European Commission

State of the Union 2026

From promise to progress:

second year in office

Von der Leyen Commission
2024-2029

State of the Union 2026

European Commission
Directorate-General for Communication
1049 Brussels
BELGIUM

Print	ISBN 978-92-68-41058-5	doi:10.2775/5789065	NA-01-26-027-EN-C
PDF	ISBN 978-92-68-41057-8	doi:10.2775/1206124	NA-01-26-027-EN-N

The Commission is not liable for any consequence stemming from the reuse of this publication.

Luxembourg: Publications Office of the European Union, 2026

Contents

Introduction: **Delivering Europe's independence**

'This must be Europe's independence moment.' That was the call with which Ursula von der Leyen, President of the European Commission, opened her 2025 State of the Union address. It reflected a simple reality: in a more fragmented world, Europe must take greater responsibility for its own future. Turning that ambition into reality has guided the European Commission's work over the past year.

We are delivering a new European approach. Across our Union, there is growing recognition that the challenges we face, from security threats to economic competition and technological change, cannot be addressed by acting alone. We are showing that when we are tested, Europe responds together.

Delivering on the promise of a more independent Europe starts with a strong and competitive economy. This year, the Commission has accelerated efforts to make Europe a better place to invest, innovate and grow. We have listened to businesses and **simplified rules** to make it easier for companies to operate across Europe. Through **EU Inc.**, we will help firms to start, scale up and seize the benefits of our 450 million-strong Single Market.

We have taken measures to **address energy costs** while accelerating the **transition to clean, affordable and homegrown energy**. We are delivering the **Savings and Investments Union** to ensure European companies have access to the finance they need to become global champions. We are ensuring that Europe can lead in the industries of tomorrow – from artificial intelligence (AI) to electric vehicles, and from clean tech to biotech. We are investing in **skills**, helping deliver affordable **housing**, and **strengthening Europe's unique social model**. Finally, we have expanded our Monetary Union with Bulgaria becoming the 21st member of the euro area in January.

In a more confrontational world, Europe is showing that a different path forward is possible. We have taken major strides to **diversify our trade and reduce our dependencies** by building mutually beneficial partnerships. We have negotiated **new trade agreements** from the **Indo-Pacific to Latin America**. We worked to ensure strong, stable and predictable transatlantic trade and investment. In a period of volatility, major economies across the world are turning to Europe as a reliable, predictable and trusted partner.

Europe is also stepping up and taking responsibility for its own security. Last year, the European Commission presented the **ReArm Europe Plan / Readiness 2030** to strengthen defence capabilities and close critical gaps. **Europe is turning ambition into delivery**. We are supporting joint defence procurements through the **SAFE** instrument, improving **military mobility** across the continent, simplifying rules to speed up investment and developing flagship initiatives such as the **Eastern Flank Watch** and the **European Drone Defence Initiative. Europe is delivering the capabilities it needs to ensure its independence and protect its citizens in a more dangerous world**.

Our security starts in Ukraine. Once again, Europe has shown that it will stand with Ukraine for as long as it takes in the face of Russia's war of aggression. The EU has agreed an **additional €90 billion in support for Ukraine's budget and military needs in 2026 and 2027, in addition to the more than €220 billion already provided.** Ukraine's defence is Europe's defence, so we are scaling up cooperation between our defence industries. We are continuing to increase pressure on Russia with **21 packages of sanctions adopted**. And we are laying the foundations for Ukraine's future at the heart of Europe by opening the **first negotiation clusters**.

In a fast-changing world, the EU remains focused on protecting what matters most. Through the **European Democracy Shield**, we are acting to preserve the foundations of our democracies and protect them from foreign interference. Through proposals for the next long-term budget, we are strengthening protections for the rule of law. We are making sure that Europe is digital, competitive and fair. We are acting to **protect Europeans**, particularly children and young people, from emerging threats online, while empowering them to reap the benefits of the digital world. In addition, we are continuing to respond to the pressures people face in their daily lives, from energy costs to housing affordability.

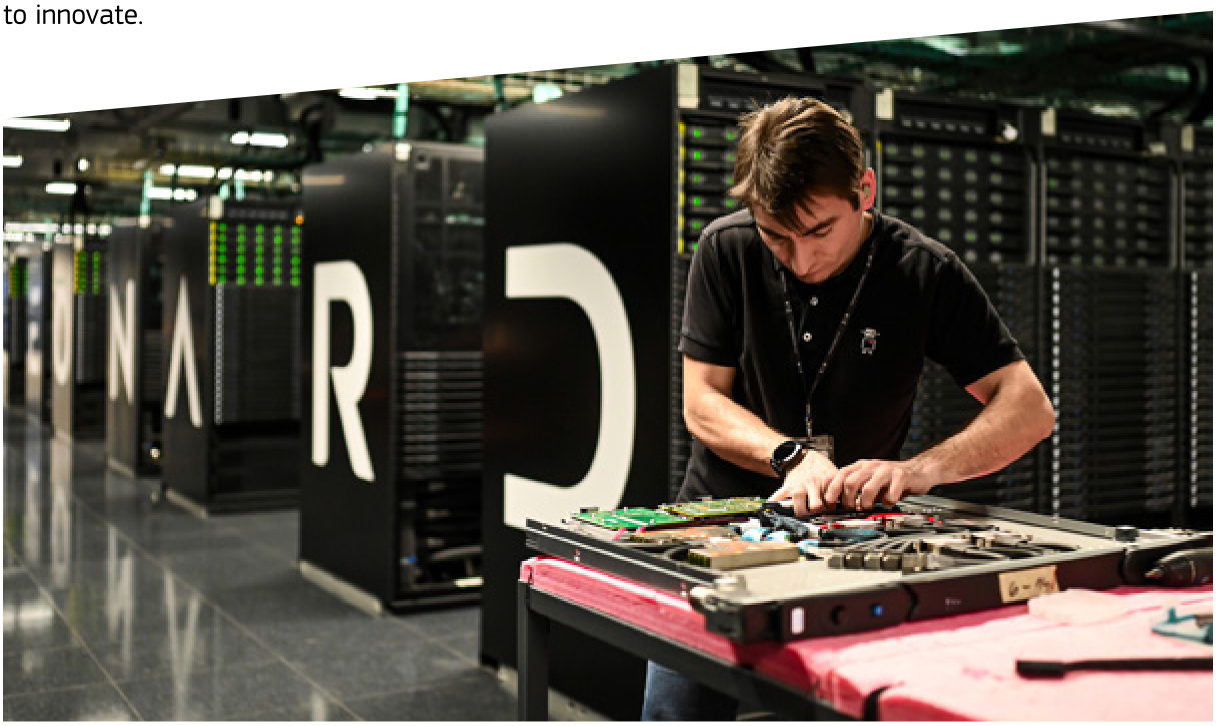
Over the last 12 months, Europe has again faced profound global challenges. Yet, in the face of uncertainty, **more Europeans than ever recognise that we are stronger when we stand together**, with almost nine in ten saying European countries should act in a more united way to face the current global challenges. They recognise that security, prosperity and freedom require a more independent Europe. This is the choice Europe has made. **Now we are delivering on it**.

01 A competitive and prosperous Union

A competitive economy is the foundation of Europe's prosperity. It creates wealth and good-quality jobs, funds public services and supports our social model. In a world shaped by strategic rivalry and the weaponisation of dependencies, it also underpins our independence. As Mario Draghi put it, a competitive economy is a prerequisite for our freedom to choose our own destiny.

Europe starts from a position of strength. **We are a global leader in many of the sectors that will shape the decades ahead**, from advanced manufacturing to clean technologies. We are home to world-class universities and research institutions, and we have the largest network of trade partnerships of any major economy. Above all, Europe's greatest strength is its people – their skills, creativity and capacity to innovate.

Significant challenges persist, however. Fragmented markets, structurally high energy costs, skills shortages and unnecessary regulatory complexity continue to hold businesses back and limit Europe's growth. Addressing these barriers is at the centre of this Commission's agenda. Last year, we set out a roadmap for a stronger European economy. **This year, we have focused on delivery**: completing the Single Market, strengthening strategic industries, reducing energy costs through homegrown clean power and ensuring that competitiveness goes hand in hand with Europe's social model.



A stronger Single Market – for people and businesses

With its 450 million consumers, **the Single Market is the engine of European growth and competitiveness**. It serves both as a home market for our companies and as a launchpad for them to become global champions. Yet we are still failing to exploit its full potential. As the International Monetary Fund has highlighted, internal barriers within the Single Market are equivalent to a 45 % tariff on goods and a 110 % tariff on services. Removing these remaining barriers, and thereby completing the Single Market, is vital for Europe's independence and is a central priority of this European Commission.

© Adobe Stock

With 450 million consumers, the EU is the world's 2nd-largest economy.
A stable, predictable and reliable partner open for business.

We are making the Single Market easier to navigate by cutting unnecessary red tape. We have already put forward **12 omnibus packages** across sectors, from automotive to chemicals. Three of the omnibus packages are already part of the EU rule book and three others have already been partially agreed by the Parliament and the Council. The Commission is working with the co-legislators to continue delivering on the simplification agenda. Taken together, our 12 omnibus packages and 2025 simplification measures will result in savings for European businesses of at least €17 billion in net administrative costs. Our objective is to **reduce administrative burden by at least 25 % for all businesses, and at least 35 % for small and medium-sized enterprises**, by the end of this mandate. This means more resources for companies to innovate, scale up and create quality jobs.

12 simplification packages across multiple sectors:

- ENERGY PRODUCT LEGISLATION
- TAXATION
- FOOD AND FEED SAFETY
- AUTOMOTIVE
- ENVIRONMENTAL LEGISLATION
- DIGITAL
- CHEMICALS
- DEFENCE READINESS
- SMALL MID-CAPS, DIGITALISATION, AND COMMON SPECIFICATIONS
- COMMON AGRICULTURAL POLICY
- INVESTMENT SIMPLIFICATION
- SUSTAINABILITY

Simpler rules, stronger businesses

Objective to **cut administrative burden** by the end of the mandate at least by:

For **all businesses** -25 %

For **SMEs** -35 %

Net administrative savings: 12 omnibus packages and 2025 simplification measures

€17 bn

€37.5 bn
Objective by the end of the mandate

Simplification is also a mindset we are applying to everything we do going forward. Each new EU initiative must be **simpler by design**, reducing the administrative burden for both businesses and citizens. Better rules are not only easier to implement; they are also essential to building a more dynamic, integrated and competitive Single Market.

European entrepreneurs and innovative companies are the first victims of regulatory fragmentation. Instead of operating in one market, they face 27 legal systems and more than 60 company forms. We need to enable our businesses to benefit from a true Single Market and its 450 million consumers. That is why the Commission has put forward **EU Inc., a single European company framework with a single harmonised set of rules**. This means entrepreneurs will be able to establish an EU Inc. company **fully online, within 48 hours, from anywhere in Europe, for less than €100**. This is all while maintaining existing labour standards and workers' protections.

EU Inc. - a new harmonised corporate legal regime

FAST & CHEAP

Registration
in **48 hours**.
Maximum cost
of €100.

SIMPLE

Fully digital.
Once-only submission
of information.
Central EU register
for company information.

LOW RISK

With simplified and digital insolvency for start-ups.

ATTRACTIVE FOR INVESTORS

Simple transfer of shares and access to the stock exchange.

ATTRACTIVE FOR EMPLOYEES

Easier access to employee stock options.

STRONG SAFEGUARDS

No weakening of the rules that protect workers.

We are also tackling fragmentation in financial markets. Today, Europe still operates through 27 different financial systems, each with its own rules, supervisors and market practices. This level of fragmentation prevents capital from flowing efficiently to where it is needed. Meanwhile, European households invest €300 billion abroad every year and keep more than €10 trillion in low-yield bank deposits.

Europe does not lack capital; what it lacks is an efficient system to channel that capital into productive investment. That is why, in the last year, the European Commission has put forward ambitious proposals for a **Savings and Investments Union**, including measures to enhance financial market integration, make supervision simpler and more coherent, and promote access for all citizens to savings and investments accounts and to supplementary pension systems.

A more robust Savings and Investments Union will give European households greater and safer opportunities to invest in capital markets, while giving businesses easier access to the capital they need to innovate, grow and create quality jobs in Europe. At the same time, we are working to boost financial literacy across Europe.

In the past year, the Commission has focused relentlessly on removing the barriers that continue to fragment the Single Market. We have already tabled most of the initiatives set out in the **Competitiveness Compass** and now the focus is on delivery. That is why we agreed a **One Europe, One Market Roadmap** with the Parliament and the Council in April. It is a political commitment to move forward on key reforms by the end of 2027, and we are progressing quickly on it.

The Single Market remains Europe's greatest economic asset. However, we are only using part of its potential. Reducing fragmentation is the fastest path to stronger competitiveness and real European independence.

One Europe, one market

Cohesion Policy plays a vital role in reducing economic and social disparities across Europe's regions. Last year marked the mid-term review of the policy, enabling Member States to redirect funding towards emerging strategic priorities. In just one year, €34.6 billion in cohesion funds was reallocated to areas such as strengthening competitiveness, enhancing European security, and accelerating the energy transition.

Our proposals for the next long-term budget build on this model, with a modernised Cohesion Policy at their heart. **National and regional partnerships** for investment and reform will combine Europe's common priorities with a stronger role for local and regional authorities, recognising that every territory has unique circumstances and knows best how to address them.

A modernised Cohesion Policy

MID-TERM REVIEW

In billions of euro

Competitiveness: supporting SMEs, as well as critical technologies and industries, for greater territorial development

Defence and dual-use investments: encompassing infrastructure robustness, civil preparedness and military mobility, as well as cyber-security measures

Affordable and sustainable housing: guaranteeing the right to stay in the place people call home

Water investments: for sustainable resource management and long-term resilience

Energy security: with a focus on interconnectors and industrial decarbonisation

Totals may differ slightly from the sum of individual figures due to rounding

An innovative Union that leads the industries of the future

Europe is not only facing a new geopolitical moment; it is also navigating a profound technological and industrial transformation. From AI and quantum technologies to clean tech and biotechnology, a global race is under way to shape the industries that will define future prosperity and power. These technologies are already reshaping traditional sectors and transforming everyday life. **Europe's ability to act independently and remain competitive depends on ensuring that these technologies are not only deployed in Europe, but also designed, developed and manufactured here**.

Europe has world-leading industrial and technology companies, cutting-edge research, a growing start-up scene and a highly skilled workforce. Europe must now make better use of these assets to help companies start up, scale up and become global champions.

For every €1 invested in Horizon Europe, the EU economy will gain up to €11 by 2045.

To attract investment, we must strengthen demand for European technologies and clean products. This is where the EU needs to use its economic weight more strategically. The **Industrial Accelerator Act**, which we put forward in March 2026, is designed to do this. It simplifies procedures, accelerates permitting and creates lead markets for European industry by introducing **'made in Europe'** and low-carbon criteria in public procurement across strategic sectors. It aims to **increase the share of EU GDP represented by manufacturing from 14.3 % in 2024 to 20 % by 2035**. Stronger demand for clean and innovative European products provides companies with the certainty they need to invest and scale up within Europe.

Public procurement is one of the most powerful tools available, representing around 15 % of EU GDP. Too often, however, we do not use public procurement to advance the EU's strategic goals. The **Public Procurement Act**, presented in September 2026, will make procurement simpler and more accountable, while enabling public authorities to use it more strategically to support European suppliers in critical sectors.

The Industrial Accelerator Act


© Adobe Stock

Towards a **20 %** share of manufacturing in EU GDP

- Strengthen the EU's industrial leadership
- Accelerate industrial decarbonisation investment
- Use public procurement to boost demand for EU clean tech products
- Ensure that foreign investments in critical sectors generate added value for the EU economy

And we are working to **turn more of Europe's ideas into European success stories**. Europe produces world-class research and innovation, but too little of it is translated into successful products and companies. The **European Innovation Act**, also presented in September, will help close this gap by enabling public authorities to support European innovation and by allowing a better use of intellectual property rights.

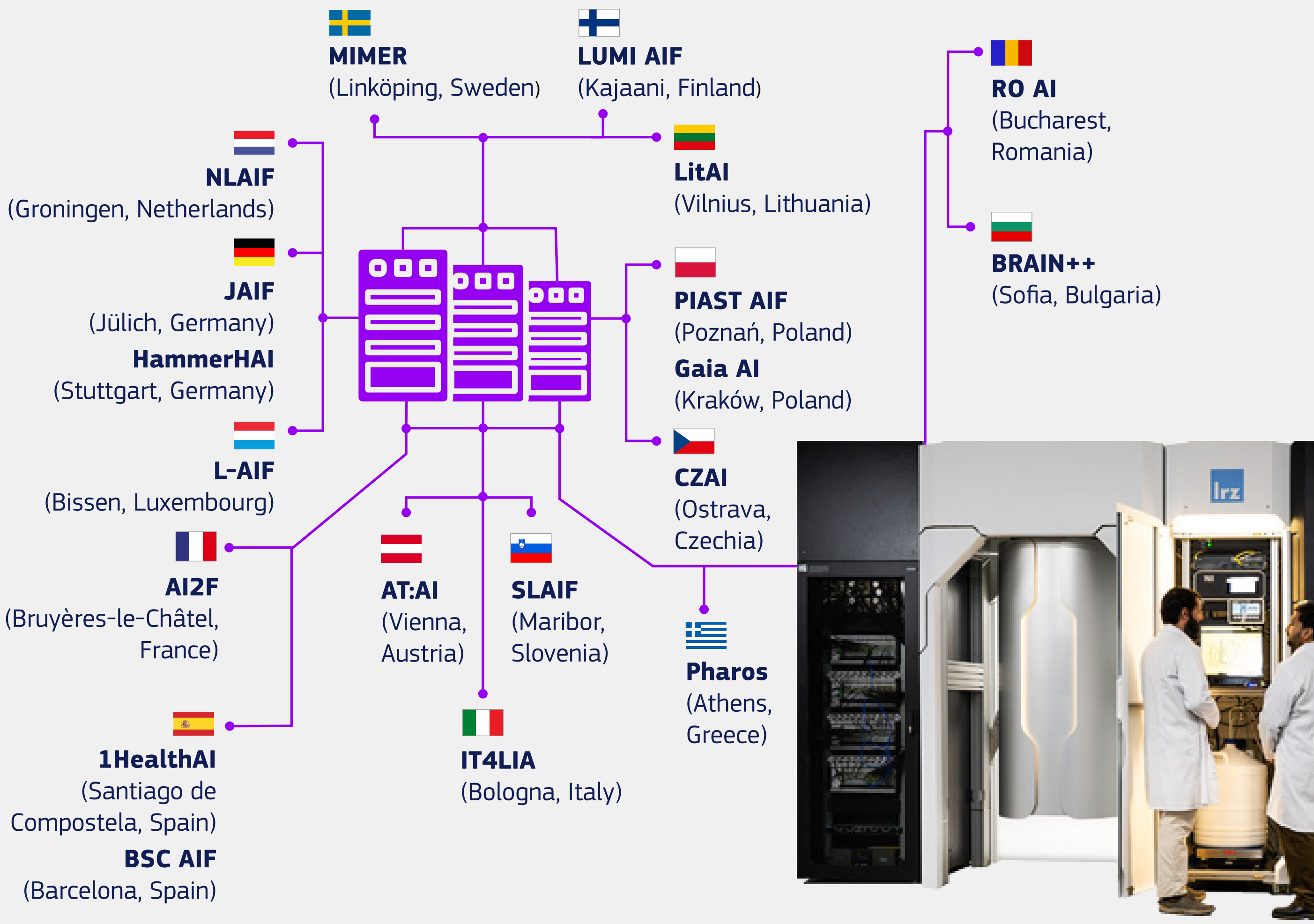
At the same time, the EU is adapting its regulatory framework to compete in a world where scale, speed and investment increasingly matter. In April 2026, the Commission set out new draft **Merger Guidelines**, to ensure competition policy remains fit for global markets. These take a more dynamic and forward-looking approach, preserving competition within Europe while placing greater emphasis on innovation, investment capacity and industrial scale.

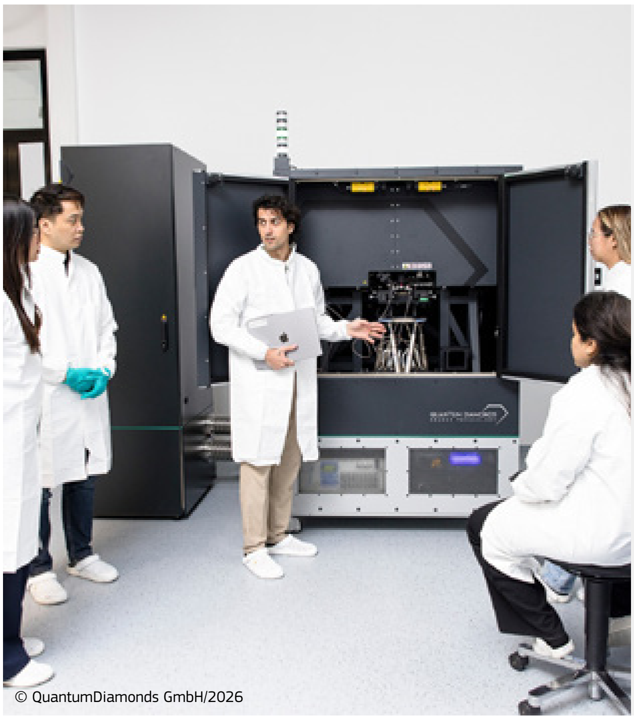
Nowhere is the challenge clearer than in digital technologies and AI. Here, technological leadership and a vibrant industry are preconditions for future success. The next wave of innovation will be defined by how digital capabilities are applied in the real world. To create value, technologies like AI must be connected to the physical systems they are meant to improve.

