EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Brussels, 9 December 2020

TEXTE EN

MINUTES

of the 2357th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 18 November 2020

(morning)

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<u>Single sitting</u>: Wednesday 18 November 2020 (morning)

The sitting opened at 9.04 with Ms von der LEYEN, President, in the chair.

<u>Present</u>:

Ms von der LEYEN	President	
Mr TIMMERMANS	Executive Vice-President	
Mr DOMBROVSKIS	Executive Vice-President	Items 1 to 13.2 (in part)
Mr BORRELL i FONTELLES	High Representative / Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Ms JOUROVÁ	Vice-President	
Ms ŠUICA	Vice-President	
Mr HAHN	Member	
Mr SCHMIT	Member	
Mr GENTILONI	Member	Items 1 to 13.2 (in part)
Mr BRETON	Member	
Ms FERREIRA	Member	Items 1 to 13.2 (in part)
Ms KYRIAKIDES	Member	
Mr REYNDERS	Member	
Ms DALLI	Member	
Ms JOHANSSON	Member	
Mr LENARČIČ	Member	
Ms VĂLEAN	Member	
Mr VÁRHELYI	Member	
Ms URPILAINEN	Member	
Ms SIMSON	Member	
Mr SINKEVIČIUS	Member	
Ms McGUINNESS	Member	

Attended by videoconference:

Ms VESTAGER	Executive Vice-President	
Ms GABRIEL	Member	Items 1 to 13.2 (in part)

Absent:

Mr SCHINAS	Vice-President
Mr WOJCIECHOWSKI	Member

The following sat in to represent an absent Member of the Commission:

Ms SPANOU	Chef de cabinet to Mr SCHINAS
Mr GOLUBIEWSKI	Chef de cabinet to Mr WOJCIECHOWSKI

The following also sat in:

Mr SEIBERT	Chef de cabinet to the PRESIDENT	
Ms BANKS	Deputy Director-General, Legal Service	
Ms AHRENKILDE HANSEN	Director-General, DG Communication	
Mr MAMER	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	
Ms PETKOVA	Director of Coordination and Administration in the PRESIDENT's Office	
Mr VANDENBERGHE	Adviser in the PRESIDENT's Office	Item 11
Mr SMITH	Policy Coordinator in the PRESIDENT's Office	Item 12
Ms MICELI	Policy Coordinator in the PRESIDENT's Office	Items 8 to 10
Ms SPINANT	Deputy Chief Spokesperson of the Commission	
Mr BARNIER	Head of the Task Force for Relations with the United Kingdom	Item 13.2
Ms ALLOUIS-LE LOSTEC	Head of Unit in the Secretariat-General	

Secretary: Ms JUHANSONE, Secretary-General, assisted by Ms DEPREZ, Director in the Secretariat-General.

1. AGENDAS
(OJ(2020) 2357/FINAL; SEC(2020) 2357/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET
(RCC(2020) 2357)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 16 November 2020.

3. APPROVAL OF THE MINUTES OF THE 2355TH AND 2356TH MEETINGS OF THE COMMISSION (28 OCTOBER AND 11 NOVEMBER 2020)

The Commission held over approval of the minutes of its 2355th and 2356th meetings for a later meeting.

4. INTERINSTITUTIONAL RELATIONS
(RCC(2020) 172)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held by videoconference on Friday 13 November 2020 (RCC(2020) 172).

It paid particular attention to the following points.

4.1. HORIZONTAL MATTERS

i) 2021-2027 Multiannual Financial Framework – Trilogues
(point 1.1.1 of the IRG record)

– Neighbourhood, Development and International Cooperation Instrument (NDICI) (Regulation) – GAHLER & JUKNEVIČIENĖ & ARENA & GOERENS report – 2018/0243 (COD)

The Commission approved the line set out in SI(2020) 381/2.

– 'Customs' programme for cooperation in the field of customs (Regulation) – GRAPINI report – 2018/0232 (COD)

The Commission approved the line set out in SI(2020) 382/2.

– InvestEU Programme (Regulation) – FERNANDES & TINAGLI report – 2020/0108 (COD)

The Commission approved the line set out in SI(2020) 372 and /2.

