come into force, offering the EU a mechanism to both deter and respond to economic coercion.



Comment

In light of increasingly precarious geopolitical situation and the slow progress of reform at the WTO, the EU developed this tool to help to protect its European interests, within the framework of the rules-based trading system.

More Information: [Press Release](#), [Questions & Answers](#), [Protecting Against Coercion website](#)

Horizon Europe Developments

United Kingdom joins Horizon Europe

1 January 2024 – The United Kingdom has become an associated country to Horizon Europe. British researchers will be able to participate in this research and innovation programme of the EU on the same terms as researchers from other associated countries and will have access to Horizon Europe funding.

The EU and UK adopted a political agreement on United Kingdom’s association to Horizon Europe and to the Copernicus component of the Space Programme. Under the *EU-UK Trade and Cooperation Agreement* the UK will contribute around €2.43 billion per year on average to the EU budget for its participation in Horizon Europe, and roughly €154 million for participation to Copernicus.

Comment

The latest announcement follows on the coat tails of New Zealand and then Canada joining Horizon Europe. Horizon Europe is the EU’s key funding programme for research and innovation with a budget of €95.5 billion for 2021-27. Through engagement with international partners all sides stand to gain from the network effects that the programme creates, and will expand the possibilities for collaboration between NZ, UK and the EU.

More Information: [Press Release](#), [Joint Statement from the EU and UK Government](#), [Politico](#)