Europe is ready for this. Through the **InvestAI initiative**, we aim to mobilise €200 billion in public and private investment in the field. With the **Apply AI Strategy**, we are also supporting European industry in the adoption of AI in key sectors, from healthcare to advanced manufacturing and pharmaceuticals. At the same time, Europe is building the infrastructure needed to compete globally. **Nineteen AI factories** are already being rolled out, and the call for Europe's first **AI gigafactories** was launched in July 2026. This will expand the computing capacity required to train frontier AI models and support innovation at scale. In addition, with our **Digital Omnibus**, we are simplifying rules to make Europe a better place to innovate and invest. Together, these efforts will help make Europe an AI continent.

Technological leadership also requires reliable access to critical inputs. That is why we are strengthening autonomy and resilience in technologies from semiconductors and software to emerging and disruptive fields with our **Tech Sovereignty Package**, presented in June 2026. Building on the success of the Chips Act, which has already unlocked more than €52 billion in semiconductor investment, the **Chips Act 2.0** will strengthen demand for European-made semiconductors and reinforce supply chains for European industry. Meanwhile, with the proposed **Cloud and AI Development Act**, we will reinforce Europe's sovereignty and competitiveness in the cloud and AI ecosystem, while the **Digital Networks Act** will modernise and harmonise rules for connectivity networks, and it will create the conditions for operators to invest and innovate.

19 AI factories across Europe





QuantumDiamonds, a Munich-based scale-up, has developed the world's first commercially available semiconductor inspection system based on quantum sensing. Its machines detect defects in modern microchips that no other technology could see before and are already deployed with customers in the US and Taiwan. With chip complexity rising, this cutting-edge innovation secures the semiconductor foundation that AI is built on and gives Europe a genuine competitive advantage in the global AI race.

European Tech Sovereignty Package

The Tech Sovereignty Package will strengthen Europe's competitiveness, strategic autonomy and geoeconomic position.

WHAT IT MEANS

Boosting homegrown industrial capacity and autonomy across the supply chain.

Increasing choice for end users.

Securing the supply of digital technologies.

Developing, controlling and scaling critical technologies, infrastructure, services and data.

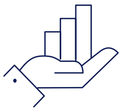
Setting the standards for key strategic technologies.

THE PACKAGE INCLUDES

Chips Act 2.0	Cloud and AI Development Act	EU Open Source Strategy	Strategic Roadmap for Digitalisation and AI in Energy

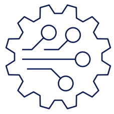
Chips Act 2.0

IMPROVE framework conditions: encourage faster permits, reduce the skills shortage and support European regions.



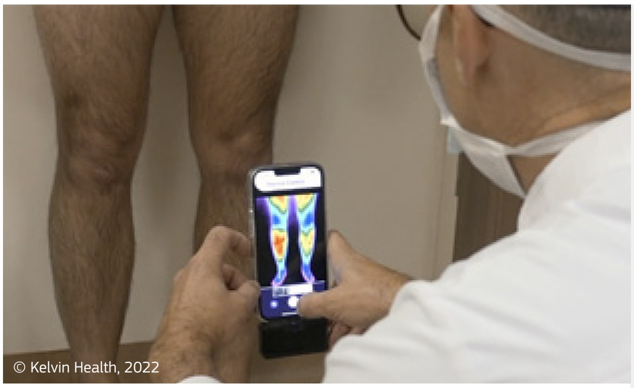
BOOST European demand: stimulate demand from user sectors.

ENSURE supply chain resilience: reduce gaps in supply and vulnerabilities in the value chains.



BUILD capabilities: stimulate AI chips production, predicted to drive growth in the sector.

© Adobe Stock



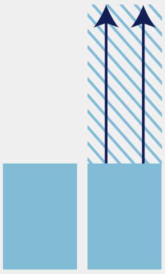
© Kelvin Health, 2022

It is not just in the digital and AI fields that the European Commission is supporting European firms in leading the industries of the future. In biotechnology and life sciences, Europe already has strong foundations but is facing increasing global competition. The **Biotech Act** – proposed by the Commission in December 2025 – aims to make Europe a more attractive place to develop, test, manufacture and commercialise medical biotechnology by reducing regulatory complexity and accelerating EU-wide clinical trials. Together with the European Investment Bank, **the Commission will invest €10 billion in biotechnology and life sciences between 2026 and 2027** to strengthen both research excellence and industrial capacity.

Kelvin Health is a Bulgarian HealthTech innovator, developing a non-invasive way to detect early signs of vascular disease and inflammation through a combination of thermal images, artificial intelligence and the use of a smartphone. Vascular and cardiovascular diseases are a leading cause of death and disability in the EU. Kelvin Health is on a mission to advance care via accessible diagnostics, helping to identify early serious health risks. Turning cutting-edge research into practical solutions for patients, Kelvin Health's work is supported by Horizon Europe and EIT Health, an initiative of the European Institute of Innovation and Technology. The team has also won international innovation awards, including Health-Tech Innovation of the Year '22 by MedTech World.

The European Biotech Act

KEY FIGURES



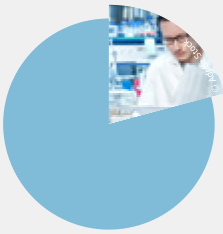
The EU biotechnology industry has grown more than

TWICE AS FAST

as the overall EU economy.

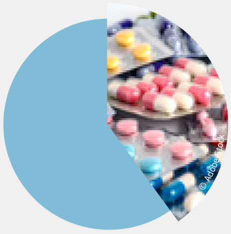
75 %

of biotechnology jobs in the EU are in health biotech, totalling 685 000 jobs.



21 %

of the world's top biotech publications are authored by EU scientists.



40 %

of all medicines sold in the EU are bio-medicines (including biosimilars).

© Adobe Stock

WHY A HEALTH BIOTECH ACT?

- **EU competitiveness**: enhancing the EU's ability to compete globally and as a leader in biotech.
- **Availability of treatments**: accelerating the development and delivery of groundbreaking treatments.
- **Job creation**: creating thousands of quality jobs and boosting European economies.
- **Innovation and investment**: enabling innovative companies to thrive and drive healthcare and tech breakthroughs.
- **Biosecurity**: ensuring clear rules preventing the misuse of biotechnologies.

Dr Giacomo Annio focuses his work on developing smart magnetic nanoparticles to target brain tumours. These theragnostic nanoparticles are designed to both treat tumours and enable doctors to track them through MRI, while being activated only within the tumour itself, thereby minimising damage to healthy tissue. After spending part of his postdoctoral research at Stanford University, he returned to Europe thanks to the Marie Skłodowska-Curie Actions, to continue developing his groundbreaking work.

© Giacomo Annio, 2026

© Lindsay Oftelie, 2026

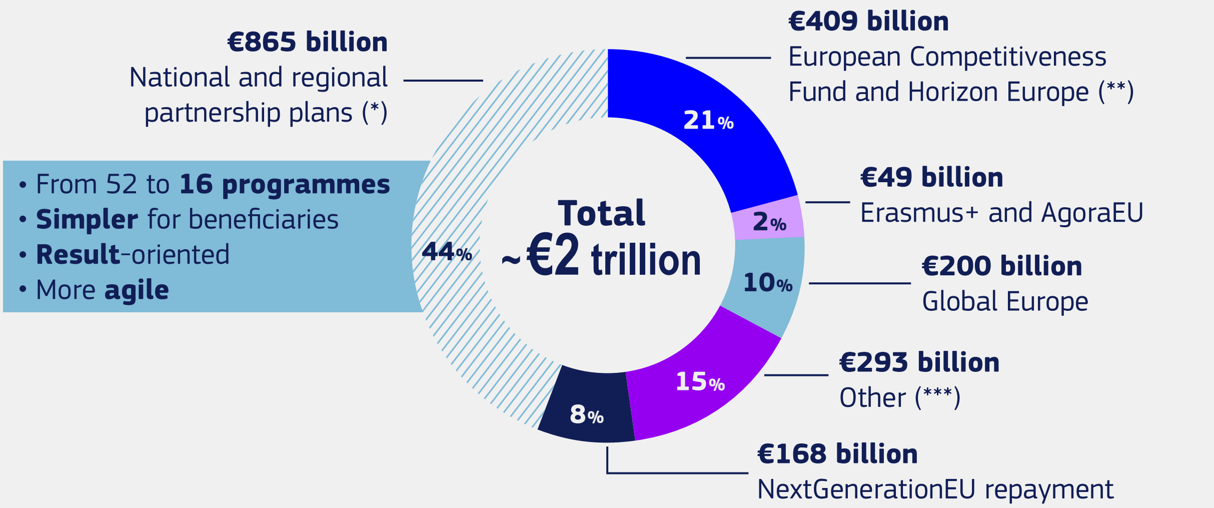
Dr Lindsay Bassman Oftelie is a computational physicist who works on developing more energy-efficient quantum computers. In 2022, she chose Europe. She moved from Berkeley Lab in the United States to CNR Nano in Pisa through a Marie Skłodowska-Curie Actions Postdoctoral fellowship. Besides her scientific achievements, Dr Bassman Oftelie has been recognised by the Italian Ministry of Foreign Affairs for her science communication and diplomacy efforts.

Helping European firms scale up into global champions is also about access to capital. Too often, Europe's most promising firms still look abroad for growth capital, with investment, talent and intellectual property following overseas. To address this, along with the Savings and Investments Union, the Commission and partners in the private sector have launched the **Scaleup Europe Fund**, the largest European growth-stage equity fund to date. With a target size of €5 billion, it will support companies developing strategic technologies across the fields of AI, quantum, clean energy and space.

We are also supporting science and research made in Europe. The latest call for Marie Skłodowska-Curie Actions Postdoctoral Fellowships attracted **a record of 21,627 applications from around the world**, showing that Europe is an attractive destination and that many top researchers want to **Choose Europe for Science**.

Innovation will also be at the heart of the **EU's next long-term budget** for 2028–2034. **At close to €2 trillion, it is the most ambitious budget proposal in EU history**, and is designed to strengthen Europe's capacity to invest more strategically and at greater scale. Central to this are the new **European Competitiveness Fund, Horizon Europe and the Innovation Fund,** with €451 billion dedicated to supporting research and innovation, strengthening supply chains, reducing dependencies, supporting strategic infrastructure and accelerating investment in technologies critical to Europe's future competitiveness.

The proposed new long-term budget



NB: All amounts are in 2025 prices, adjusted using a 2 % deflator.

(*) Including:
- Regional development
- Migration, borders and security
- Social
- Common Agricultural Policy
- Fisheries and maritime

(**) Plus €41 billion from the Innovation Fund

(***) Including:
- Connecting Europe Facility
- Civil protection and health
- Euratom research and training
- Common Foreign and Security Policy
- Justice Programme
- Nuclear decommissioning
- Overseas countries and territories, including Greenland
- Pericles Programme

It is a budget that will give Europe the financial firepower to compete and lead in the industries of the future.

Europe depends on a strong industrial base. Industries such as energy, chemicals and steel underpin entire value chains. Right now, these industries face growing pressure from high energy costs, increased global competition and market distortions driven by massive foreign subsidies.

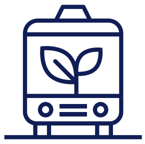
Keeping these capabilities in Europe is not simply an economic imperative; it is also a strategic one. Losing industrial capacity means losing skilled jobs, technological expertise and the ability to build our own future. That is why Europe is stepping up its support. Last year we launched the **Clean Industrial Deal**, to turn decarbonisation into a driver of growth for European industries, while reaching for our climate ambitions. We have more than **doubled investment in industrial transformation, from €52 billion in 2024 to €115 billion in 2025**.

Clean Industrial Deal

ACCELERATING EUROPE'S CLEAN INDUSTRIAL TRANSITION

ENERGY INTENSIVE INDUSTRIES

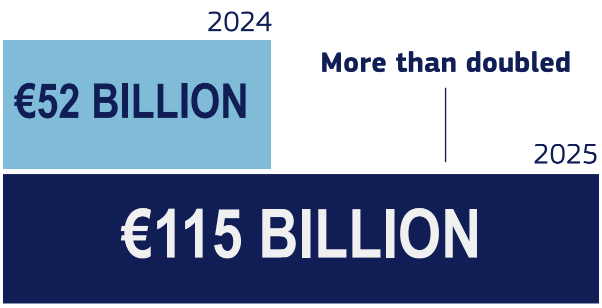
to safeguard competitiveness from high energy costs and unfair global competition



CLEAN TECH SECTOR

as it is a key enabler of competitiveness and decarbonisation

Investment in industrial transformation



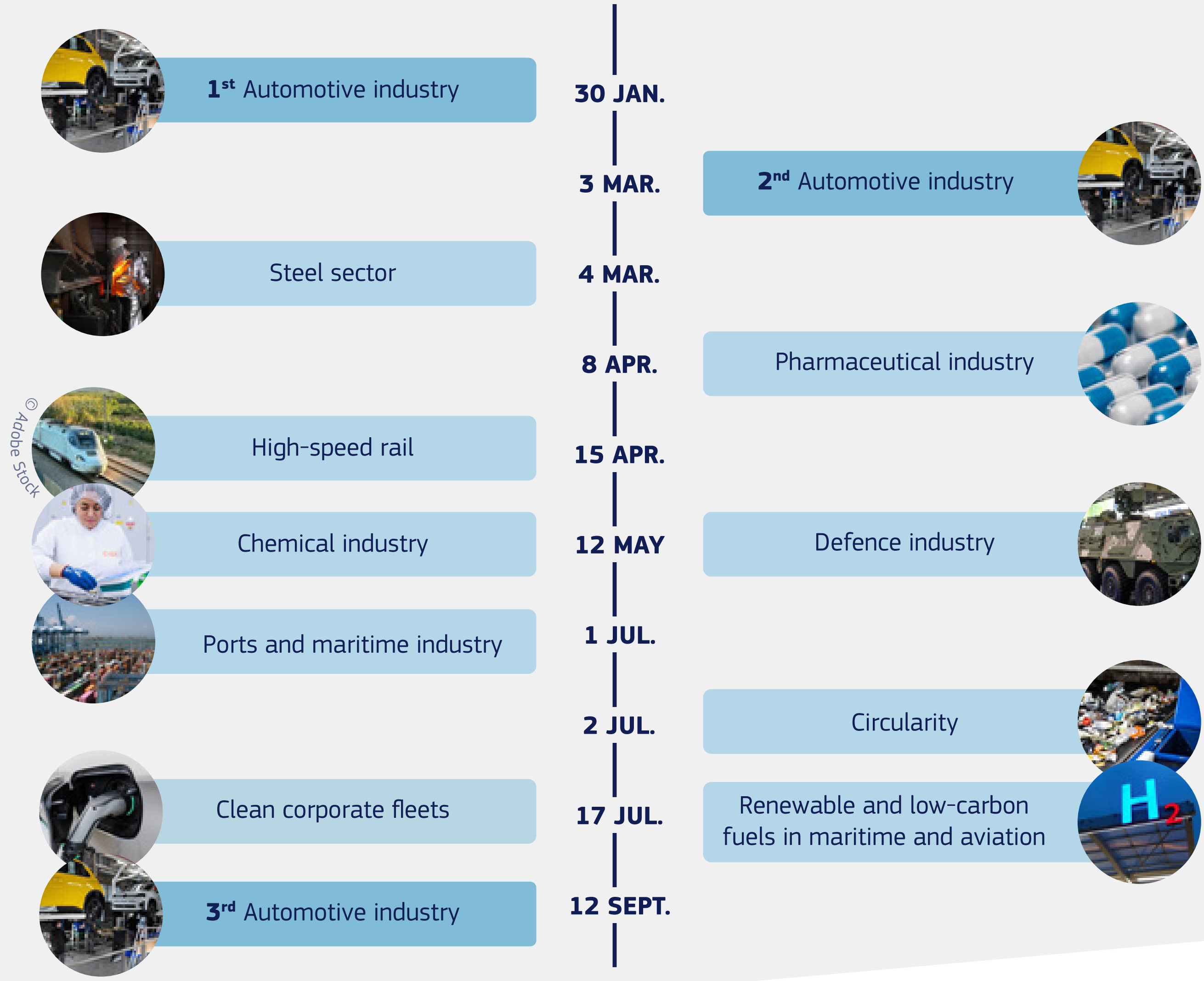
In the last year, we have launched a **Critical Chemicals Alliance** to address the structural challenges facing one of Europe's most important industrial ecosystems. Through the **Automotive Action Plan**, we are supporting Europe's carmakers and suppliers as they navigate the transition to clean mobility. And with a **new framework to protect the steel sector from global overcapacity** and unfair competition, we are ensuring that Europe retains the industrial foundations on which so much of our prosperity and security depend. We are adding steel and aluminium-intensive downstream products to the EU's **Carbon Border Adjustment Mechanism**. Taken together, these measures help ensure that Europe remains not only a continent of innovation, but also a continent that builds and produces.

© Consorcio del Aeropuerto de Teruel, 2026

Located in Caudé—a small Spanish municipality in an area affected by depopulation—the Teruel Airport Platform (AT) has become an example of rural economic transformation. Developing a dynamic aviation ecosystem, AT has attracted investments, generating around 1,000 direct jobs and creating opportunities for skilled workers in the region.

As part of this ecosystem, the Just Transition Fund is co-financing the Aerospace Innovation Laboratory. The laboratory will strengthen the platform's role as a centre for innovation, offer testing and qualification facilities for aerospace components, and serve as a pilot plant for aircraft recycling. The project will support the transition towards a cleaner, safer and more competitive European aviation sector.

Strategic dialogues in 2025



Delivering energy independence

Nowhere is the need for greater European independence clearer than in energy. **For the second time this decade, Europe has been confronted with a global energy shock.** The escalating conflict in the Middle East and the closure of the Strait of Hormuz triggered sharp increases in global oil and gas prices. The crisis has cost Europe over €80 billion in additional energy costs. Once again, we have experienced how geopolitical instability beyond our borders can rapidly translate into economic pressure on families and businesses at home.

In recent years, the EU has taken significant steps to accelerate the clean energy transition, reduce emissions and reduce exposure to volatile energy markets. Those efforts meant Europe entered this crisis better prepared than before. In April, the European Commission presented **AccelerateEU**, a package of measures designed both to help Member States respond immediately to the crisis and to strengthen Europe's long-term energy resilience. It combines short-term support for vulnerable citizens and energy-intensive industries with structural measures aimed at reducing dependence on volatile fossil fuel markets.

We have also introduced **a full ban on Russian gas imports in the EU effective for 2027**. With this decision, the EU will no longer be exposed to energy imports from an unreliable partner like Russia and what is more important, we will stop financing Russia.

The lesson is clear: as long as Europe remains dependent on imported fossil fuels, our prosperity and security remain vulnerable to external shocks. **European independence means accelerating the transition towards homegrown clean energy.** This challenge is even more urgent as the industries that will shape Europe's future, from AI to electric mobility, require abundant, affordable and reliable energy.

Europe has already made important progress. **In 2025, for the first time, we produced more electricity from wind and solar combined than from fossil fuels.** The share of renewables in Europe's electricity mix increased from 36 % in 2021 to 47 % in 2025. The rapid expansion of solar power alone is estimated to have saved around €110 million every day during the Strait of Hormuz crisis by preventing unnecessary gas imports.

With the **Strategy for Small Modular Reactors**, presented in March 2026, the European Commission is supporting the next generation of nuclear power in Europe, with the aim of having these technologies in operation by the early 2030s. At the same time, Europe is **increasing support for fusion research and innovation**, recognising its long-term potential to transform the global energy landscape.

The EU's actions to fast track the benefits of the clean transition will decrease the fossil fuel import bill towards **€130 billion of savings per year** by 2030.

THESE SAVINGS ARE THANKS TO:

Replacing persistent fossil-fuel demand in electricity generation with clean energy.

50 % of the savings

Increasing electrification and energy efficiency.

25 % of the savings

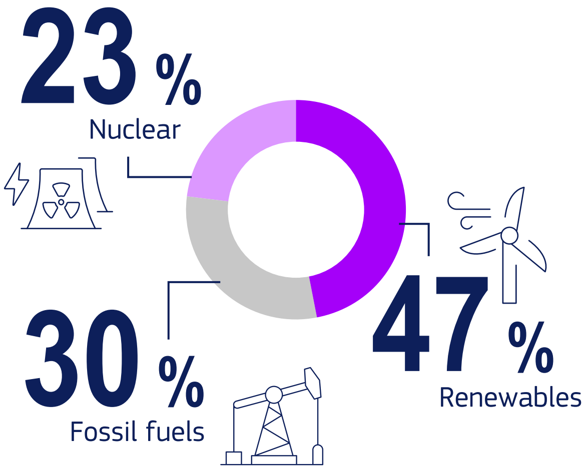
Smart grid infrastructure and energy system flexibility.