– European Maritime and Fisheries Fund and repeal of Regulation (EU) No 508/2014 of the European Parliament and of the Council (Regulation) – MATO report – 2018/0210 (COD)

The Commission approved the line set out in SI(2020) 383/2.

– Digital Europe programme for the period 2021-2027 (Regulation) – FLEGO report – 2018/0227 (COD)

The Commission approved the line set out in SI(2020) 384/3.

– Common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument (Regulation) – NOVAKOV & KREHL report – 2018/0196 (COD)

The Commission approved the line set out in SI(2020) 385.

– European Social Fund Plus (ESF+) (Regulation) – CASA report – 2018/0206 (COD)

The Commission approved the line set out in SI(2020) 387/3.

ii) 2021-2027 Multiannual Financial Framework – European Parliament dossiers
(point 1.1.2 of the IRG record)

<u>Ordinary legislative procedure – First reading</u>

– Recovery and Resilience Facility (Regulation) – MUREŞAN & GARDÍAZABAL RUBIAL & PÎSLARU report – 2020/0104 (COD)

The Commission approved the line set out in SP(2020) 562/3.

iii) Draft 2021 Budget
(point 1.2 of the IRG record)

– Draft Union's annual budget for the financial year 2021 – General Introduction - General statement of expenditure - General statement of revenue – Statement of revenue and expenditure by section – LARROUTUROU & CHASTEL report – 2020/1998 (BUD)

The Commission:

– approved the line set out in SI(2020) 390 and authorised the Member of the Commission in charge of the Budget to take all the initiatives necessary to reconcile the positions of the European Parliament and

Council, in accordance with Article 314(5) of the Treaty on the Functioning of the European Union.

– empowered the Member of the Commission in charge of the Budget, in agreement with the PRESIDENT, and if necessary as part of the 21-day conciliation period, to mobilise special instruments, in accordance with the relevant provisions of the new Council Regulation laying down the Multiannual Financial Framework for the years 2021 to 2027, and the new Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management.

4.2. LEGISLATIVE MATTERS

iv) Trilogues
(point 3.1 of the IRG record)

– Union regime for the control of exports, transfer, brokering, technical assistance and transit of dual-use items (Regulation – recast) – BUCHNER report – 2016/0295 (COD)

The Commission approved the line set out in SI(2020) 370.

v) Council dossier
(point 3.3 of the IRG record)

– Vocational education and training (VET) for sustainable competitiveness, social fairness and resilience (Council Recommendation) – 2020/0137 (NLE)

The Commission took note of document SI(2020) 388/3.

4.3. RELATIONS WITH PARLIAMENT

vi) Action to be taken on Parliament's legislative resolutions and other resolutions of a legal nature
(SP(2020) 566)

The Commission decided to empower the Members of the Commission responsible for the sectors in question, in agreement with the PRESIDENT and, if necessary, with the other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council, as set out in SP(2020) 566, drawn up following the November I 2020 part-session of Parliament, the contents of which were noted.

vii) Results of Parliament's November I 2020 part-session
(point 5.8.1 of the IRG record)

The Commission took note of the information on Parliament's part-session held from 11 to 13 November 2020 in Brussels, set out in SP(2020) 580.

4.4. RELATIONS WITH NATIONAL PARLIAMENTS, THE OTHER INSTITUTIONS AND BODIES, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

viii) Structured cooperation between the Commission and the European Economic and Social Committee in selected policy areas ('joint action plans')
(point 6.4.1 of the IRG record)

The Commission approved the line set out in SR(2020) 16.

ix) Joint Action Plans with the Committee of the Regions – Joint action plan with DG EAC, RTD and JRC
(point 6.4.2 of the IRG record)

The Commission took note of document SR(2020) 21/2.

x) Scoping note for enhanced cooperation between the Committee of the Regions and DG Employment
(point 6.4.3 of the IRG record)

The Commission took note of document SR(2020) 22/2.

xi) Follow-up to opinions of the Committee of the Regions – Plenary session of July 2020
(point 6.4.4 of the IRG record)

The Commission approved document SR(2020) 17/2 on the action taken by the Commission on the opinions adopted by the Committee of the Regions at its session of July 2020, for transmission to the Committee of the Regions.