25 % of the savings

Scaling up clean electricity production alone is not enough. Europe must also **accelerate electrification** so that transport, heating and industrial processes increasingly run on clean European electricity rather than imported fossil fuels. In July, we set out an **Electrification Action Plan** to make Europe the first electro-powered continent, as well as a proposal on **network charges**, which will empower Member States to reduce network charges for certain consumer groups and make sure electricity is not taxed more heavily than gas.

EU's electricity mix in 2025

Based on preliminary data

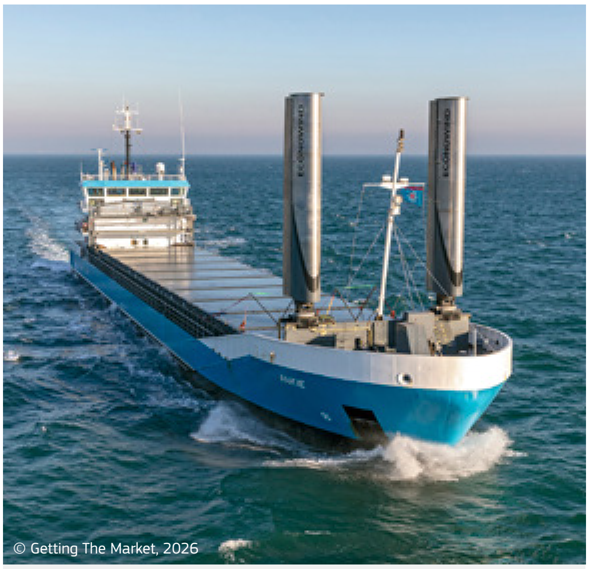


70 % from low carbon sources

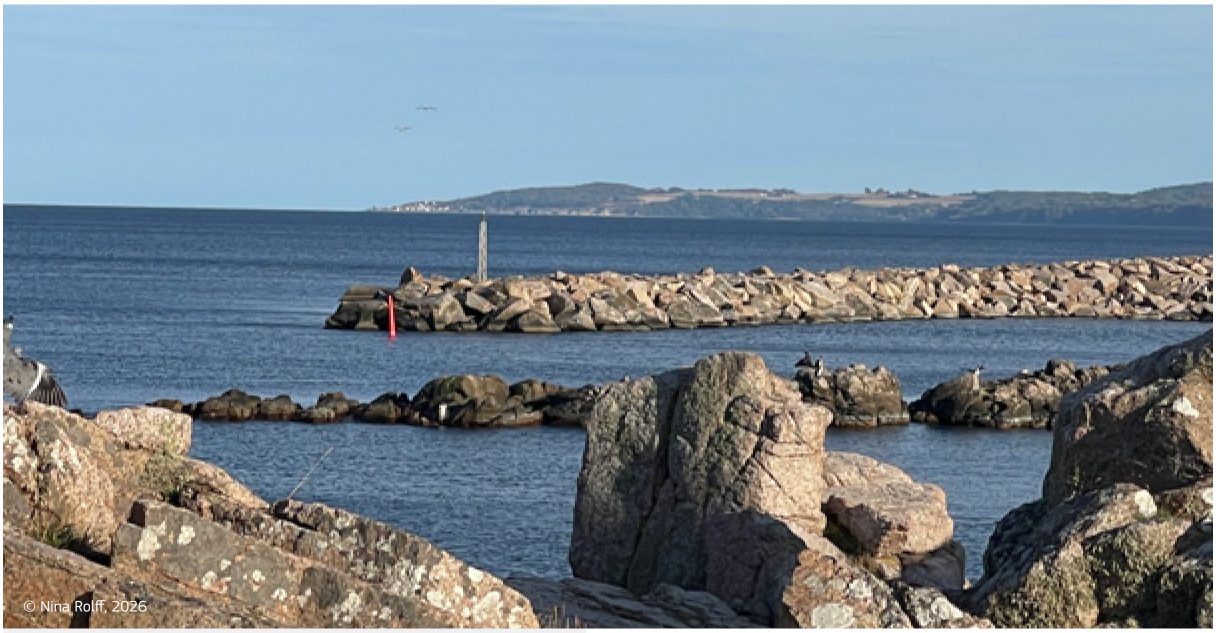
ROOFTOP SOLAR PHOTOVOLTAICS COULD SUPPLY AROUND

40 %

OF EUROPE'S ELECTRICITY BY 2050



Going back to the ancient sailing ways, WASP, a project launched by a Dutch innovator, equips modern ships and ferries with rotor sails, combining fuel and wind propulsion technology to power the ship. Funded by the Interreg North Sea Region programme, part of the European Regional Development Fund, WASP brings together shipowners, technical experts and researchers from across Europe. The project has delivered installations on five vessels demonstrating fuel savings up to 20 %; its added value is clear - lower emissions, lower fuel costs, reduced dependence on fossil fuels, and greater resilience for Europe's shipping sector.



The island of Bornholm, in the Baltic Sea, has enormous wind energy potential. The Bornholm Energy Island project is the first deliverable under the Energy Highways after a political agreement on cost-sharing for the project was reached in January 2026. It will develop offshore wind farms and link 3 GW of electricity to the Danish and German national grids. This will transform wind energy from a national resource into a shared European resource and it has the potential to turn the Baltic Sea into an offshore hub that serves as a blueprint for projects across the EU, as we strive for energy independence. Prioritised by the Commission as a project of common interest, the project is backed by €645 million under the Connecting Europe Facility.

Europe also needs stronger and smarter grids, more storage and greater flexibility. Through the **Battery Booster Package**, the Commission is investing €1.5 billion to strengthen European battery manufacturing. With the **Grids Package** and key cross-border **Energy Highways**, Europe is addressing infrastructure bottlenecks and building the networks required for the electrification age.

In January, the Commission, alongside Denmark and Germany, achieved the first major milestone of the Energy Highways initiative with **an agreement to develop offshore wind energy on the island of Bornholm**. The project will integrate 3 GW of offshore wind capacity into the Danish and German national grids.

Further connecting the European grids infrastructure

FULLY INTERCONNECTED

European consumers already benefit from **around €34 billion in savings every year** thanks to the EU's internal energy market

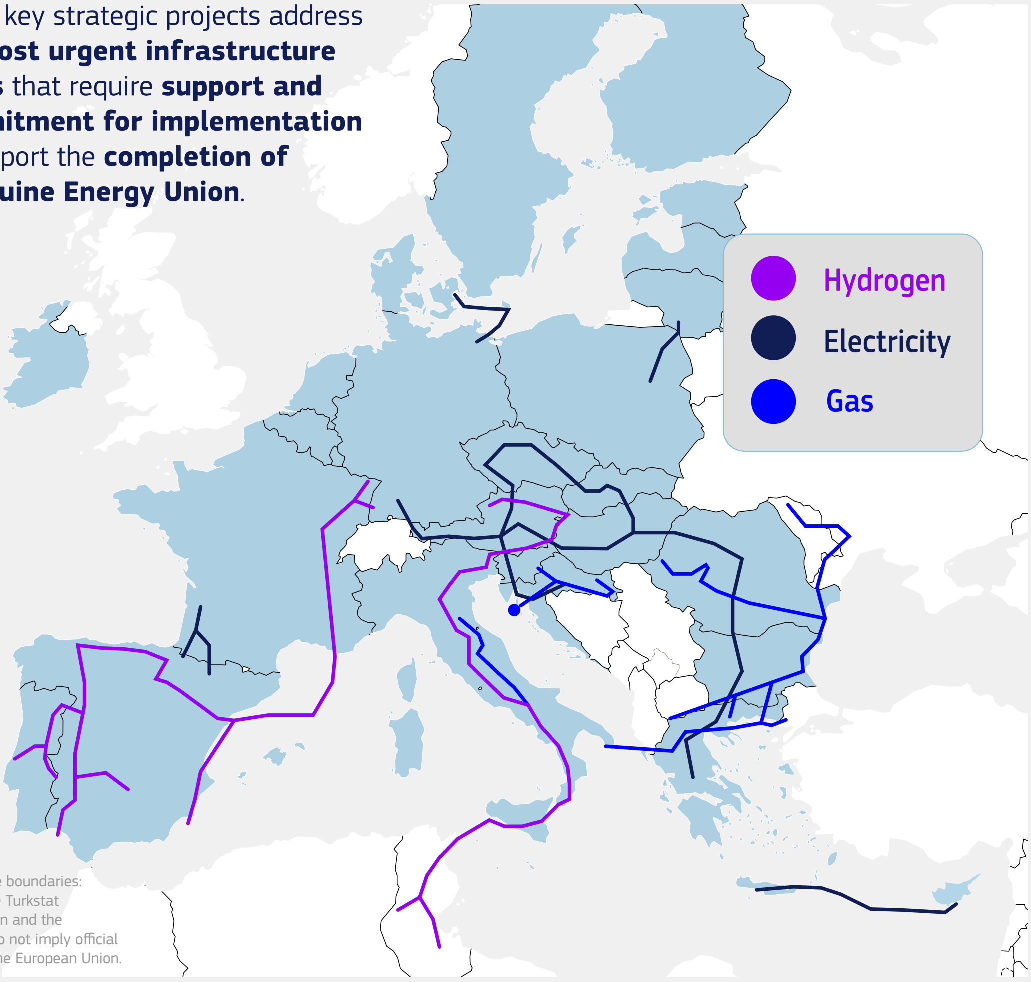
Further integration could raise such benefits up to **€40-43 billion per year** already by 2030

Investing €5 billion would reduce system costs by €8 billion, creating a **net economic gain of €3 billion**

Boosting cross-border electricity trade by 50 % could raise annual EU GDP in 2030 by around €18 billion

FAST-TRACK THE ENERGY HIGHWAYS

These key strategic projects address the **most urgent infrastructure needs** that require **support and commitment for implementation** to support the **completion of a genuine Energy Union**.

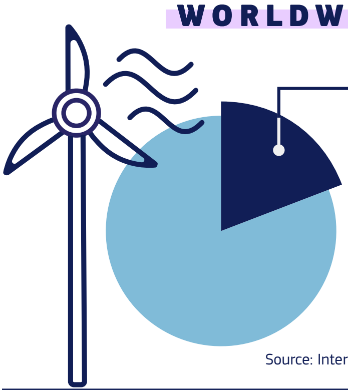


Map on the right - Administrative boundaries:

The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the European Union.

Leading efforts globally to shape the clean and resilient transition

EU'S SHARE OF CLEAN ENERGY INVESTMENTS WORLDWIDE



18%
€338 billion

Increase from 2015 to 2025
+132%

Source: International Energy Agency, 2026

EU ETS AND GREENHOUSE GAS EMISSIONS

Since the introduction of **ETS** in 2005

Greenhouse gas emissions	**Revenue generated**
-50%	**€280 BILLION**
in covered sectors	reinvested in innovation, modernisation and industrial decarbonisation

The EU economy continues to grow

Delivering the clean energy transition will require unprecedented investment. The Commission's **Clean Energy Investment Strategy** is helping bridge the gap between the private capital currently available and the investment needed. It also helps de-risk projects and mobilises private finance for grids, innovative clean energy technologies and energy efficiency. This effort is supported by close cooperation with the European Investment Bank Group, which intends to mobilise **more than €75 billion in financing over the next three years in support of Europe's clean transition objectives**.

The transition also requires the right market incentives. This is why the European Commission launched a **review of the Emissions Trading System (ETS)**. The system has proved that decarbonisation and growth can go hand in hand. **Since its introduction in 2005, emissions in sectors covered by the ETS have fallen by over 50%**, while the EU economy has kept growing. The system has generated more than €280 billion to support the clean transition. At the European level, these revenues are reinvested in clean innovation and industrial transformation. Member States are already obliged to spend 100% of their national ETS revenues on climate purposes. Going forward, they will be required to target at least half of these revenues to decarbonise ETS sectors. This will help ensure that revenues generated from European industries are reinvested to help European businesses develop the clean industries and energies of the future.

Europe's farmers are essential to both our prosperity and our independence. They ensure a reliable supply of safe, high-quality food, support millions of jobs across the agri-food sector and sustain the rural communities and landscapes that are part of Europe's identity. Yet farmers are facing growing pressures, from rising input costs and global competition to the increasing impact of climate change and geopolitical challenges.

Over the past year, Europe has stepped up its support. The Commission presented its **Strategy for Generational Renewal in Agriculture** in October 2025, with the ambition of doubling the number of young and new farmers by 2040. We further simplified **the Common Agricultural Policy**, reducing administrative burdens and making support easier to access. New rules were also agreed to **strengthen the position of farmers in the food supply chain**, helping to ensure they receive a fairer share of the value they create.

In May, the Commission put forward its **Fertiliser Action Plan** with the aim of ensuring access to fertilisers at an affordable cost, reinforcing domestic production, increasing economic security and buttressing our independence. Soon afterwards, the Commission announced the **mobilisation of €540 million** (out of a potential **€1.5 billion if topped up by Member States**) to provide financial relief for farmers buying fertilisers.

In July, the Commission adopted its **Livestock Strategy** and **Protein Action Plan**, setting out a long-term vision for sustainable livestock farming in Europe. The Strategy recognises the sector's essential role in strengthening food security, supporting rural communities, and contributing to a more resilient agricultural system. The **Protein Action Plan** complements this vision by increasing the production and use of EU-grown protein.

Food security is a cornerstone of European independence. That is why the **Common Agricultural Policy** remains at the centre of our proposals for the EU's next long-term budget. By supporting farmers, investing in the next generation and strengthening the competitiveness of the sector, Europe is helping to ensure that agriculture remains a source of prosperity and strategic strength for decades to come.

Artūrs Eriņš is the owner of Farm 'Pumpuri', a family-run farm in Latvia's eastern border region. After taking over the holding from his father, Artūrs has continued to develop the family farm, combining traditional farming with new investments to strengthen its future. Today, Pumpuri Farm cultivates around 195 hectares, producing cereals, peas, potatoes and vegetables. With support from the Common Agricultural Policy (CAP), including young farmer support and four investment projects financed under the European Agricultural Fund for Rural Development, Artūrs has modernised the farm and expanded its activities.

Empowering people and strengthening our social model

Competitiveness is not an end in itself; it is what underpins our citizens' well-being and sustains our social model. Our competitiveness drive builds on Europe's unique social model and on our strong tradition of social dialogue between workers and employers. It will help people to develop the skills they need to thrive in a more competitive global economy.

Europe has shown that economic progress and social rights go hand in hand. With **NextGenerationEU**, we restarted our economic engine while accelerating the clean and digital transitions. Under this instrument, **€440 billion of funds have been disbursed**. Some 3.5 million Europeans are also in employment thanks to this investment, which has helped strengthen our resilience while preparing our economy for the future. As NextGenerationEU enters its final phase, the focus is now on completing the remaining steps, including the **submission of final payment requests by 30 September 2026.**

However, in a moment of geopolitical tension and technological upheaval, many Europeans are concerned about what comes next. Companies are restructuring, industries are facing intense global competition, and many workers are asking what AI and new technologies will mean for their future. We are living through a deep and rapid transformation, and Europe must stay ahead of the pace of change.

In such a moment, **skills are the bridge between uncertainty and opportunity**. They are central not only to our competitiveness, but also to people's sense of security. This is the purpose of our **Union of Skills**: to equip Europeans with the capabilities they need to succeed in a changing economy.

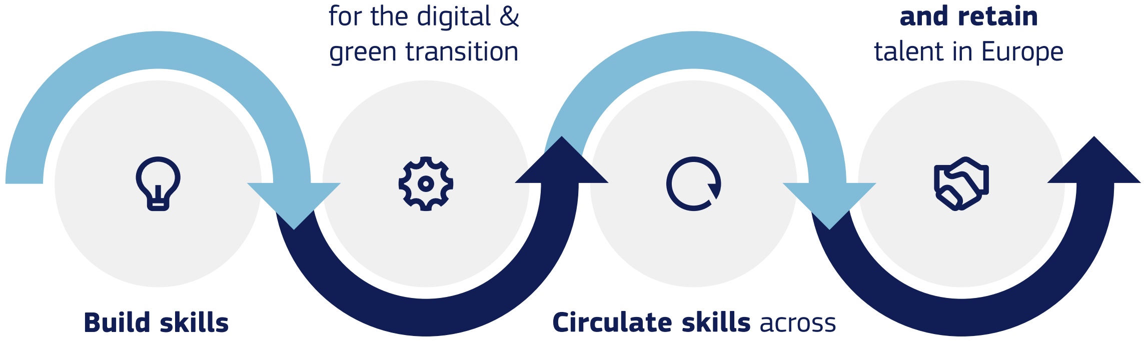
Since 2020, **more than 10 million people have benefited from upskilling and reskilling initiatives, including 3.9 million in 2025 alone**. We are now going further: the **Skills Guarantee** will help workers move from sectors undergoing profound transformation into growing and strategic sectors that face labour shortages. It means more investment in upskilling and reskilling and helping companies adapt jobs as they adopt AI. This is how we turn transformation into opportunity: by investing in people and building on Europe's strong tradition of social dialogue.

Mariana, a 57-year-old Cypriot mother to a 20-year-old autistic son reached out to the Neighbourhood Social Worker programme to help her care for her son. The programme, backed by funding from the European Social Fund Plus, allowed her to go back to work and regain her independence. Mariana described the programme as a 'ray of light'.

The Union of Skills sets out a plan to:

Upskill and reskill for the digital & green transition

Attract, develop and retain talent in Europe

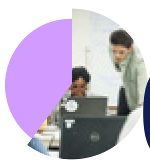


Build skills for quality lives and jobs

Circulate skills across the EU for competitiveness

EU TARGETS FOR 2030

at least **78%** of the population aged 20 to 64 in employment



at least **60%** of all adults participating in training every year

at least **15 million** fewer people at risk of poverty or social exclusion

© Japet Medical, 2026

Co-founded by French engineer Antoine Noel, Japet Medical develops exoskeletons that support workers in their daily activities and help prevent work-related musculoskeletal disorders. Thanks to NextGenerationEU funding, Japet Medical has developed a new generation of lumbar exoskeleton: discreet and integrated directly into everyday clothing, it helps protect workers from physical strain while also supporting people living with back pain in their daily lives.

At the same time, we are ensuring Europe makes better use of its talented and hardworking population. Free movement is one of our Union's greatest strengths, yet workers still face unnecessary obstacles when moving across borders. Delays in recognising qualifications, burdensome administrative procedures and excessive costs continue to limit mobility and waste skills our economies urgently need. The upcoming **Fair Labour Mobility Package** aims to remove unnecessary obstacles and make it easier for people to bring their skills where they are needed most.

Competitiveness also depends on the quality of work people experience every day. Quality jobs support productivity and attract talent, and are building the skilled workforce Europe needs to compete globally.

This is why, together with social partners, the Commission has developed a **Quality Jobs Roadmap** to support fair wages, good working conditions, strong health and safety standards, and smoother transitions between jobs and sectors. The **Quality Jobs Act** will build on this work and help **ensure that competitiveness and workers' protection continue to reinforce one another**, because quality jobs are not only good for workers, they are also good for business and good for Europe.

This is how Europe has always adapted to change – by investing in people, protecting our values and ensuring that competitiveness delivers for all.

Quality Jobs Act: supporting workers, strengthening Europe

MARCH 2025

A new **Pact for European Social Dialogue** commits to delivering on quality jobs, a key element in President von der Leyen's **Political Guidelines**.

APRIL-JUNE 2025

Extensive exchanges with social partners on the Quality Jobs Roadmap
Around 200 organisations took part, providing over 100 written inputs and engaging in more than 50 discussions in all Member States.

OCTOBER 2025

Two-stage consultation of European social partners on the right to disconnect and telework ends.

4 DECEMBER 2025

Quality Jobs Roadmap

DECEMBER 2025 JANUARY 2026

First-stage consultation of European social partners on the **Quality Jobs Act,** on the possible direction of EU action.

2026

Second-stage consultation of European social partners on the **Quality Jobs Act**.

END OF 2026

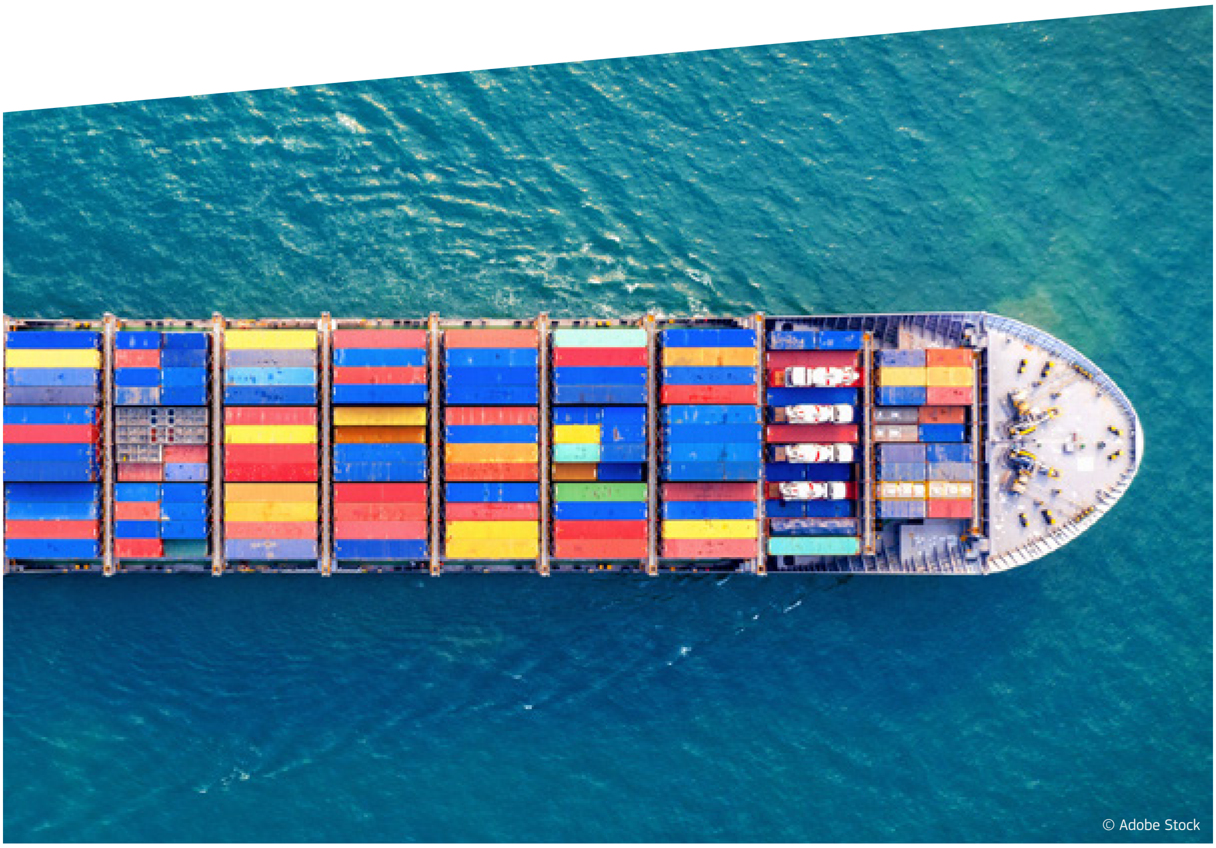
EU proposal for a **Quality Jobs Act.**

02 A strong Europe in a volatile world

For decades, Europe benefitted from a relatively stable international environment. Today, the world is becoming more fragmented and more competitive. Security threats are growing, economic dependencies are weaponised and conflicts beyond our borders have direct consequences for our prosperity and our way of life.

Over the past year, Europe has shown that it can rise to the challenge. We have signed major new trade agreements across three continents to benefit our citizens and businesses, continued our unwavering support for Ukraine, developed new partnerships that deliver on our interests and values and remained a global leader on issues from climate action to global health.

Faced with a more fractured international order, Europe is showing that another path is possible – **one that combines strength with partnership and independence with openness**.



© Adobe Stock

Strength in diversity – Europe's trade and economic security agenda

European prosperity depends on international trade. **Millions of jobs across Europe rely directly or indirectly on exports, while businesses depend on reliable access to markets, technology and investment.** At the same time, the global trading system is undergoing profound change. Economic competition is intensifying, geopolitical tensions are reshaping global markets and supply chains once taken for granted are increasingly vulnerable to disruption.

Europe's response is not to turn inward. Independence does not mean isolation; it means **diversifying partnerships, strengthening supply chains and reducing dependencies while remaining open to the world**.

In a more fractured world, Europe's offer is attractive. Countries around the world increasingly see Europe not only as the second-largest global economy and a market of 450 million consumers, but also as a trusted long-term partner. **Europe means reliability and predictability in uncertain times.**

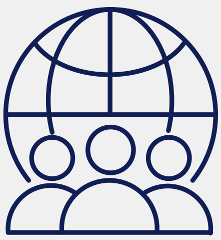
Europe already has one of the world's largest trade networks, **with 45 agreements covering 81 countries**. Around 712 000 European companies export beyond the Union's borders, while **EU trade agreements save European businesses an estimated €25 billion in customs duties each year**. Over the past year we have expanded that network further, with major agreements spanning three continents.

A strong network of trade agreements with partners around the world

45
Free trade
agreements

81
Partner
countries

IN THE PAST YEAR, WE MADE PROGRESS IN NEW PARTNERSHIPS WITH:



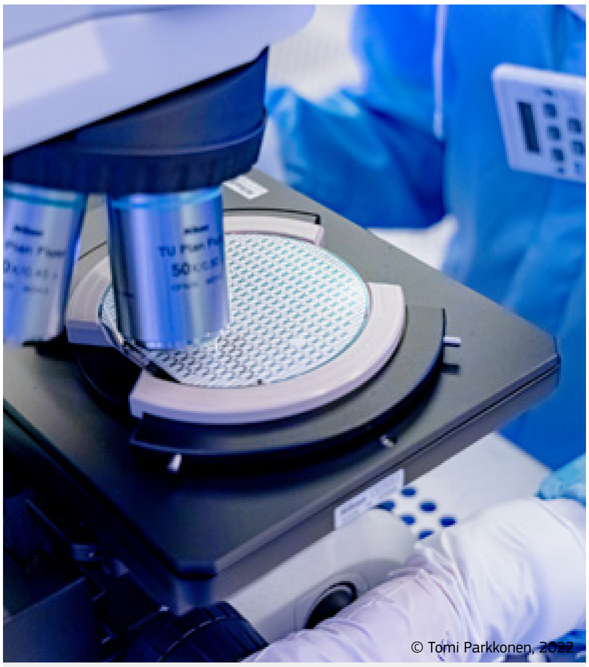
India
Mercosur
Australia
Mexico
Indonesia
United Kingdom
Switzerland
South Africa

In January, after more than 25 years of negotiations, the **EU and Mercosur** concluded a historic partnership agreement. The trade agreement came into provisional application in May. It creates **a trade zone spanning 31 countries and accounting for nearly one fifth of global GDP.** The agreement removes billions of euro in tariffs, opens procurement markets, strengthens supply chains and improves access to the raw materials essential for Europe's clean and digital transitions. At the same time, it includes **robust mechanisms to shield European farmers from sudden market disruption** and ensures our high health and food security standards are maintained.

In January, we concluded negotiations for an **EU-India free trade agreement**, which has been labelled the 'mother of all trade deals'. Altogether, it creates **a market of almost 2 billion people**. It opens to Europe one of the world's most closed markets, giving our companies a decisive first-mover advantage in one of the fastest-growing and most dynamic global economies.

In March, Europe reached a **landmark agreement with Australia**, deepening ties with one of our closest partners in the Indo-Pacific. Beyond increasing market access, **the agreement strengthens cooperation in critical minerals, in clean technologies and in developing resilient supply chains,** helping reinforce Europe's presence in one of the world's most strategically important regions.

At the same time, we are continuing to deepen and modernise existing partnerships. In May, we signed a **Modernised Global Agreement with Mexico**, which removes almost all remaining customs duties on EU exports. We have concluded negotiations on a trade agreement with **Indonesia**, and have made progress with partners from the **Philippines**, **Thailand** and **Malaysia** to the **United Arab Emirates**. Engagement with broader regional groupings such as the **Trans-Pacific Partnership (CPTPP)** is also expanding Europe's footprint in some of the world's fastest-growing markets.



© Tomi Parkkonen, 2022

Vaisala is a Finnish company providing instruments and intelligence for weather and industrial measurements worldwide. Its solutions range from precision measurement instruments for industrial processes to weather and climate observation systems supporting airports and meteorological institutes and AI-driven weather data services helping organisations manage weather-related risks. Daniel S. Da Silva, Senior Sales Manager at Vaisala, says Brazil is a key market for the company in Latin America. He is confident that the EU's trade agreement with Mercosur will help ease current restrictions in Brazil and open new opportunities in the wider region, making it easier for Vaisala to do business in South America.

Corinne Kox is the CEO and winemaker of Domaine Kox, a family-owned business in Luxembourg. She participated in a high-level trade mission to Singapore, while her father, Laurent Kox, represented the company during business missions to Brazil and Thailand. Their continued participation illustrates the value of the Commission's business missions and how they allow businesses to grow across the world. Indeed, missions provide an opportunity to establish direct contacts with potential clients, while showcasing the quality and diversity of European wines and their ability to meet the expectations of different markets. For Domaine Kox these missions are an investment in building relationships, understanding international markets and strengthening the visibility of Luxembourgish and European wines around the world.

As Europe expands its trade relations, it is also **strengthening its economic security**. Trade, investment and access to critical resources are increasingly being used as geopolitical tools by some global players. Europe has responded by building a **comprehensive toolbox to address unfair trade practices**, hostile investments, economic coercion, market distortion and global overcapacity. In December 2025 the Commission adopted a communication on **strengthening Europe's economic security.** With this the EU is showing that it is prepared to **use the tools it has available when its industries, workers, and economic security are threatened.**

Reducing strategic dependencies is central to this approach. Through the **RESourceEU Action Plan** we are accelerating efforts to secure the EU's supply of critical raw materials, such as rare earth elements, cobalt and lithium. We aim to **reduce our dependencies in relation to these critical minerals by up to 50% by 2029**. By supporting projects within Europe and with trusted partners abroad (including through Global Gateway), we are creating more diversified and resilient supply chains while reducing exposure to geopolitical and price shocks.

This is driving a new generation of economic partnerships. In November 2025, the **EU and South Africa signed the first Clean Trade and Investment Partnership**. Europe is working with the country to strengthen sustainable value chains, secure access to critical raw materials and expand clean technology cooperation. It shows Europe's model in action, strengthening our supply of essential materials while ensuring local value creation and shared prosperity.

Critical Raw Materials and RESourceEU

SECURE AND RELIABLE ACCESS TO THE RAW MATERIALS THAT OUR ECONOMY NEEDS

34 materials designed as critical raw materials; e.g. gallium, germanium, manganese and natural graphite.

47 strategic projects in the EU and **13 outside the EU** selected for targeted support under the Critical Raw Materials Act.

Agreements with third countries for more secure access to raw materials, including the first **Clean Trade and Investment Partnership** with South Africa and the trade agreement with Australia.

Now, a **RESourceEU Action Plan** to reduce dependency for batteries, rare earths and defence raw materials **by up to 50 % by 2029.**

€3 billion mobilised over one year to support strategic projects.

Setting up of a **Critical Raw Materials Centre** to promote diversification and resilience of value chains.

The same logic applies to emerging technologies. Data flows, digital services and advanced technologies now shape global commerce as much as physical goods do. With more than 60 % of global GDP linked to digital transactions, **Europe is expanding its digital trade partnerships**.

In February, our **Digital Trade Agreement** with **Singapore** entered into force, while a similar agreement was signed with the **Republic of Korea** in June and negotiations began with **Canada** in March. A separate agreement has been reached with **Brazil** to ensure safe data flows between us. These initiatives support trusted data flows, reduce barriers for businesses, strengthen cybersecurity cooperation and promote high standards for privacy and consumer protection.

The **transatlantic trade relationship** remains the most important commercial relationship in the world. **Every day, €4.9 billion worth of goods and services cross the Atlantic between the EU and the United States.** Europe continues to work to ensure a stable relationship that protects the interests of European businesses and workers.

Europe is also working closely with the United States and other partners on the **Pax Silica** initiative to **strengthen coordination on critical AI supply chains, semiconductors and advanced technologies**. In today's economy, competitiveness increasingly depends not only on access to markets, but on secure access to the technologies and materials that power them.

EU trade in the world

THE EU IS A TRADING POWER AND A FAIR AND ATTRACTIVE PARTNER FOR THE REST OF THE WORLD

ONE EU VOICE
Stronger negotiating position than any Member State alone

450 million **consumers**

€18 trillion GDP

26 million businesses


© Adobe Stock

45 trade agreements with **81 partners**

712 thousand **companies** export outside the EU

678k SMEs

€25 bn saved yearly in custom duties

OUR TRADE POLICY BENEFITS:

CITIZENS

- Fairer prices
- More choice


© Adobe Stock

WORKERS

32.9 million jobs in the EU
supported by exports to non-EU countries

BUSINESS

Simpler rules thanks to a single trade policy

Trade agreements
↘ Lower tariffs
↘ Reduced costs
↗ More competitive European products

FARMERS

- More export opportunities
- Products of European origin such as Champagne and Parmesan cheese protected against counterfeiting


© Adobe Stock

SAFE IMPORTS AND HIGH STANDARDS

SAFETY AND QUALITY

Same strict standards apply for EU-made and imported goods

CONSUMER PROTECTION

Returns and after-sales support must be respected by products sold in the EU

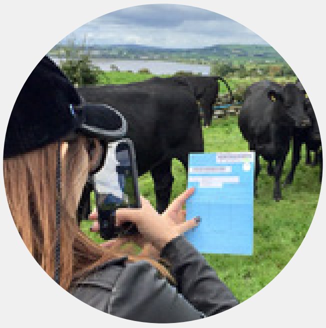
ENVIRONMENT AND LABOUR

Products that do not follow these rules may be blocked

ANIMAL TESTING BAN

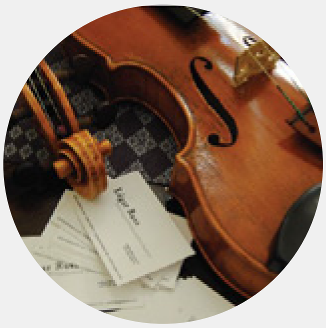
Cosmetics tested on animals cannot be sold on the EU market

STORIES FROM EUROPEAN BUSINESS



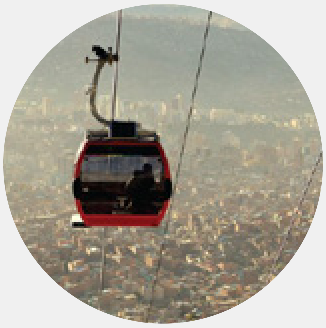
Irish beef products to Japan

The significant reduction of Japanese tariffs on beef from as high as 38.5 % made sustainably produced European beef products more competitive on the Japanese market.



Italian violins to South Korea

Italian violin makers gained approved exporter status and reduced trade barriers after the EU-Republic of Korea trade deal.



Austrian cable cars to Colombia

Rope-based transport systems from an Austrian manufacturer have expanded in South America thanks to the EU's trade deal with Colombia and Peru.

IN THE LAST YEAR, THE EUROPEAN COMMISSION MADE SUBSTANTIAL PROGRESS IN TRADE NEGOTIATIONS WITH KEY PARTNERS

INDIA

The mother of all trade deals

A combined market size of **almost 2 billion people**

© Adobe Stock

Tariffs reduced/removed on **96.6 %** of EU goods exports

Up to **€4 bn** saved by European exporters annually thanks to tariff reductions

Close to **800K** European jobs supported thanks to bilateral trade

© Adobe Stock

AUSTRALIA

A stronger European presence in the Indo-Pacific

Expected EU GDP increase of **€4 billion by 2030**

Improved access to **critical raw materials**

© Adobe Stock

Tariffs removed on Almost **100 %** of EU goods exports

Up to **€1 bn** saved by European exporters annually thanks to tariff reductions

460K European jobs supported thanks to bilateral trade

© Adobe Stock

MERCOSUR

Creating a trade zone spanning 31 countries and accounting for nearly one-fifth of the global GDP

Combined market size of **over 700 million consumers**

Improved access to **essential raw materials**

© Adobe Stock

Tariffs removed on **91 %** of EU goods exports

Up to **€4 bn** saved by European exporters annually thanks to tariff reductions

Up to **600K** European jobs supported thanks to bilateral trade

© Adobe Stock

New investment opportunities → for European businesses and key industries: cars, machinery, pharmaceuticals, chemicals, food and more

A strong and free Ukraine

When Vladimir Putin launched his war of aggression against Ukraine, he believed he could win in a matter of weeks. The war is now well into its fifth year, and **Ukraine is not only resisting but creating the conditions to negotiate peace from a position of strength**. That is first and foremost thanks to the courage and determination of the Ukrainian people, but it is also thanks to unwavering support from Europe.

Europe is Ukraine's largest contributor. Over the last four years, the EU and its Member States have provided more than **€221 billion** in economic, humanitarian and military aid. We are showing that we are with Ukraine for the long haul. This year, the EU agreed to provide Ukraine with **up to €90 billion for 2026 and 2027 under the Ukraine Support Loan**, with two thirds for military needs and one third for budgetary support. This money allows Ukraine to continue paying wages and pensions, keep schools and hospitals running and restore critical infrastructure damaged by Russia. Looking ahead, the Commission has proposed a dedicated reserve of **up to €100 billion for Ukraine under the next long-term EU budget**.

Support for Ukraine and Ukrainians (2022-2026)

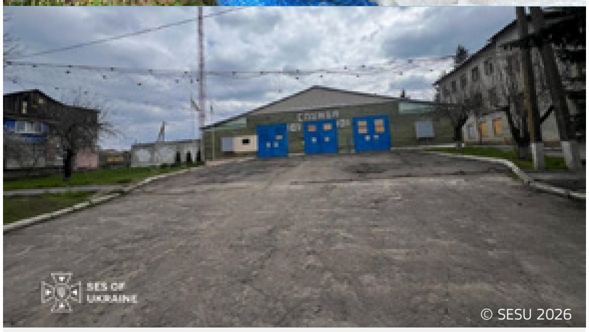
Totals may differ slightly from the sum of individual figures due to rounding

The EU is the largest military supporter of Ukraine, having mobilised **€89.7 billion** to strengthen their military and defence capabilities so far. The **EU Military Assistance Mission in support of Ukraine** has trained **almost 97 000 members of the country's armed forces**.

Europe is Ukraine's main security partner because **Ukraine's security is our security.** That is why we are stepping up cooperation with Ukraine's innovative defence ecosystem. As part of the **European Defence Industry Programme (EDIP)**, the EU is helping to support Ukraine's defence industrial base and integrate it with Europe's. We have much to learn from Ukraine's frontline experience and its ecosystem of rapid innovation, particularly in cutting-edge drone warfare. In July, we signed a **new defence industrial partnership**, marking a major step forward in the integration of our defence industries, and we launched an **EU-Ukraine Drone Deal** to deepen cooperation on drone and counter-drone technologies.

© NATO, 2024

© SESU 2026



© SESU 2026

Fishing nets for Ukraine

The EU's solidarity with Ukraine manifests itself in numerous ways including people-to-people solidarity. After word spread that fishing nets were extremely useful to stop drones from reaching infrastructures and causing damage, fishing communities from Finland, France and Italy sent out nets thousands of kilometres away to protect houses, schools, hospitals, roads and lives. Through the EU Civil Protection Mechanism, 110 tonnes of fishing nets were donated by fishermen who gave away the means with which they make a living in order to save lives in Ukraine.

Supporting Ukraine goes together with economic and diplomatic pressure on Russia. To date, the EU has approved **21 sanctions packages against Russia and its supporters**. Our sanctions are putting the Russian economy under strain and limiting its ability to wage war. Recent packages have intensified the crackdown on Russia's shadow fleet, reducing its oil revenue, and targeted financial institutions, crypto traders and Russia's disinformation machine.

We are also ensuring that Russia is held to account for its actions. We are joining the **Special Tribunal for the Crime of Aggression against Ukraine**, which will be able to prosecute political and military leaders responsible for the crime of aggression against Ukraine. In May, the Commission ratified, as a founding member, the convention establishing the **International Claims Commission for Ukraine**, which will evaluate and determine compensation for the victims of the war.

Ensuring justice means protecting Ukraine's children. **We must ensure that every Ukrainian child forcibly transferred to Russia is returned to their family.** The EU has joined the **International Coalition for the Return of Ukrainian Children**, and in May the Commission co-hosted a **high-level meeting, together with Ukraine and Canada**, to put the issue at the forefront of the world's agenda. The European Union has mobilised an additional **€50 million to strengthen Ukraine's child protection system** and will support efforts to deliver on the commitments made at the high-level meeting. Following a proposal by the Commission, EU Member States have agreed to extend **temporary protection for people** fleeing the war until 4 March 2028.

Bringing children home

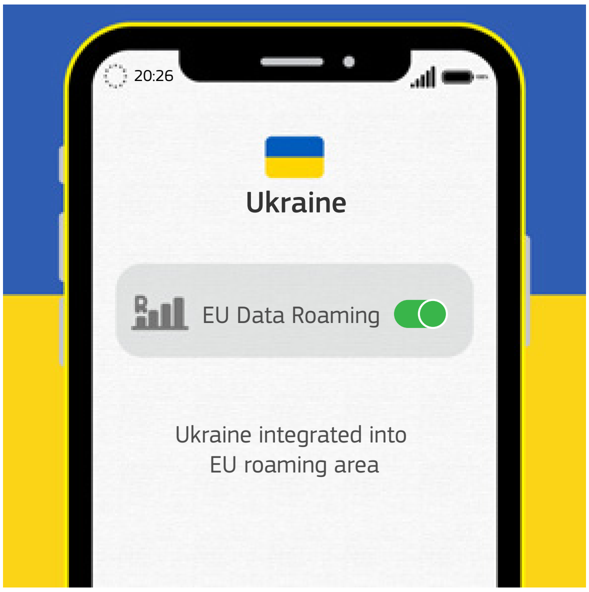
Over

20 600

Ukrainian children still held by Russia.