5. COORDINATION OF EXTERNAL ACTION (RCC(2020) 111)

The Commission took note of the operational conclusions in RCC(2020) 111 of the meeting of the Group for External Coordination (EXCO) held by videoconference on Wednesday 11 November 2020.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED (SEC(2020) 366 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 9 and 13 November 2020.

6.2. EMPOWERMENT (SEC(2020) 367 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 9 and 13 November 2020.

6.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2020) 368 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 9 and 13 November 2020 archived in Decide.

6.4. SIGNIFICANT WRITTEN PROCEDURES (SEC(2020) 369 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 16 and 20 November 2020 and of the finalisation written procedures initiated following the weekly meeting of Chefs de cabinet on Monday 16 November 2020.

6.5. GENERAL EMPOWERMENT AND DELEGATION OF POWERS FOR THE ADOPTION OF CERTAIN MEASURES TO BE TAKEN UNDER DIRECTIVE (EU) 2018/1972 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING THE EUROPEAN ELECTRONIC COMMUNICATIONS CODE (C(2020) 8003)

The Commission adopted the decision in C(2020) 8003. Specifically, it decided to grant an empowerment to the Member of the Commission in charge of Communication Networks, Content and Technology, in agreement with the PRESIDENT, and a delegation to the Director-General of DG Communication Networks, Content and Technology, with a view to adopting, on behalf of the Commission and under its responsibility, subject to the conditions set out in Articles 4 to 7 of the Decision, certain measures to be taken under Directive (EU) 2018/1972 of the European Parliament and of the Council establishing the European Electronic Communications Code.

7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2020) 370)

ADMINISTRATIVE MATTERS
(PERS(2020) 105)

7.1. DG COMMUNICATION – AMENDMENT OF ORGANISATION CHART AND INTERNAL PUBLICATION OF A VACANCY NOTICE FOR AN AD14/15 DIRECTOR POST (PERS(2020) 106)

On a proposal from Mr HAHN, in agreement with the PRESIDENT, the Commission decided:

– to upgrade the post of Head of the Commission Representation in Paris to the level of senior management by derogation from the Commission Decision on middle management staff (C(2016) 3288 final);

– hence, to terminate selection procedure COM/2019/2998 at middle management level, without making an appointment;

– to authorise the internal publication at senior management level of the vacancy notice in PERS(2020) 106 for the post of Head of the Commission Representation in Paris, under Article 29(1)(a)(i) and (iii) of the Staff Regulations.

These decisions would take effect immediately.

7.2. DG RESEARCH AND INNOVATION – APPOINTMENT OF AN AD14/15 DIRECTOR (PERS(2020) 107 TO /3)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the 'Clean Planet' Directorate in DG Research and Innovation (PERS(2020) 107).

It took note of the opinions of the Consultative Committee on Appointments of 27 August and 3 September 2020 (PERS(2020) 107/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Ms GABRIEL, it then decided to appoint Ms Rosalinde VAN DER VLIES to the post.

This decision would take effect on a date to be determined.

7.3. DG RESEARCH AND INNOVATION – APPOINTMENT OF AN AD14/15 DIRECTOR (PERS(2020) 108 TO /3)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the 'People' Directorate in DG Research and Innovation (PERS(2020) 108).

It took note of the opinions of the Consultative Committee on Appointments of 29 July and 3 September 2020 (PERS(2020) 108/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr HAHN, in agreement with the PRESIDENT, and after consulting Ms GABRIEL, it then decided to appoint Ms Irene NORSTEDT to the post.

This decision would take effect on a date to be determined.

7.4. DG HUMAN RESOURCES AND SECURITY – PROMOTION OF SENIOR MANAGEMENT OFFICIALS – 2019 EXERCISE (PERS(2020) 109)

The Commission noted the procedure followed, as set out in point 4 of PERS(2020) 105, and, on a proposal from Mr HAHN, in agreement with the PRESIDENT, decided:

– to promote to grade AD16 Mr Mario CAMPOLARGO, Mr Declan COSTELLO and Ms Katarina MATHERNOVA, presented in alphabetical order, exercising the basic function of Director- General from 1 January 2020;