The EU will not rest until every child is returned to their family.

Ukraine is a sovereign, democratic nation and has decided that its future is at the heart of our Union. This year, in a landmark decision, **we opened the first negotiating clusters on Ukraine's EU membership**. The Commission had long called for this step to be taken, noting that Ukraine has delivered on its reform agenda even while fighting an existential war, and is ready to move forward along the path towards accession.

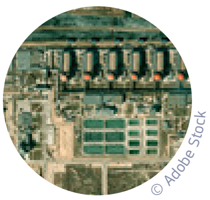


At the same time, we have continued the **integration of Ukraine into the EU Single Market**. On 1 January 2026, **Ukraine joined the Roam Like at Home area**, allowing people to use their mobile phones when travelling between the EU and Ukraine at a much lower cost. From rail connections to energy integration and digital connectivity, we are building Ukraine's European future together.

Since the beginning of the war, the EU has been working hand in hand with Ukraine to keep lights and heating on amidst Russia's relentless attacks targeting energy infrastructure. Last year, an extraordinary operation took place; thanks to joint efforts by Lithuania, Poland and Romania and the coordination of the EU Civil Protection Mechanism, an entire thermal power plant was dismantled and transported to Ukraine. Using its parts, Ukrainian authorities managed to complete emergency repairs in several parts of the country where infrastructure was severely damaged, supplying in turn power to one million Ukrainians.

Supporting Ukraine's energy security

More than **€4 billion** of support for energy security has already been provided to Ukraine since Russia's full-scale invasion. On 24 February 2026, President von der Leyen announced an additional **€920 million** package for winter 2026/2027, providing critical support for energy generation, grid resilience, energy efficiency and heat supply.



REPAIR

Restore power plants and deliver more equipment - covering 15 % of Ukraine's needs

REBUILD

Increase EU electricity exports to cover 12 % of Ukraine's needs

RESTART

Boost decentralised power production, including delivery of solar panels to hospitals

Completing our Union

In a more dangerous and fragmented world, Europe's security depends on the stability of its neighbourhood. This starts with our **enlargement policy**. This has been our Union's most successful project and today it is a strategic necessity.

The people of the Western Balkans, Ukraine, Moldova and Georgia have made clear that they see their future as part of the European Union. In the past year, enlargement negotiations have gained new impetus. While enlargement will always remain a **merit-based process**, many countries, including war-torn Ukraine, have delivered on their commitments and **deserve to move forward**. We are determined to give them our full support on the pathway to membership.

This summer, the **EU opened the first two clusters of accession negotiations with both Moldova and Ukraine**, focusing on 'fundamentals' (including the rule of law) and external relations. In June, the second EU–Moldova Summit marked an important step forward and underscored the country's remarkable progress on its path towards the EU.

Negotiations with **Western Balkan partners have progressed** to varying degree. With over half of negotiating chapters already closed, **Montenegro has been singled out as the country most advanced in its accession process**. In this context, EU Member States agreed to start **drafting the accession treaty with Montenegro**. In June, the European Commission adopted a financial package setting out the budgetary arrangements that would apply to Montenegro upon its accession to the European Union, setting out the transition from pre-accession financial support to full access to EU funds.

Albania also achieved a substantial milestone when it closed its first three negotiating chapters in July. Meanwhile, we continue working with **Bosnia and Herzegovina, Kosovo, North Macedonia and Serbia** to support them in their European path.

Alongside negotiations, we are spearheading investment and reforms with the dedicated **reform and growth plans**. We are already strengthening ties and **integrating candidates into our Single Market**; we are connecting energy systems, investing in grids and strengthening transport links; and we are stepping up security and defence cooperation. For the third year, the **Rule of Law Report** has also included an assessment for Albania, Montenegro, North Macedonia and Serbia, integrating them further into our EU mechanisms.

Moreover, **Albania, Moldova, Montenegro, North Macedonia and Serbia are part of our Single Euro Payments Area** and on 1 January this year, **Moldova and Ukraine joined our roaming area**. The Council has now given the Commission the mandate to negotiate **similar agreements with the six Western Balkans partners,** so that people travelling between the EU and the region will be able to Roam Like at Home.

When it comes to **Georgia**, Europe is and will remain committed to the legitimate European aspirations of the Georgian people. In view of persistent violations of democracy and fundamental rights by the Georgian authorities, the Commission suspended in March visa-free travel for holders of Georgian diplomatic and official passports. **Regular citizens are not affected by this decision**.

Elena Davidescu is Export Director at Ceteronis ST, a Moldovan fruit producer exporting to markets including France, Germany, the Netherlands, Belgium and Poland. For Elena, joining the roaming area with Roam Like at Home means faster and more flexible communication. Thanks to Roam Like at Home, she can now be in constant contact with partners and clients whether she is travelling or attending an exhibition, as well as respond immediately and stay connected with her team in Moldova while being abroad. For Elena, the biggest benefit is the time saved, she even went on to say: 'it almost feels as if you are in the same country as your partners'.

Ensuring stability in the wider neighbourhood and supporting peace in the Middle East

Europe's security and prosperity are closely linked with the stability and prosperity of its neighbours, which is why we are reinforcing cooperation with our wider neighbourhood. **From North Africa to the South Caucasus, Europe is strengthening partnerships** to bring stability and new economic opportunities.

In May, the EU held its **first-ever summit with Armenia**, focused on supporting peace and stability in the region, and launched the **EU-Armenia Connectivity Partnership**, a major step forward in strengthening transport, energy and digital links.

Then, in July, President von der Leyen visited Armenia for the second time this year, as well as **Azerbaijan**, in a show of Europe's support for peace and good neighbourly relations between both countries. During her visit, the President announced **a new €200 million Global Gateway package for peace through connectivity in the South Caucasus,** with the potential to mobilise up to €2 billion in public and private investment. The President also announced additional trade measures for Armenia and an **EU-Azerbaijan Connectivity Partnership**.

© Adobe Stock

Europe has also made the choice to be more engaged in the Arctic. We are updating our **EU Arctic Strategy**, and we are strengthening our cooperation with Arctic nations and regions – from renewable energy to Earth observation, and from innovation to connectivity. We are connecting communities through digital infrastructure and building partnerships to unlock the critical materials Europe needs to power its clean transition. Most importantly, **Europe stood in full solidarity with Greenland and the Kingdom of Denmark** following unjustified threats against its sovereignty.

In September 2026, President von der Leyen visited Greenland to announce a **Global Gateway Partnership Package of €200 million for investments in Greenland** to create opportunities for the local population while contributing to a sustainable, prosperous and peaceful Arctic region.

© Adobe Stock

In the **Middle East**, the past year has been dominated by conflict and instability, from Iran and the Gulf to Gaza and the West Bank, Israel and Lebanon. These crises have demonstrated once again that instability in the region has direct consequences for Europe's security, prosperity and energy resilience.

© Marcin Maniewski

In March, following the beginning of hostilities in Iran and escalating tensions in the Middle East, tens of thousands of Europeans found themselves stranded in the region. Twenty-three European countries turned to the EU Civil Protection Mechanism for support. In the span of two weeks, 92 flights were coordinated and co-financed by the EU – including, for the first time, five rescEU flights entirely funded and mobilised by the Commission. More than 13 000 people were brought back home to Europe.

Europe has condemned the violence and intensified engagement across the region and is working closely with partners to support diplomatic solutions and stability, strengthen economic ties and respond to humanitarian needs.

The EU **deepened cooperation with Gulf partners** in response to Iran's attacks. We have continued trade negotiations with the United Arab Emirates and negotiations for **Strategic Partnership Agreements** with the six Gulf countries have intensified in recent months. We have also strengthened cooperation on energy security, investment and regional stability, recognising their growing role in shaping the region's future.

Partnerships with key regional actors have also deepened. In January, Presidents von der Leyen and Costa travelled to **Syria's** capital, Damascus, for the first time since the downfall of the regime of Bashar al-Assad and met with President Ahmed al-Sharaa. This was the first in a series of steps that have relaunched our partnership with Syria and strengthened our support for the Syrian people and their institutions.

In addition, the first **EU-Egypt Summit** in October strengthened cooperation across trade, migration, energy, investment, support for Egypt's reform agenda and its association to Horizon Europe, while the first **EU-Jordan Summit** in January reinforced cooperation on economic resilience, regional security and support for refugees.

Europe has continued to work actively for peace and stability in the Middle East. The EU has significantly increased its humanitarian support across the region, expanded assistance to civilians affected by conflict and continued its engagement through international donor mechanisms, including support through the **Palestine Donor Group**. In this context, we launched the **Team Gaza Initiative** gathering **€883.6 million to support early recovery actions in various sectors to benefit civilians in Gaza**.

At the same time, Europe has remained clear that international law and human rights must be upheld. The EU has imposed **sanctions on extremist Israeli settlers** responsible for serious and systematic abuses against Palestinians in the West Bank.

Europe will continue working with partners across the region to support peace, security and long-term stability. The **Pact for the Mediterranean** – launched in November 2025 – provides the framework for this broader cooperation. Bringing together the EU, Member States and southern Mediterranean partners, it aims to build a more connected, prosperous and secure common Mediterranean space, reflecting the deep economic, cultural and historical ties that bind our regions together. In April, the first action plan of the Pact for the Mediterranean was released, outlining initiatives to strengthen ties between people, better integrate economies and reinforce security and preparedness measures.

Clean Technology Cooperation Initiative (T-MED)

Under the **Pact for the Mediterranean**, the **Trans-Mediterranean Renewable Energy and Clean Technology Cooperation Initiative (T-MED)** will strengthen cooperation in the region on renewable energy, hydrogen and clean tech, delivering clean, affordable energy and creating jobs.

KEY PRIORITIES

Mobilising up to **€25 billion** in investments through a new **T-MED Investment Platform**

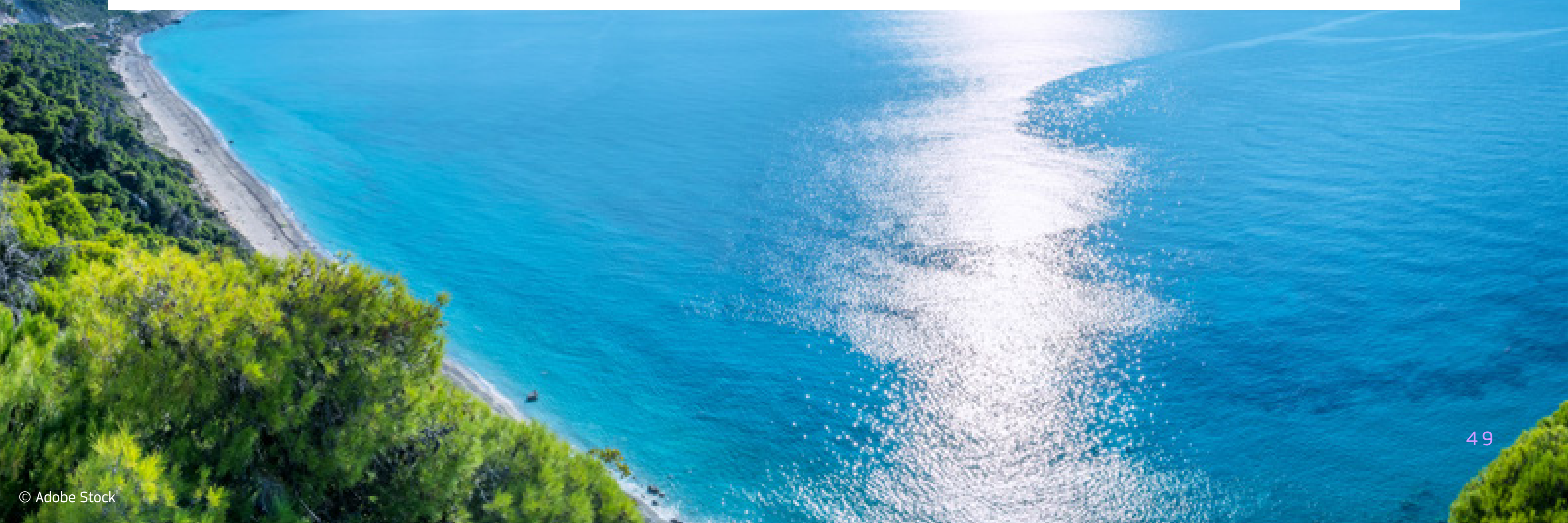
Modernising electricity systems with smart-grid technologies, support cross-border interconnections, hydrogen corridors and port infrastructure

Building skills for at least **100 000 technicians**, engineers, installers, planners and financial specialist with the **T-MED Skills Agenda**

Implementing reforms through the **Regulatory Accelerator**

Strengthening **clean tech value chains** and developing opportunities for the deployment and scaling up of clean tech solutions

The first operational meeting of the **T-MED Investment Platform** will take place in **October 2026.**



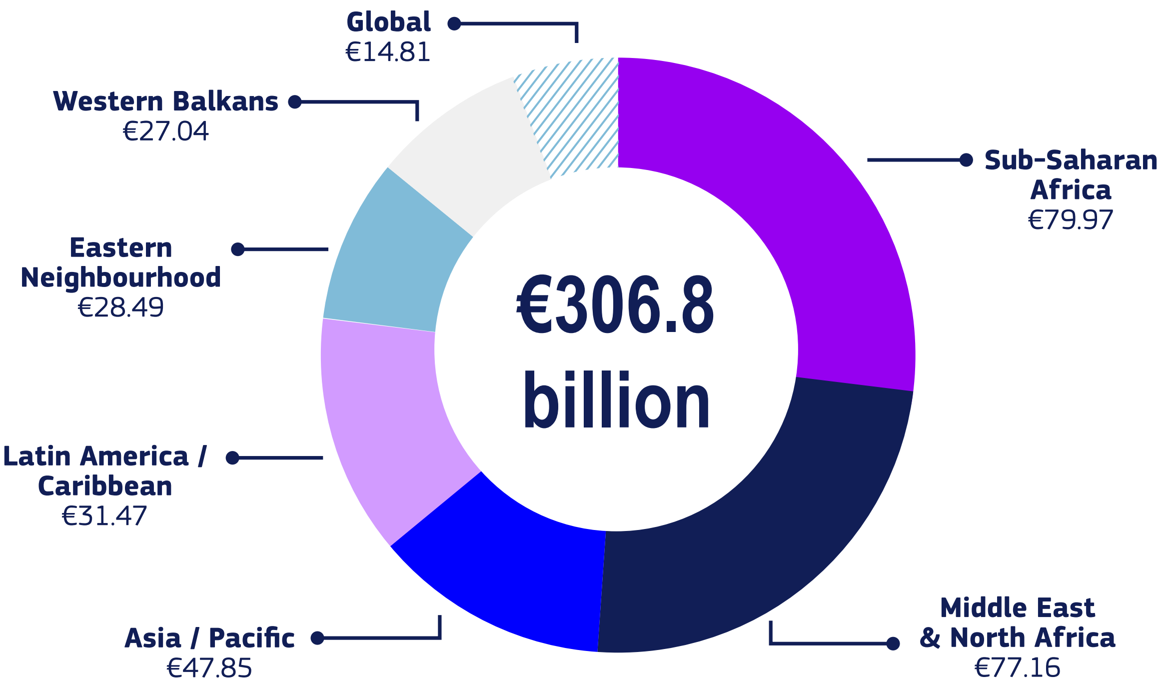
Partnerships that deliver on Europe's interests and values

In a more competitive global economy, countries around the world are attempting to strengthen their autonomy in strategic sectors, from clean energy to AI. However, independence does not mean isolation. Supply chains are too interconnected and global challenges too complex for any country or region to act alone. That is why we are building a **Global Europe**. Our model is based on partnership: **delivering resilient relationships based on mutual interests, shared prosperity and respect for sovereignty.**

This partnership principle is at the heart of **Global Gateway**. When the strategy was launched in 2021, the ambition was to invest €300 billion worldwide by 2027. That target was already reached in the past year. The strategy is now on track to **exceed €400 billion in investments by 2027**. Across Africa, Latin America, Asia and beyond, Global Gateway is supporting projects that advance both partner countries' development priorities and Europe's strategic interests. It is funding projects from the digital transition in Colombia to clean energy projects in South Africa and the Trans-Caspian Transport Corridor, which will improve connectivity between Europe and Central Asia.

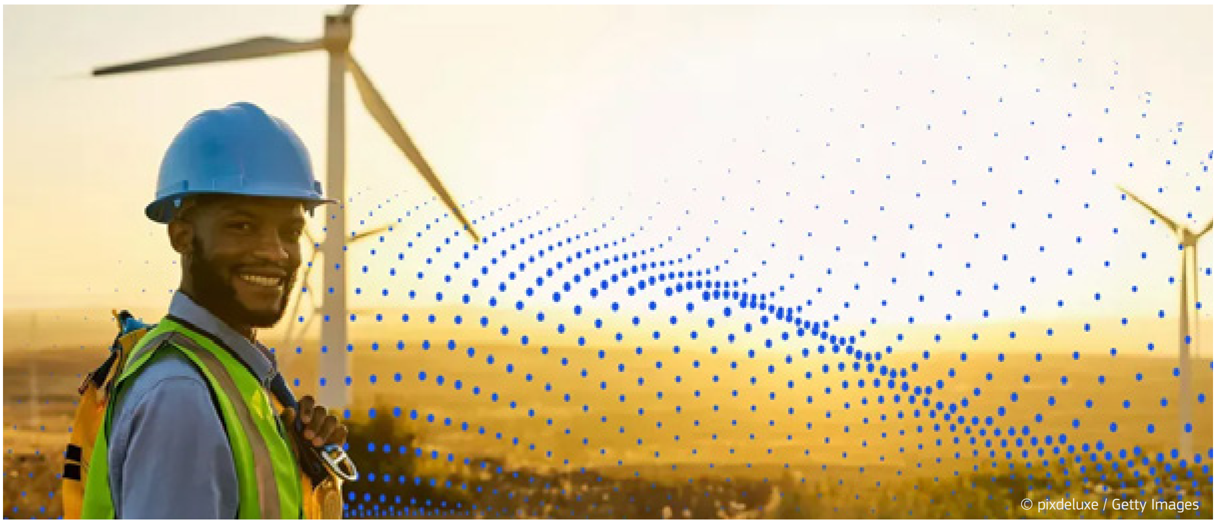
Total Global Gateway investments mobilised

in billions of euro



Totals may differ slightly from the sum of individual figures due to rounding.

Global Gateway is implemented in a Team Europe approach, including EU institutions, Member States, the EIB, the EBRD and national implementing agencies and development banks.



Global Gateway works because it combines public ambition with private sector expertise and resources. Sustainable development requires long-term investment, innovation and local ownership. Through grants, concessional loans, guarantees and blended finance, Europe is helping reduce risk and unlock investment in projects that might otherwise never happen. To strengthen this approach, we have launched the **Global Gateway Investment Hub**, a single-entry point bringing together businesses, governments and development finance institutions to design and deliver projects together. This is the best way to generate value for Europe and lasting benefits for our partners.

Europe also remains at the forefront of global climate leadership. At **COP30** in Belém, Brazil, President von der Leyen underlined Europe's strong commitment to the Paris Agreement. This commitment was reinforced in the **EU Climate Law** with the pledge to **reduce greenhouse gas emissions by 90% by 2040**, compared to 1990 levels, providing a pragmatic and flexible pathway towards climate neutrality. Europe continues to **lead global climate finance, providing €31.7 billion in public climate funding** and mobilising an additional €11 billion in private finance in 2024 alone.

Through the **Global Green Bond Initiative Fund**, launched in April 2026, Europe will mobilise **up to €20 billion of private capital for large-scale sustainable infrastructure projects** while fostering green bond markets in partner countries. This is a strategic choice to align economic resilience with climate justice, for our planet and for generations to come.

This approach is particularly visible in Africa, which has some of the world's best potential for renewable energy but the least infrastructure to be able to exploit it. That is why the EU was a major supporter of the **Scaling up Renewables in Africa** campaign, co-hosted by President von der Leyen and President Cyril Ramaphosa of South Africa. The EU led the pledging effort and **contributed more than €15.1 billion to the campaign**. This investment will expand access to clean energy, support industrial development, create jobs and strengthen energy security for both Africa and Europe. The EU also launched the global **Electrify Now** campaign to accelerate clean electrification across industry, transport and building sectors, helping to reduce dependence on fossil fuels, enhance energy security, and shield economies from price volatility and supply disruptions.

Protecting our shared global resources is vital. The world's oceans sustain livelihoods, support trade, generate renewable energy and regulate our climate. However, they face growing pressure from pollution, climate change and illegal exploitation. That is why the EU has launched **OceanEye**, to strengthen Europe's capacity for ocean observation and maritime monitoring while supporting scientific research and a more competitive and sustainable blue economy.

Global health remains another defining challenge of our time. From outbreaks of Ebola to emerging infectious diseases, the world continues to face growing health risks at a moment when international funding is under pressure. Europe continues to step up. The EU has supported the response to the **Ebola outbreak** in the Democratic Republic of the Congo (DRC) and Uganda with **€493 million** in emergency aid, diagnostics, vaccines, treatments and health security. Furthermore, through the new **Global Health Resilience Initiative**, the EU is strengthening prevention, preparedness and response capacities worldwide. This builds on the **over €6 billion the EU has mobilised for investment in health**. We are building global resilience and preparing for crises before they happen.

Ocean, islands and coastal communities

- EU to deliver **35 %** of global ocean observation by 2035 through OceanEye.
- Coordinated EU approach to support long-term development of **islands and coastal communities.**

OCEANEYE

© Hardy Bope, 2026

Investing in global health

Over
42 %
of the Pandemic Fund's resources provided by Team Europe

€360 million
pledged from the EU to Gavi, the Vaccine Alliance

€75 million
investment in Biovac in South Africa

Around
€540 million
invested in African health manufacturing, leveraging
Up to €2 billion
under the MAV+ initiative on manufacturing and access to vaccines, medicines and health technologies

Over
€100 million
in health security initiatives launched together with Africa Centres for Disease Control and Prevention

€700 million
pledged from the EU to the Global Fund, bringing Team Europe's total contribution to
over €3 billion

€493 million
to respond to the Ebola Bundibugyo outbreak in the DRC and Uganda, including emergency aid, diagnostics, vaccines, treatments and health security

At a time when humanitarian needs are rising and international support is under strain, Europe continues to lead. In 2026, more than 239 million people required humanitarian assistance worldwide. While many donors are reducing their contributions, **Europe remains a leading humanitarian actor, with the Commission committing more than €1.9 billion for 2026 alone.**

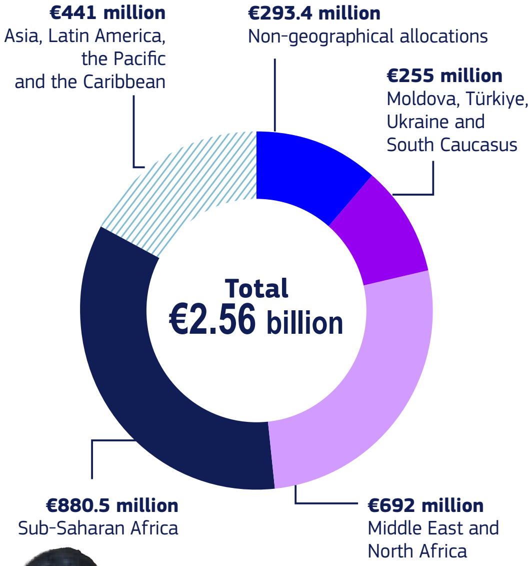
With this in mind, the Commission presented a new approach to humanitarian action to ensure that aid continues to reach people in need effectively and efficiently, while also **protecting humanitarian workers**.

From Gaza to the Democratic Republic of the Congo and Venezuela, European support is helping deliver life saving aid in regions devastated by war and natural disasters.

As a proof of Europe's life-saving solidarity, when Venezuela was struck by two massive earthquakes in June 2026, the EU Civil Protection Mechanism (UCPM) coordinated support from **19 European countries which deployed search and rescue teams, technical experts and sent shelter, water and sanitation equipment**.

Europe remains a leading humanitarian donor

COMMISSION'S HUMANITARIAN AID IN 2025



© Hugo Miguel Marinho dos Santos, 2026

Following the devastating earthquakes in Venezuela, more than 750 specialists from 19 European countries were deployed through the EU Civil Protection Mechanism to support emergency response operations. Among them was a Portuguese Urban Search and Rescue team led by Hugo Santos, comprising 62 personnel and supported by six search and rescue dogs. During a 15-day mission, the team conducted operations in the areas most affected by the disaster. In collaboration with teams from across the world, the Portuguese contingent contributed to life-saving operations, including the rescue of a man trapped beneath the rubble for seven days. This experience highlighted the importance of international cooperation, demonstrating how highly trained teams from different countries can effectively work together under extreme conditions to save lives and support communities in crisis.

03 Protecting what matters

European independence is a way to ensure that Europeans can live in freedom and prosperity, with the opportunity to shape their own futures. The measure of Europe's success is not only its economic strength or global influence, but also whether it improves the lives of its citizens.

Democracy, the rule of law and social fairness are the foundations on which our Union is built. They are what holds us together, guide our actions and make Europe unique. At a time when these values are increasingly under pressure, Europe is taking action to protect what matters most to its citizens.

Protecting our values also means protecting our security. In a more dangerous world, **preserving peace means having the ability to protect ourselves and deter aggression**. It means strengthening our defence, securing our borders, responding to threats within and beyond our Union and building a migration system that is both fair and effective.


© Adobe Stock

Protecting our values

Europe is a Union of values. Democracy, the rule of law and fundamental rights are not only central to who we are, **they are essential to how Europe works**. Without trust in independent institutions and courts and common rules, the Single Market cannot function. And without strong democratic foundations, Europe cannot be strong or independent. That is why this Commission has made protecting our core values from internal erosion and external threats a central priority.

Respect for the rule of law is a prerequisite for access to EU funding. This year, we have seen encouraging developments, particularly in Hungary. This demonstrates the importance of robust safeguards for EU funds, and how those safeguards can help drive reforms that strengthen both Member States and the EU as a whole.

The annual **Rule of Law Report** has become a reference point, helping to shape national debates and drive reforms across our Union. It helps prevent democratic backsliding, fosters mutual trust and provides recommendations to strengthen justice systems, media freedom and pluralism, the fight against corruption and more. The report increasingly focuses on how the rule of law underpins Europe's competitiveness, from transparent public procurement to regulatory stability. Strong democracies that uphold high rule of law standards and competitive economies go hand in hand.

The link between EU funding and the rule of law and fundamental rights is further strengthened in our proposals for the next long-term EU budget. In that budget, the Commission will improve the tools to ensure compliance with rule-of-law standards and sound financial management, building on the Rule of Law Report, as well as ensuring compliance with the Charter of Fundamental Rights.

Europe's democracies are increasingly targeted by forces that seek to undermine our elections, spread disinformation and divide our societies. To respond, we have launched the **European Democracy Shield**, a series of measures to protect free and fair elections, boost societal resilience, safeguard against disinformation and bolster independent journalism and media literacy, including through the Media Resilience Programme. As part of this work, we also established the **European Centre for Democratic Resilience**, which brings together expertise from across Member States and develops joint projects to improve our collective capacity to better detect and respond to threats.

Mr Nobody Against Putin is a powerful documentary which follows the work of Pavel Talankin, a Russian school teacher, following the Russian illegal invasion of Ukraine. Talankin documented Russian state propaganda and military training in the school curriculum and fled to Europe in summer 2024 following evidence of police surveillance at his home. A Danish and Czech production, the movie won the 2026 Oscar for Best Documentary Feature. This documentary is an example that underlines Europe's support for independent journalism, artistic freedom and those who defend democratic values even at great personal risk.

Protecting democracy means empowering citizens, civil society and free media, as well as institutions. The Commission is supporting programmes that help communities, particularly in rural areas and small towns, build media literacy across generations and strengthen trust in democratic debate. This work will be reinforced by the **European Citizens' Panel on Democratic Resilience**, bringing people together from across Europe to develop new ideas and recommendations on how to strengthen our democracies for the future. With the **EU Strategy for Civil Society**, the Commission is stepping up its engagement with civil society and will further support and protect civil society organisations in their work.

We are going through a period of profound technological change. This offers incredible opportunities, transforming how we communicate, access knowledge and participate in society, but it has also brought immense challenges. Europe is clear: **it is democratic societies, not technology companies, that decide the rules that govern our digital space.**

Through the **Digital Services Act** and the **Digital Markets Act**, Europe has powerful instruments to ensure its rules are upheld and platforms operate responsibly and fairly. In the last year we have taken action where companies have failed to meet their obligations. The EU has investigated TikTok over its addictive design, Meta over its failure to enforce its minimum age requirements and X for Grok's use in creating and spreading material depicting child sexual abuse. We have also fined e-commerce platforms, such as AliExpress for the sale of illegal and unsafe products, and Temu for not properly assessing the risks of illegal products. In addition, we have addressed abuses of market power with Apple, Meta and Google. The message is clear: Europe will always act to protect its people.

Children and young people deserve particular protection online, so they can enjoy the benefits of digital connection safely. Those whose minds are still developing are often the most exposed to addictive platform designs, harmful content and online pressure. We are clear that **children are not commodities**, and no company should profit from exploiting their vulnerabilities. That is why President von der Leyen established a **Special Panel on Child Safety Online**, which examined the benefits, opportunities and harms of social media plus on children (social media and other services available to minors that contain age-inappropriate and addictive features). The co-chairs of the panel developed recommendations for the Commission on further strengthening protections.

Additionally, the President presented a technical solution to develop an **Age Verification App**, to protect children from harmful content, while the **Action Plan against Cyberbullying** will support prevention and awareness as well as the implementation of an online safety mechanism to enable children and young people to easily report cyberbullying. Europe is showing that technological progress must go hand in hand with democratic values and the protection of its citizens.

Jackie Fox tragically lost her 21-year-old daughter Nicole 'Coco' to suicide in 2018 after she suffered repeated abuse both online and offline. Following Nicole's death, Jackie campaigned to close existing legal loopholes in Ireland that failed to hold cyberbullies accountable. Her tireless advocacy led to the historic passing of Coco's Law in 2020, making cyberbullying a criminal offence. Jackie has since taken her campaign at the EU level and in March 2026 she was invited to the European Parliament to share her testimony. The Commission remains committed to fight online bullying. An Action Plan against Cyberbullying has been launched and, additionally, President von der Leyen convened a Special Panel on Child Safety Online whose recommendations will inform the Commission's actions to strengthen their protection.

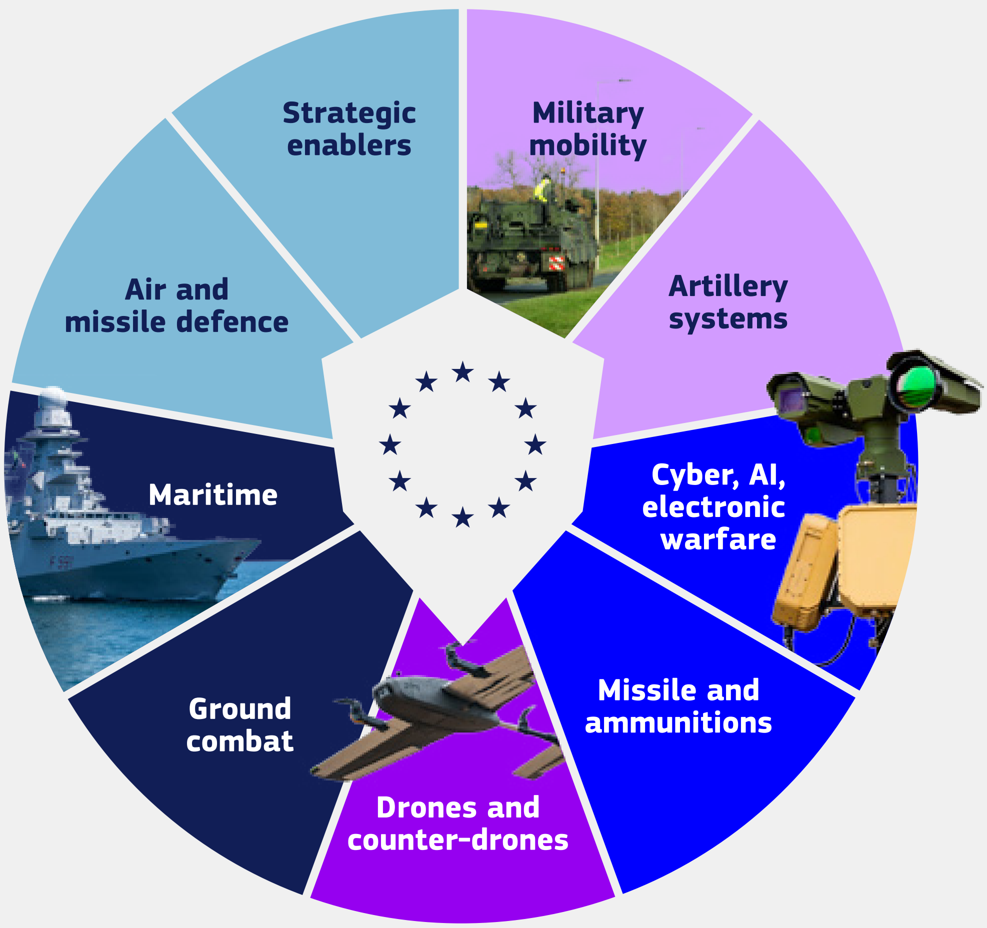
Delivering a Defence Union

Europe is facing its most dangerous security environment in generations. Russia's war of aggression against Ukraine is now in its fifth year, and hybrid attacks, cyber operations and drone incursions against targets within our Union are becoming increasingly common. At the same time, the security architecture that underpinned European stability for decades can no longer be taken for granted.

The European Union was founded to preserve peace. Today, that means strengthening our ability to deter aggression. **Europe must equip itself with the strategic capabilities it needs in a rapidly changing security environment.** That is exactly what we are doing.

Since 2020, **defence spending by Member States has increased by almost 80%**. This is being supported at the EU level through the largest defence mobilisation in the history of our Union. Through the **ReArm Europe Plan / Readiness 2030**, Europe is mobilising up to €800 billion to close capability gaps, strengthen industrial capacity and accelerate investment in our collective security. With the **Readiness 2030 Roadmap**, Europe has not only set out a clear path but also defined concrete milestones and timelines for delivery.

Critical defence capability areas for action at EU level



Defence Readiness Roadmap 2030

EUROPEAN DEFENCE FLAGSHIPS

- Eastern Flank Watch
- European Drone Defence Initiative
- European Air Shield
- European Space Shield

Closing capability gaps

Member States have formed Capability Coalitions in nine critical capability areas

Strengthening the EU Defence Industrial Base

- Securing resilience of supply chains
- Tapping full potential of defence innovation
- Tracking industrial capacity

Boosting defence investment

- Simplifying the European defence market
- Mobilising private and public financing
- Investing in a military mobility area

Standing firmly with Ukraine

The centrepiece of this effort is **SAFE, which provides €150 billion in loans to Member States for defence investments**. Eighteen national plans have been approved by the Commission, 13 agreements have been signed and €12 billion has already been disbursed. These investments are supporting **joint procurement**, and are thus helping countries **acquire critical capabilities faster and at lower cost** while accelerating projects that no Member State could deliver alone. **SAFE is strengthening the EU's industrial base** by ensuring that most of the value creation remains within Europe, with procurement rules requiring that at least 65 % of component costs originate from the EU, European Economic Area countries or Ukraine.

Investment alone is not enough, however. Europe also needs a more coordinated approach to developing the capabilities required for modern warfare. That is why the 2030 roadmap introduced **Capability Coalitions**, bringing Member States together to identify common requirements, develop capabilities jointly and procure them at scale.

This new model is already shaping **Europe's flagship defence projects:** the **European Drone Defence Initiative, Eastern Flank Watch, European Air Shield** and **European Space Shield** are designed to address some of the most pressing challenges to European security. These are strategic capabilities that are too costly, too complex or too urgent for countries to develop alone. In July, the Commission proposed **five European Defence Projects of Common Interest** to help EU countries strengthen their capabilities in these key areas.

Europe's security depends on a strong industrial base; on industries that can produce what our armed forces need, at the scale and speed required. Through the new **European Defence Industry Programme (EDIP)**, the Commission will mobilise **€1.5 billion to expand production capacity, strengthen joint procurement and reduce critical dependencies**. More than €700 million will directly support increased production of key capabilities, including missiles, ammunition and counter-drone systems. This marks an important shift from fragmented national markets towards a more integrated European defence ecosystem.

Reinforcement of Europe's defence industrial capacity

In-depth mapping of **EU industrial manufacturing** capabilities

Enabling defence industry access to **critical raw materials** and other key components

Support to **defence-specific skills** components

Measures to **support critical technologies and industrial capacities** by developing strategic projects

Possible amendments to the framework for dual-use research and innovation to improve **synergies between civil and defence** instruments

Rafał and Pekka, a Polish and a Finnish engineer, met during an Erasmus exchange. Driven by a shared passion, they built a groundbreaking Synthetic Aperture Radar (SAR) satellite and revolutionised the industry. They founded ICEYE and thanks to a grant from the Horizon programme, they grew the company and developed the most advanced SAR satellite constellation.

ICEYE serves customers in defence and intelligence, but also in environmental monitoring and emergency management. This year, ICEYE was valued at over €10 billion and was the first investment from the Scaleup Europe Fund. Rafał and Pekka's journey, from Erasmus to Horizon to one of Europe's fastest growing space and defence firms is an illustration of how EU programmes unite Europeans and support them in pursuing their ambitions. ICEYE is also an example of what European tech sovereignty looks like.

European Defence Fund 2025

High interest from EU defence industry: **410 proposals received** covering **all topics** published

57 projects supported with **€1 billion** in EU funds

Strong SME involvement: **38 % of all entities selected** with **21 % of total funding to SMEs**

EDF 2025

An average of **18 entities from 9 countries** participate in each project

14 projects are **linked to Permanent Structured Cooperation (PESCO)**

634 unique legal entities from 26 EU Member States, Norway and Ukraine

Ukraine is an essential partner in this effort. Its defence industry has become one of the world's leading centres of rapid military innovation, transforming battlefield experience into deployable technologies at unprecedented speed. Through the **EU Defence Innovation Office** in Kyiv and projects such as STRATUS or the EU–Ukraine Drone Deal, Europe is combining Ukrainian battlefield expertise with European industrial capacity to develop next-generation capabilities.

Innovation will play a decisive role in shaping the battlefield of the future. Through the **European Defence Fund**, the Commission has selected **57 new projects to receive funding worth more than €1 billion**, covering areas from AI and cyberdefence to drones and counter-drone systems. Alongside this, the new **AGILE instrument, backed by funding of €115 million**, is designed to bring disruptive technologies from laboratory to deployment more quickly, helping European innovators turn breakthrough ideas into real-world capabilities.

Readiness depends on mobility. On showing that our armed forces can be deployed at speed and scale, wherever they are needed. That is why the EU has launched **a new Military Mobility Package to create a Military Schengen**. Europe is introducing harmonised rules for cross-border military movement, streamlined

customs procedures and measures that enable priority access to infrastructure during crises. These reforms are supported by investment to upgrade key transport corridors, strengthen cybersecurity protections and improve the resilience of critical infrastructure. Together, they will ensure that personnel, equipment and supplies can move rapidly across Europe whenever and wherever they are required.

Europe understands that independence does not mean standing alone. That is why we are deepening defence and security cooperation with trusted partners around the world. **We strengthened our industrial cooperation under SAFE with Canada.** This year, we have also concluded **Security and Defence Partnerships with Australia, Ghana, Iceland and India**, bringing to 12 the number of SDPs with partners around the world. Together, these partnerships create new opportunities for industrial collaboration and closer cooperation on shared security challenges.

Europe's security environment has fundamentally changed, and our response has changed with it. Last year, we set out a plan to take greater responsibility for its own security and defence. Now we are turning that ambition into concrete capabilities, stronger industries and greater readiness. Europe is no longer simply adapting to a more dangerous world, it is preparing to meet it.

Europe's eastern border regions are on the frontline of a changing security environment. Since Russia's invasion of Ukraine, regions in Bulgaria, Estonia, Finland, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia have faced growing pressures from hybrid attacks, weaponised migration, economic disruption and demographic decline.

To address these challenges, the Commission has adopted **a new strategy to strengthen the prosperity, resilience and security of the EU's eastern border regions**. The strategy combines investment in security, infrastructure, energy and economic development, and supports flagship projects such as the Eastern Flank Watch, the European Drone Defence Initiative and the European Air Shield.

© Pro-Medica

Residents in the Polish-Lithuanian border region often face long waiting times and limited access to specialised care and preventive diagnostics. Through EU cohesion funding, the Pro-Medica hospital in Ełk, Poland, modernised its operating theatres and introduced state-of-the-art equipment for minimally invasive surgery, while developing joint services with a partner hospital in Lithuania.

Patients can now receive earlier diagnosis, safer surgical treatment and high-quality specialised care in their home region. The project also expanded preventive screenings for cervical cancer, enabling earlier diagnosis and timely treatment for more women in the region.

It is a clear example of how cohesion policy and the new priorities included during its mid-term review, are improving quality of life in eastern border regions.

Supporting our eastern border regions in five areas

The strategy also accelerates the integration of the Baltic states into European energy networks, supports strategic projects such as the Nordic–Baltic Hydrogen Corridor and upgrades dual-use transport infrastructure, including roads, railways and ports. Through the new **EastInvest facility**, border regions will gain easier access to financing and advisory support from the European Investment Bank and other financial institutions.