– to promote to grade AD15 Ms Christina BORCHMANN, Mr Aurel-Viorel CIOBANU DORDEA, Ms Marta CYGAN, Mr Nicola DE MICHELIS, Mr Kenneth DUCATEL, Mr Georg HAEUSLER, Mr David Matthew HUDSON, Mr Mark JOHNSTON, Ms Sabine JUELICHER, Mr Jean-Paul KEPPENNE, Mr Mark Lawrence MEREDITH, Mr Stefan OLSSON, Ms Anna PANAGOPOULOU, Mr Matthias PETSCHKE, Ms Stéphanie RISO, Mr Christian ROQUES, Mr Leopoldo RUBINACCI, Ms Maria Cristina RUSSO, Mr Kestutis SADAUSKAS, Ms Maria Beatriz SANZ REDRADO, Ms Kristin SCHREIBER, Mr Franck SEBERT, Mr Olivier WAELBROECK, Mr Peter WAGNER and Mr John WATSON, presented in alphabetical order, exercising the basic function of Director from 1 January 2020.

These decisions would take effect immediately.

8. EUROPEAN SEMESTER OF ECONOMIC AND BUDGETARY POLICY COORDINATION FOR 2021 – REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN CENTRAL BANK AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – ALERT MECHANISM REPORT 2021 (PREPARED IN ACCORDANCE WITH ARTICLES 3 AND 4 OF REGULATION (EU) NO 1176/2011 ON THE PREVENTION AND CORRECTION OF MACROECONOMIC IMBALANCES)
(COM(2020) 745 AND /2; SWD(2020) 275; RCC(2020) 178)

9. EUROPEAN SEMESTER OF ECONOMIC AND BUDGETARY POLICY COORDINATION FOR 2021 – RECOMMENDATION FOR A COUNCIL RECOMMENDATION ON THE ECONOMIC POLICY OF THE EURO AREA
(COM(2020) 746 AND /2; SWD(2020) 276 AND /2; RCC(2020) 178)

10. EUROPEAN SEMESTER OF ECONOMIC AND BUDGETARY POLICY COORDINATION FOR 2021 – PROPOSAL FOR A JOINT EMPLOYMENT REPORT FROM THE COMMISSION AND THE COUNCIL
(COM(2020) 744 AND /2; RCC(2020) 178)

The PRESIDENT asked Mr DOMBROVSKIS, Mr GENTILONI and Mr SCHMIT to report to the College on the main conclusions of the autumn cycle of the European Semester of economic and budgetary policy coordination, which they were jointly presenting that day.

The ‘autumn package’ of documents submitted for the College’s approval that day comprised (i) a Recommendation for a Council Recommendation on the euro area for 2021, (ii) the alert mechanism report 2021, and (iii) a proposal for a joint employment report 2021.

Mr DOMBROVSKIS presented the general analysis, and Mr GENTILONI and Mr SCHMIT would then elaborate on their respective fields.

Mr DOMBROVSKIS began by referring to the highly unusual context in which this stage of the European Semester exercise was taking place on account of the COVID-19 pandemic, which was currently having a profound socio-economic impact on the EU. As the Commission had indicated in its autumn economic forecasts a few weeks previously, the economic outlook for all Member States had become much gloomier. The longer the crisis continued, the greater the risk of permanent damage to European economies, on account of lower investment, particularly in terms of lost jobs and skills.

The EU's policy response was therefore extremely important in avoiding this risk and supporting European economies in this difficult period.

First of all, the Commission was presenting a series of **recommendations** addressed in particular to the **euro area** Member States, which took account of the need for particular coordination given their interdependence and the more serious repercussions they might suffer as a result of their membership of the same economic and monetary union.

Mr DOMBROVSKIS said that the recommendations focused primarily on the immediate priorities, namely tackling the health crisis, supporting the recovery and strengthening the economic and social resilience of the euro area, while facilitating the green and digital transitions. Member States were therefore advised to extend into 2021 the national economic and budgetary support policies that had been put in place when the pandemic hit the continent, taking care not to end them prematurely. In its opinions on the draft budgetary plans of the euro area Member States, the Commission considered that overall the plans were in line with the Council's fiscal policy recommendations of last July and supported economic activity in a context of considerable uncertainty.