Security depends on strong communities as well as strong infrastructure. That is why the strategy also addresses labour shortages, supports education and skills development and helps communities counter disinformation.

EUROPE IS CARRYING OUT UNPRECEDENTED INVESTMENTS IN DEFENCE. THE EUROPE OF DEFENCE HAS FINALLY AWAKENED.

Calling for a safer Europe

81 % of EU's citizens support a stronger cooperation in defence, the highest level over the last two decades

74 % of Europeans approve defence investment or believe it should be increased

66 % of Europeans believe the EU should play a bigger role in protecting them against global crises and security risks

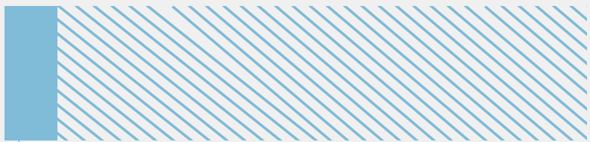
Data from Eurobarometer surveys from January and May 2026

The answer: ReArm Europe Plan / Readiness 2030

SAFE

18 **NATIONAL PLANS FOR SAFE LOANS** have been **approved** for defence procurement

€150 BILLION available

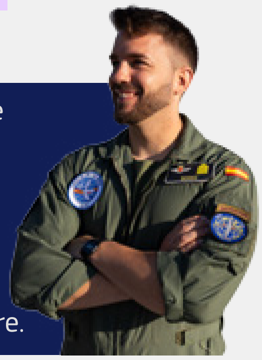


€12 BILLION disbursed so far

NATIONAL ESCAPE CLAUSE

18 countries have **activated** the **NATIONAL ESCAPE CLAUSE**

Enabling national defence expenditure of up to **1,5%** of GDP without risking an Excessive Deficit Procedure.



AND MORE

EUROPE DEFENCE INDUSTRY PROGRAMME (EDIP)

€1.5 BN

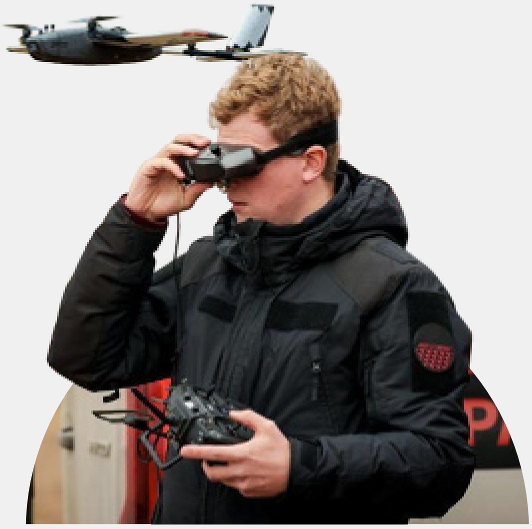
to enhance and modernise Europe's defence industry

Including

€260 M

to rebuild Ukraine's Defence Technological and Industrial Base.

AGILE



€115 M

to bring disruptive defence technology from the lab to the field at record speed.

EUROPEAN DEFENCE FUND 2025 (EDF)

€1 BN

for collaborative research and development in the field of defence

~ 50 %

for major defence capabilities such as an EU endo-atmospheric interceptor, a main battle tank, a multi-rocket launcher and a semi-autonomous vessel

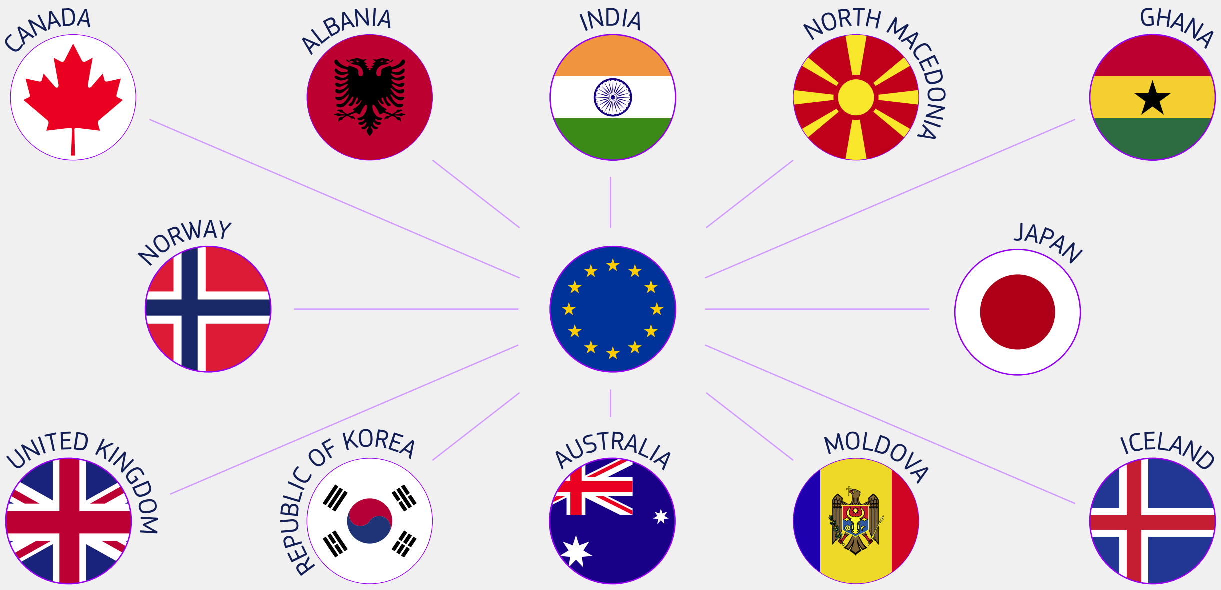
~ 25 %

allocated to critical technologies and capabilities, including quantum-secured networks, electronic warfare and high-performance energy systems

~ 25 %

for the implementation of the EU Defence Innovation Scheme (EUDIS), supporting innovation and disruptive technologies for defence applications

Security and Defence Partnerships to promote common security interests



Military mobility – Towards a Military Schengen

Strengthen the infrastructure and digital systems that underpin military mobility

Remove procedural barriers and harmonise rules

500 **HOTSPOT PROJECTS**

will help **remove bottlenecks along**

4 **PRIORITY MILITARY MOBILITY CORRIDORS**

Accelerated procedures and relaxation of certain transport rules during extraordinary situations

Simplification - The Defence Readiness Omnibus

HELPING THE DEFENCE INDUSTRY SCALE UP

- Fast-tracking permitting regime for defence projects: 60 days max
- Reduced administrative burden in the EDF and more Ukrainian participation
- Ensuring that chemicals regulations accommodate defence needs
- Clearer application of existing EU rules and better access to financing

© NATO

A cohesion policy adapted to new priorities

Following its mid-term review, cohesion policy will support current European priorities, **including defence**, while still supporting regional development and job creation

€11.9 BILLION

FOR 20 COUNTRIES

Defence and dual-use investments, including infrastructure robustness, military mobility and cyber-security measures

The next long-term budget will increase support for defence and security

€131 BN

5X

MORE FUNDING

for defence, security and space in the next long-term budget compared to the current one.

© Adobe Stock

€17.65 BN

10X

MORE FUNDS FOR MILITARY MOBILITY

€1.7 BN

A secure Union

Europe's security relies on far more than just traditional defence. The threats we face are increasingly complex and interconnected, often designed specifically to operate below the threshold of armed conflict. Across our Union, undersea cables have been damaged, airports and logistics hubs targeted by cyberattacks, migration weaponised and democratic processes subjected to foreign interference. All these approaches seek to exploit vulnerabilities in our societies and test our resolve.

One of the fastest-growing security challenges Europe faces is from drones. Over the last year, **drone incursions have seen EU citizens rushed to shelters and flights being grounded**. Europe needs the means to respond. That is why the Commission has launched a new **Action Plan on Drone and Counter Drone Security**, establishing a coordinated European approach to detection, identification and response. This includes the creation of an **EU Counter-Drone Centre of Excellence**, stronger rules for civilian drone operations and improved use of technologies such as 5G networks to identify and track suspicious activity. With the **EU-Ukraine Drone Alliance**, Europe is increasing cooperation with Ukraine's innovative drone industry and learning lessons from the frontlines.

Europe is also seeing a surge in malicious cyber activity, with daily cyberattacks against essential services, businesses and public authorities. These attacks increasingly target the digital infrastructure that underpins modern societies, from hospitals and energy networks to transport systems and public administration. Through a revised **Cybersecurity Act**, the Commission is ensuring that products placed on the European market are cybersecure by design and addressing vulnerabilities in critical ICT supply chains. With the **EU Action Plan on Cybersecurity and Artificial Intelligence**, we are addressing the risks of the most advanced AI models for cybersecurity: a reinforced European Union Agency for Cybersecurity will have access to advanced AI capabilities for cybersecurity and together with the Commission's Joint Research Centre, it will develop a secure platform to test AI for cybersecurity, including in simulated environments.

This is because, in a digital world, **cybersecurity has become an essential component of economic and national security**.

The threat from terrorism and violent extremism also continues to evolve. Terrorist groups are increasingly exploiting digital technologies, social media, AI and cryptocurrencies to recruit, finance and organise their activities. Radicalisation among young people is a particular concern, with children increasingly targeted online. Through the **ProtectEU Agenda on Preventing and Countering Terrorism**, Europe is strengthening cooperation between law enforcement authorities, improving intelligence sharing, tackling terrorist financing and developing new tools to identify and prevent radicalisation before it leads to violence.

At the same time, **Europe is stepping up efforts to tackle organised crime**. Criminal networks involved in drug trafficking, firearms smuggling, money laundering and cybercrime operate across borders and are increasingly exploiting digital technologies to expand their reach. These networks undermine public security, fuel violence and generate billions of euro in illicit profits every year.

That is why the Commission has strengthened its response on multiple fronts. To tackle serious crime effectively, police, customs services, prosecutors and courts need to work closely together from the start of an investigation to the final court judgment. The Commission has proposed new measures to **strengthen Europol and Eurojust** to step up the fight against cross-border crime and terrorism. These measures support more joint investigations, speed up prosecutions and facilitate the exchange of information through a clearer legal framework and less red tape.

Through the **EU Drugs Strategy** and the **Action Plan against Drug Trafficking**, presented in December 2025, Europe is targeting criminal networks across the entire supply chain, from production and trafficking routes to online marketplaces and parcel delivery services, which are increasingly used to smuggle illegal drugs into the Union. A strengthened mandate for the European Union Drugs Agency will help Member States identify emerging threats, including new psychoactive substances, while Europol is expanding its capacity to monitor online drug markets, analyse suspicious activity and support cross-border investigations.

The Commission also proposed stronger **measures against firearms trafficking** in February 2026, including new rules to tackle the illicit production of weapons using 3D printing technologies.

Strong security also requires secure external borders. The Schengen Area remains one of the greatest achievements of European integration, allowing more than 450 million people to travel freely across 29 countries. However, maintaining open internal borders requires effective management of our external borders.

An important milestone was marked in June with the entry into application of the **Pact on Migration and Asylum**. The Pact provides Europe with a common and comprehensive framework to manage migration in a way that is fair, orderly and based on a balance of solidarity and responsibility between Member States. It strengthens procedures at the EU's external borders, introduces strict rules to fight abuse, improves cooperation between national authorities and ensures that responsibility is shared more fairly across the Union so that no Member State is left on its own in the face of a migration surge. Moreover, we successfully launched the first **Annual Migration Management Cycle** under the Pact, providing effective support to Member States facing pressure.

A common EU system to manage migration

SECURE EXTERNAL BORDERS

- Robust screening
- Eurodac asylum and migration database
- Border procedure and returns
- Crisis protocols and action against instrumentalisation

FAST AND EFFICIENT PROCEDURES

- Clear asylum rules
- Guaranteeing people's rights
- EU standards for refugee status qualification
- Preventing abuses

EFFECTIVE SYSTEM OF SOLIDARITY AND RESPONSIBILITY

- Permanent solidarity framework
- Operational and financial support
- Clearer rules on responsibility for asylum applications
- Preventing secondary movements

EMBEDDING MIGRATION IN INTERNATIONAL PARTNERSHIPS

- Preventing irregular departures
- Fighting migrant smuggling
- Cooperation on readmission
- Promoting legal pathways

The **European Asylum and Migration Management Strategy** is built on the principle that **Europeans should decide who enters the Union and under what conditions**. The strategy will serve as the compass guiding EU action on migration over the next five years. It focuses on preventing irregular migration, dismantling criminal smuggling networks, protecting those genuinely fleeing war and persecution, creating legal pathways that help attract the talent Europe needs to remain competitive and strengthening comprehensive and strategic partnerships with partner countries. Together, these efforts are contributing to better managed migration and a continued decline in irregular migration to the EU.

In July, the Commission also proposed a new **sanctions regime to combat migrant smuggling** and other illicit activities originating outside the Union. This includes the ability to freeze assets and impose travel bans on individuals and entities involved in activities from migrant smuggling and human trafficking to money laundering.

This summer, as thousands of irregular migrants tried to enter Ceuta from Morocco, **the Commission offered Spain EU support from day one, both financially and operationally**. We have been fully engaged, by offering support to the Spanish authorities to ensure the security of our external borders and the swift return of those who remain in Ceuta illegally.

While the situation on the ground remains challenging and efforts to address the crisis must continue, new illegal attempts to cross the border have been avoided. **The Commission's work with Meta, TikTok and independent fact-checkers has been crucial in this sense.** We have prevented criminal networks from spreading disinformation and we have doubled down on the fight against migrant smuggling.

Modern border management requires modern technology. The **Entry/Exit System** started to be deployed in airports across the EU in April 2026. It provides **reliable information on non-EU nationals crossing Europe's external borders**, helping to identify overstays, detect identity fraud and strengthen security checks. With almost 185 million crossings registered since its launch and nearly 64 000 refusals of entry, the Entry/Exit System is a major step forward for Europe's border security.

A fair asylum system also relies on the return of those whose applications are rejected. The first **EU list of safe countries of origin** makes asylum processing faster and more efficient for Member States by allowing a more uniform approach to applications of nationals from countries on the EU list whose claims are likely to be unfounded. We also agreed on a new **Common European System for Returns**, to make returns of persons with no legal right to stay faster, simpler and more effective across the Union. Meanwhile, the first-ever **EU Visa Strategy** will make Europe safer by strengthening security screening for those wanting to come to the EU, while helping to attract the talent that Europe needs to grow.

Europe will always respect its international obligations, but the rules must be enforced to be credible. We will help those in need, while cracking down on those abusing the system. This is the balanced migration and asylum system that Europe is building: one that combines humanity with responsibility and solidarity with security. **One that is fair and firm.**

Common European System for Returns

ONE EU SYSTEM
- A common system for returns with harmonised rules.
- European Return Order standardises procedures.

MUTUAL RECOGNITION
- Return decisions can be recognised across all Member States.
- Mandatory from July 2027.

VOLUNTARY RETURN FIRST, FORCED IF NEEDED
- Incentives for voluntary return.
- Mandatory forced return in cases of non-cooperation, absconding or security risks.

CLEAR OBLIGATIONS FOR RETURNEES
- Cooperation required with authorities.
- Stricter rules against absconding, including the possibility to require financial guarantees.

SAFEGUARDS AND RIGHTS
- Right to effective judicial protection.
- Protection for vulnerable persons, minors and families.
- Full respect for human rights and *non-refoulement*.

STRICTER ENFORCEMENT TOOLS
- Financial guarantees and reporting duties.
- Designated residence requirements.
- Detention of up to 24 months (extendable for security risks).

SECURITY-RISK PROVISIONS
- Early screening for threats.
- Longer entry bans and stricter detention rules.
- Mandatory forced return for identified risks.

READMISSION AND RETURN HUBS
- Systematic readmission requests sent to non-EU countries.
- Secure data sharing for enforcement.
- Return on the basis of agreements or arrangements (excluding minors and families).

Security and preparedness go hand in hand. Nowhere is this clearer than in our response to ever-more common natural disasters and extreme weather events.

This summer once again, Europe was hit by devastating wildfires, severe droughts and unprecedented floods. The wildfire season has been exceptionally severe. By mid-August, the area burned was already more than twice the average for that time of year. But **when disaster strikes, Europe stands together**. Ahead of summer, hundreds of firefighters and dozens of firefighting assets were prepositioned in the countries most at risk. Since then, the **UCPM** has been activated 11 times by 9 affected countries, including the first-ever activations for wildfires by Belgium and the Netherlands.

At the end of July, when massive simultaneous wildfires hit France and Spain, **17 European countries answered the call. More than 300 firefighters from across Europe worked arm in arm with their French and Spanish counterparts.** This included the first-ever deployment by Ukraine as a provider of assistance under the UCPM: **a 70-member Ukrainian firefighting team was sent to France to provide help. Even as their country continues to defend itself against Russia's war of aggression, they came to France to help Europeans in need.** Together with the courage shown by firefighters from across our Union, it was European solidarity at its finest.

The EU's largest-ever pre-deployment ahead of the 2026 wildfire season

FIREFIGHTING TEAMS ON STAND-BY

777 firefighters from 14 countries prepositioned in:

21 certified teams ready to intervene all over Europe

OPERATIONAL SUPPORT

- EU Emergency Response Coordination Centre **24/7**
- Copernicus satellite mapping
- Scientific analysis

PREVENTION

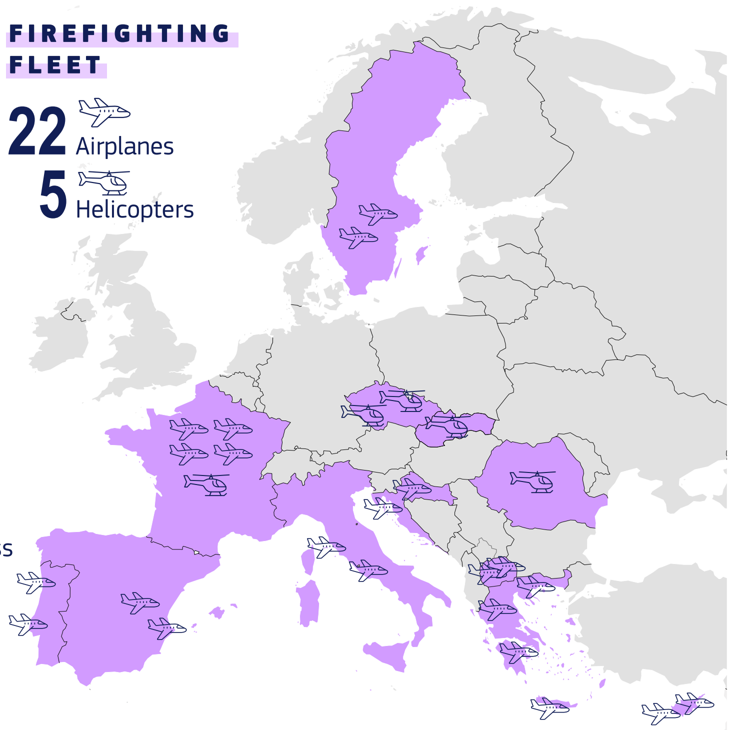
- Good practices on disaster risk awareness
- Funds for knowledge sharing and technical assistance

Countries where aerial firefighting fleet is hosted

FIREFIGHTING FLEET

22 Airplanes

5 Helicopters



Administrative boundaries: © EuroGeographics © OpenStreetMap
Cartography: Eurostat – IMAGE, 08/2026

Wildfires timeline: operations in 2026

AS OF 24 AUGUST, 9 COUNTRIES HAVE ACTIVATED THE EU CIVIL PROTECTION MECHANISM FOR WILDFIRES THIS SUMMER

21 AUG.

Serbia
- 1 ground firefighting team with vehicles from Romania
- 1 ground firefighting team with vehicles from Germany
- 4 rescEU helicopters: 1 from Romania, 2 from Czechia, 1 from Slovakia
- 1 liaison officer of the Emergency Response Coordination Centre (ERCC) deployed from 24 August

15 AUG.

Belgium
- 2 planes from Sweden (rescEU)
- 2 helicopters from the Netherlands and a technical firefighting team
- 2 helicopters and 2 air operations coordinators from Germany
- 2 helicopters from Norway
- 1 forest fire advisory and assessment team from Spain
- 1 ERCC liaison officer

15 AUG.

Spain
- 2 ground forest firefighting teams with vehicles from France

2 AUG.

Greece
- following an improvement in the situation, Greece closed the emergency on 5 August

24 JUL.

Spain
- 6 planes (4 of which rescEU)
- 1 helicopter
- 229 firefighters with 84 vehicles from Portugal, Serbia, Germany

23 JUL.

Tunisia
- 1 plane from Italy
- 36 drops of water in 2 days

22 JUL.

France
- 8 planes (5 of which rescEU)
- 4 helicopters (2 of which rescEU)
- 187 firefighters with 47 vehicles from Romania, Serbia, Ukraine, Lithuania
- 2 ERCC liaison officers

5 JUL.

France
- 4 rescEU airplanes from Sweden and Cyprus
- 2 rescEU helicopters from Czechia
- 1 ERCC liaison officer

3 JUL.

Portugal
- 118 firefighters and 45 vehicles from Spain
- 3 rescEU firefighting aircraft from Italy and Spain

3 MAY

Czechia
- 8 firefighters, 3 vehicles and 1 container from Slovakia

30 APR.

The Netherlands
- 41 civil security personnel and 10 vehicles from France
- 67 firefighters, 21 vehicles and 3 trailers from Germany

The wildfires that swept through France's Gironde region in July burned around 42 000 hectares of land. Through the EU Civil Protection Mechanism, many countries across Europe offered help. Among them were 70 Ukrainian rescuers with 15 vehicles. For the first time, Ukraine was sending assistance through the Mechanism – a country itself fighting a war. The Ukrainian rescue team travelled 3 000 kilometres to Bordeaux. What the Ukrainian rescuers remember most is not the blackened forest, but the warmth they encountered along the way. While these rescuers were fighting fires in France, their colleagues back home were responding to the consequences of Russian attacks. Yet Ukraine still found the strength to send its rescuers to help France.

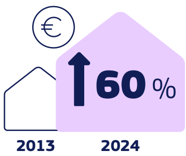
A Union for everyone: affordable and inclusive

The past few years have been difficult for many European households. High inflation, rising housing costs and pressure on family budgets have affected communities across our Union. Addressing these challenges is not only a matter of social justice, but also central to Europe's competitiveness.

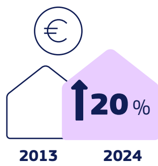
Across the European Union, one in five people remains at risk of poverty or social exclusion. That is why the Commission has adopted the first-ever **EU Anti-Poverty Strategy**, setting out a long-term roadmap to eradicate poverty by 2050. We have also strengthened the **European Child Guarantee to ensure that every child has access to the services and support they need to thrive**, regardless of their background or circumstances.

Nowhere is affordability felt more directly than in housing. A safe and affordable home is the foundation on which people build their lives. Yet for too many Europeans, particularly younger generations, it has become a major source of anxiety. That is why **housing is a European priority**.

European Affordable Housing Plan



Increase in **house prices** across the EU between 2013 and 2024, faster than household income



Increase in **average rents** in the same period

Decrease in **residential building permits** since 2021

THE EUROPEAN AFFORDABLE HOUSING PLAN AIMS TO:


© Johner Images / Getty Images

Cut red tape to boost housing supply


© Adobe Stock

Strengthen productivity and innovation in construction


© Adobe Stock

Mobilise public and private investment, including by revising State aid rules


© Adobe Stock

Combat speculation in the housing market


© Adobe Stock

Address short-term rentals in areas under housing stress


©AdobeStock

Support those most affected, such as homeless people and the young


© Simonkr / Getty Images

Addressing the housing crisis requires action at every level, from European to national to local. House prices have increased by more than 60% and rents by 20% since 2013. To address this challenge, the EU is pulling every lever that is available. We have mobilised **more than €43 billion for housing-related investments since 2021**. With the **European Affordable Housing Plan**, launched in December 2025, we have revised our State Aid rules to unlock investment in social and affordable housing. The **Affordable Housing Act**, proposed in September 2026, will give Member States and local authorities additional tools to help ease housing pressures. We are working on removing unnecessary barriers and cost pressures for construction and renovation. In the proposals for the next long-term EU budget, we are also supporting European funding towards **affordable housing projects**.

Housing affordability is also about preventing exclusion. More than 1 million people across Europe are homeless on any given night. Through our **Recommendation on Fighting Housing Exclusion**, we are supporting Member States in developing more effective responses to homelessness, because **everyone deserves a safe home to return to**.

Similarly, we put forward a recommendation on the implementation of the **New European Bauhaus (NEB)** that aims to translate Europe's clean transition into tangible projects that combine sustainability, circularity, affordability, innovation and high-quality design. In the same context, the third NEB Festival, held in June 2026, brought together communities, creators and changemakers to discuss affordable housing as the foundation of strong societies.

This year, once again, families have been hit by the impact of an energy crisis originating beyond our borders. When energy costs rise, every single part of people's lives is affected. Through the **Citizens Energy Package**, the European Union is strengthening protections for vulnerable consumers, helping prevent disconnections, improving transparency and giving households greater control over their energy choices and bills.

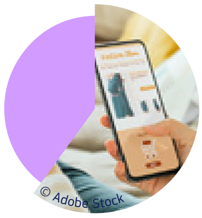
Miroslav, a 59-year Czech citizen, spent more than a decade on the street before social workers found him an apartment and offered support, easing worries and helping him restore his stability. The Housing First initiative, supported by the European Social Fund Plus, pairs affordable housing with guidance on health, employment and rebuilding family ties. Miroslav feels he has something to give back and is now focused on helping others still waiting for social housing.

Consumers are the driving force of Europe's economy, with household spending contributing 51 % of GDP. While European consumers enjoy some of the highest levels of protection worldwide, they face rising living costs and a rapidly changing marketplace. The rise in digital services and the explosive growth of e-commerce have created new challenges alongside new opportunities.

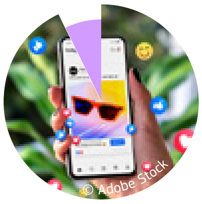
Through the **2030 Consumer Agenda**, Europe is strengthening consumer protection, including online, with a particular focus on children and vulnerable consumers. The Commission is **tackling unfair practices and unsafe products, and ensuring that the Single Market continues to work for consumers** as effectively as it works for businesses. New customs rules, including a **€3 duty on packages from outside the EU valued at less than €150**, help create a level playing field between online platforms and traditional retailers and ensure that products sold in Europe meet the standards consumers expect.

Europe's success cannot be measured only by economic growth or global influence. It must also be measured by social fairness and by whether people can afford a safe place to call home, pay their energy bills, raise a family and look to the future with confidence. **Building a more independent Europe ultimately means creating a Europe that delivers opportunity, security and prosperity for everyone**.

Findings of the EU's 2025 Consumer Conditions Scoreboard

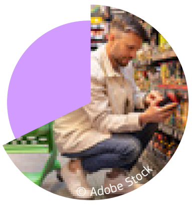


Online shoppers are over **60 %** more likely to experience problems than offline shoppers



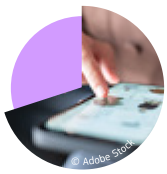
93 % of shoppers worry about online targeted advertising, including:

- the collection of personal data without consent (**71 %**)
- excessive advertising (**67 %**)
- unavoidable personalisation (**63 %**)



68 % of EU consumers are confident in the safety of the products they buy

Europeans are confident their consumer rights will be protected:



70 % say traders respect their rights

61 % trust public organisations to protect them

© Aleš and Matouš Krchňák

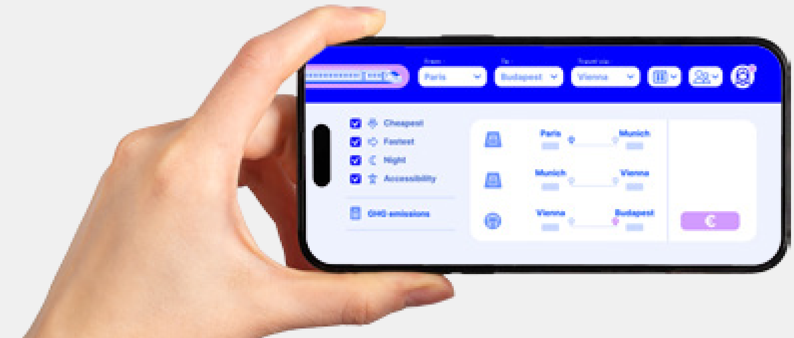
Aleš and Matouš Krchňák are young Czech twins who launched their first local project at the age of 15. What began as a small initiative grew into an event involving over 850 people, combining discovery of their local region of Olomouc with awareness-raising on ecology and sustainable farming. This experience inspired them to get involved in a 'Europe Goes Local' project and to create their own NGO. In 2025, they won DiscoverEU train passes and visited numerous countries including Italy, Hungary, Spain, France and Denmark. They described the trip as 'immensely rewarding', allowing them to realise what European values, culture and traditions mean to them.

Europe has one of the world's most extensive rail networks, but travelling across borders can still be unnecessarily complicated. A journey involving several train operators often requires multiple tickets, purchased through different systems, with limited protection if a connection is missed.

The Commission's new **One Journey, One Ticket** initiative changes that. Passengers will be able to **search for, compare and purchase multi-operator rail journeys through a single booking**, on the platform of their choice. More importantly, travellers will enjoy **full passenger rights for the entire journey**, including compensation if there are delays or missed connections.

By making cross-border rail travel simpler, fairer and more reliable, Europe is helping citizens make the most of the freedom to travel, work and study across our Union, all while **making sustainable transport a more attractive choice**.

One journey, one ticket, full rights



PLAN, BOOK, GO

Passengers will be able to **find, compare** and **combine** services from different rail operators in one transaction on a platform of their choice, including for **cross-border journeys**.

STRONGER PASSENGER RIGHTS

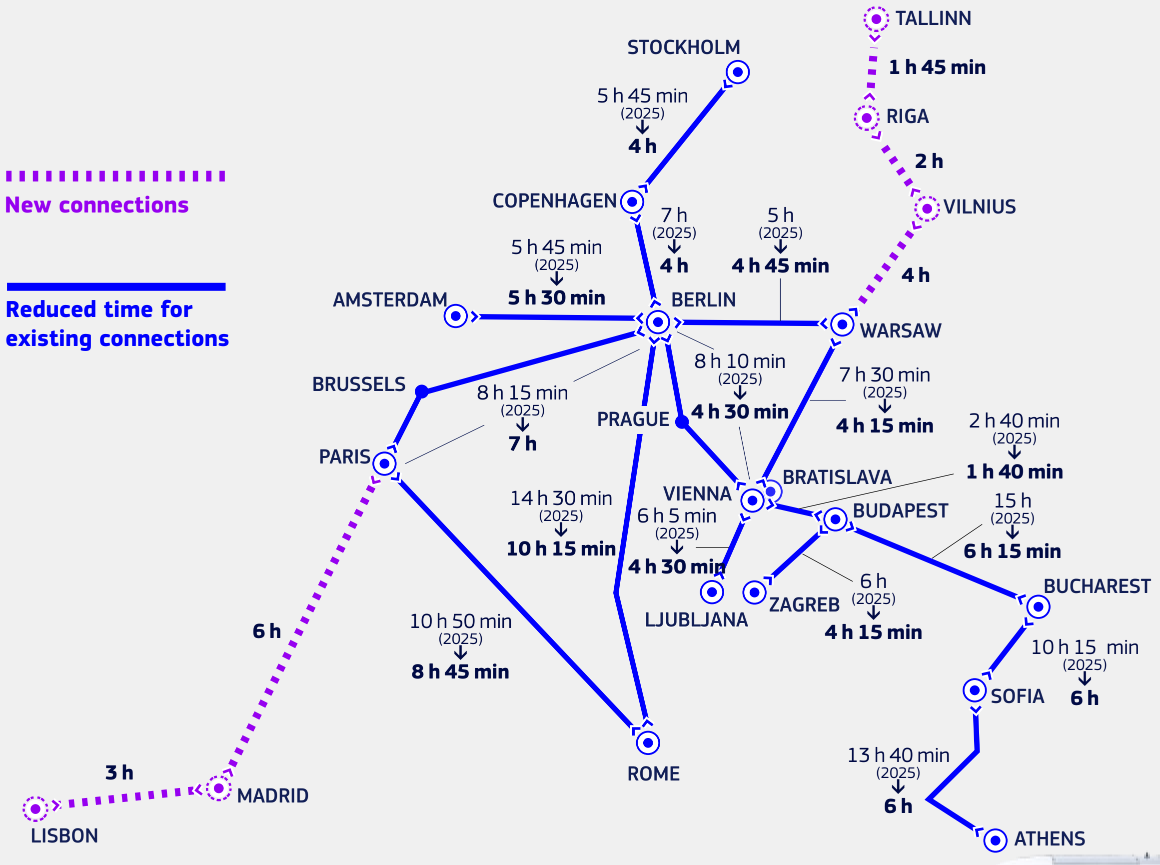
Rail passengers with a **single ticket** will benefit from **assistance, rerouting**, **reimbursement** and **compensation** in case of missed connections during their rail journeys.

FAIR COMPETITION

New obligations for ticketing platforms and operators will ensure **fair access to tickets** and the **transparent presentation** of travel options.

Future train route improvements

BY 2040



A more inclusive Union

Everyone in the European Union should be able to feel safe and live with dignity and respect. We are working to create a **Union of Equality.** Equality is not only about protecting rights. It is also about creating societies where everyone can participate fully and feel they belong.

Gender equality is a fundamental right and one of the EU's founding values. At the current pace of progress, however, the European Institute for Gender Equality estimates that full gender equality remains 50 years away. That is why the Commission presented a new **Gender Equality Strategy** in March. This strategy aims to tackle the barriers that persist in education, healthcare, employment and public life, while addressing emerging challenges such as online violence and bias in AI. In addition, in February, the Commission also responded to the **European Citizens' Initiative on access to safe abortion**, reaffirming that existing EU instruments can support Member States in ensuring equal access to legally available and affordable healthcare services, including safe abortion services.

Gender Equality Strategy 2026-2030

1/3

1 in 3 women
will experience gender-based violence in their lifetime

-12 %

Women in the EU **still earn 12 %** less than men per hour

50

Without renewed action, we remain over **50 years** away from fully reaching equality

WITH THE GENDER EQUALITY STRATEGY WE WILL:

- Combat gender-based violence, including online
- Close the gender pay gap, pension gap and care gap, leading to up to 10 million new jobs by 2050
- Empower women in research, innovation, startups and politics
- Ensure gender equality is present across all policies, including external action

THE EU HAS MADE IMPORTANT PROGRESS IN RECENT YEARS

Adopting landmark legislation

From rules on pay transparency and women in leadership, to protecting women and girls from violence and supporting work-life balance and gender equality in care.

Mainstreaming gender equality

Ensuring a gender equality perspective across EU policies, for example in health research, employment, and education.

Funding actions to make progress in gender equality in the EU

Supporting gender equality actions under the European Social Fund Plus and the Citizens, Equality, Rights and Values Programme.

Supporting gender equality and women's empowerment around the world

Promoting gender equality globally, and ensuring it is integrated in our external action, for example by increasing political and civic participation of women and girls, and boosting support for women's rights organisations.

For LGBTIQ+ people across Europe, equality and safety cannot be taken for granted. Too many still face discrimination, harassment and violence simply for being themselves or for whom they love. With the **LGBTIQ+ Equality Strategy**, we are continuing to strengthen protections against discrimination, support equal rights across the Union and work with Member States to create safer and more inclusive societies. Responding to the **European Citizens' Initiative calling for a ban on conversion practices** in May, the Commission announced its intention to present a recommendation encouraging all Member States to prohibit these harmful practices.

Culture is one of Europe's main assets and the foundation of a shared European identity. That is why we proposed the **Culture Compass for Europe**: a vision to support culture across sectors and policies, empower artists, safeguard artistic expression and, at the same time, strengthen societal resilience and promote growth and competitiveness in our communities. The principles of the Culture Compass were endorsed by the European institutions in a joint declaration in June 2026.

Europe's diversity is one of its greatest strengths. Our societies and economies are stronger because of the different backgrounds, experiences and communities that make up our Union. However, diversity can only be a strength when everyone has equal opportunities and feels they belong. With our **Anti-Racism Strategy**, we have stepped up efforts to tackle structural discrimination, strengthen enforcement against hate crime and hate speech and ensure that anti-racism is embedded across policymaking.

Over the last several years we have seen a worrying spike in antisemitic acts in Europe and beyond, threatening the safety of Jewish communities. Jewish life in Europe must be able to thrive openly and proudly. We are continuing to implement the **EU Strategy on Combating Antisemitism**, and we are working together with all Member States to support Jewish communities. We are also providing increased funds to protect public spaces and places of worship, and are **combating rising antisemitism online with a network of trusted flaggers**.

New LGBTIQ+ equality strategy – 3 pillars:

PROTECT

From **harassment and violence**, through an Action Plan against Cyberbullying.

From **discrimination**, by continuing to fund civil society.

From **conversion practices**, by analysing them and considering appropriate action.

EMPOWER

Equality bodies, by monitoring their effectiveness.

Rainbow families, by supporting Member States to adopt the Recognition of Parenthood proposal.

LGBTIQ+ people at work, by working with the EU Platform of Diversity Charters

ENGAGE

Member States, by calling on all of them to adopt national strategies on LGBTIQ+ equality.

LGBTIQ+ people, by improving the collection and analysis of equality data.

Civil society, by launching an 'LGBTIQ+ Policy Forum' for a direct exchange with the Commission.

Freedom of religion or belief is under attack in many parts of the world. The Commission is committed to addressing this challenge and to ensuring that the rights of all faiths and beliefs are respected. In March, the Commission appointed Mairead McGuinness as **Special Envoy for Freedom of Religion or Belief outside the EU**. The Special Envoy supports cooperation with national authorities and other stakeholders in countries where the rights of religious or belief communities are threatened, as well as intercultural and interreligious dialogue.

For the 90 million people in Europe living with disabilities, inclusion means removing barriers that still prevent full participation in society. That is why we have strengthened the implementation of the **Disability Rights Strategy**, with a stronger focus on accessibility, inclusive employment, independent living, accessible transport and democratic participation. From rolling out the **European Disability Card** to improving accessibility in public services and digital spaces, our objective is to ensure that people with disabilities can exercise their rights fully and equally across the EU.

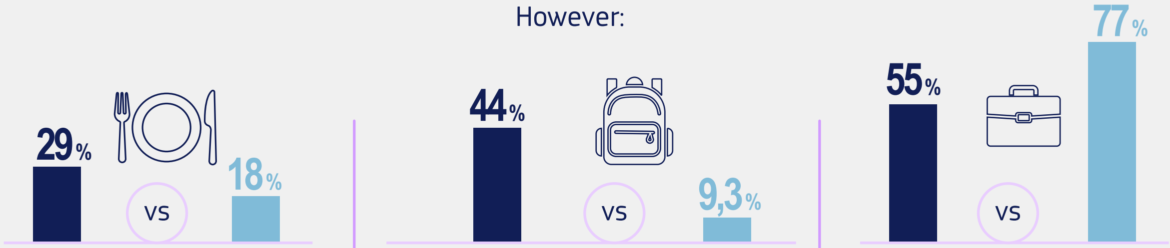
© Fundacja Swiat Wrazliwy, 2026

'Caffé Aktywni', located in Gdańsk, Poland, is a social enterprise run by Fundacja 'Świat Wrażliwy' (The Sensitive World Foundation) employing young people with intellectual disabilities and seniors who serve as their mentors. It creates a space for socialisation and vocational training, while at the same time integrating people who are often excluded from the labour market, enabling them to also contribute to Europe's economic and social strength. Thanks to support from NextGenerationEU, the café was able to modernise its kitchen and to purchase adapted tools for catering services.

Boosting disability rights for an inclusive and accessible EU

WHY THIS MATTERS?

People with disabilities **have the same rights as everyone**, in line with the United Nations Convention on the Rights of Persons with Disabilities, signed by the EU and all EU countries. However:



29% of people with disabilities are **at risk of poverty** vs 18% of people without disabilities

44% of **young** people with severe disabilities are **early school leavers** vs 9,3% of people without disabilities

55% of people with disabilities **are employed** vs 77% of people without disabilities

KEY ACTIONS

Turning rights into reality

- Full rollout and digitalisation of the **European Disability Card** and the **European Parking Card**
- Invest in **assistive technologies and AI** to reduce barriers for users
- Improve **access to all forms of transport** across the EU


© Adobe Stock

Empowerment and inclusion

- Foster **self-determination** and autonomy through a new **EU Alliance for Independent Living**
- Improve implementation of the **Disability Employment Package** to develop more inclusive labour markets
- Ensure **inclusive education** at all stages of life
- Improve access to **justice and healthcare**, with particular attention to the needs of women and girls with disabilities


© Adobe Stock

Engaging and delivering

- Strengthen inclusion of people with disabilities in the **EU's external action**, such as **humanitarian aid** and **enlargement**


© Adobe Stock

Strategy for Intergenerational Fairness: making sure no generation is left behind

DESIGNING POLICIES FOR FUTURE GENERATIONS

Intergenerational Fairness Index
to identify opportunities and gaps between generations

2028 Progress Report
to inform EU contributions to the UN's follow-up to the Declaration on Future Generations

Systematic application of **Youth Check**

Futures Balance Tool
AI-enabled tool for forward-looking policy analysis in collaboration with the UN

Compendium of best practices
on age equality developed by the High-Level Group on Non-Discrimination, Equality and Diversity

16 November
a day to raise awareness of intergenerational fairness

Voices of the Future
inviting local and regional authorities to engage in shaping their regions' future

Inclusion also means fairness across generations. The first-ever **Strategy on Intergenerational Fairness** reflects a simple principle: that no generation should prosper at the expense of another. It reinforces long-term thinking in policymaking, strengthens the voice of young people in decisions that affect them and seeks to ensure a fair balance of opportunities and responsibilities between present and future generations. **Because building a stronger Europe means ensuring that those who inherit it have the tools to succeed.**