However, he considered it wise to also look beyond the near term. The exceptional circumstances of recent months were inevitably increasing debt levels for firms, households and general government. Member States therefore needed to take targeted support measures which were temporary and above all did not permanently weigh on public finances. Otherwise the subsequent return to prudent fiscal paths would be even more difficult.

For that reason, in some cases, the Commission's qualitative opinions on the Member States' draft budgetary plans stressed the need to tackle high debt levels in the medium term. Some of the national measures to support economic activity might not be temporary, as was permitted in the current crisis, but have a permanent impact on public finances.

The second policy priority mentioned in the euro area Recommendation was to improve convergence, resilience and inclusive growth within the area through reforms that enhanced productivity and employment, and investment to facilitate the green and digital transition.

A third priority was to maintain flows of bank credit to the economy while maintaining sound bank balance sheets. Lastly, it was recommended that work to complete the Banking Union and the Capital Markets Union be continued.

As regards **the European Union as a whole**, the **report on the alert mechanism** identified the Member States which in spring, at the next stage of the European Semester cycle, would be subject to an in-depth review by the Commission of any macroeconomic imbalances.

In recent years, these macroeconomic imbalances had been reduced thanks to the favourable climate before the pandemic. However, the recession caused by the pandemic had unfortunately brought an end to the positive momentum and created new risks.

The debt of general government, firms and, to a lesser extent, households was increasing, while the economic outlook was very uncertain, which might have an impact on banks' balance sheets. Overall, the crisis also seemed to be exacerbating current trends in economic divergence between Member States.

In spring 2021, the Commission would therefore carry out in-depth reviews of the nine Member States already affected by macroeconomic imbalances – Croatia, France, Germany, Ireland, the Netherlands, Portugal, Romania, Spain and Sweden – and of three other Member States which were already experiencing excessive macroeconomic imbalances, namely Cyprus, Greece and Italy.

He also drew attention to two Member States in particular.

First, Greece, whose eighth enhanced surveillance report by the Commission noted that it had taken the necessary steps to honour its commitments to the Eurogroup, despite the current difficulties. This welcome conclusion could lead the Eurogroup soon to authorise Greek debt relief of EUR 767 million.

Second, Romania, which was currently the only Member State subject to an excessive deficit procedure. As a result of the crisis linked to the pandemic and the absence of corrective measures on its part, the country could see its public deficit rise above 10% of gross domestic product in 2020 and increase further in the coming years. The Commission therefore considered that the Romanian authorities should examine other structural measures to shift the deficit back to a downward trajectory and prevent a significant increase in the debt-to-GDP ratio.

Mr DOMBROVSKIS stressed that the analysis presented that day in the context of the European Semester showed that the EU had taken the right approach to the current crisis by coordinating Member States’ monetary, fiscal and social policies, supplemented by supervisory and regulatory policies for the financial sector. This package of measures had helped cushion the impact of the crisis and ensure that the EU could recover.

As the outlook deteriorated, Member States should make full use of the emergency instruments at their disposal. He pointed out that EUR 9 billion remained available under the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE), EUR 200 billion from the European Investment Bank and EUR 240 billion from the European Stability Mechanism.

He concluded his presentation by stressing the urgent need to conclude the negotiations between the co-legislators on the Recovery and Resilience Facility so that these funds could be quickly disbursed on the ground, where they were needed, and Member States could press ahead with the reforms and targeted investments recommended to them. The Facility would provide them with a strong financial stimulation without increasing their public debt.

He was pleased to announce that the discussions were progressing satisfactorily, following a first constructive trilogue a few days previously, and that discussions had also begun with the Member States on their national recovery and resilience plans.

Lastly, all these elements of the Multiannual Financial Framework and the NextGenerationEU recovery plan now had to be put in place in order to inject EUR 1 820 billion of investment into the European economy.

Mr GENTILONI highlighted both the unusual nature of this cycle of the European Semester, given the context of the pandemic, and the soundness of the analysis presented that day. He briefly picked up on the autumn economic forecasts, in which the Commission noted a less pronounced recession in 2020 than previous forecasts had suggested, thanks to a strong recovery in the third quarter, but also predicted that the effects of the crisis would be felt for longer, since the euro area was not expected to return to the levels it had reached at the end of 2019 until the end of 2022.

Since the road to recovery would be longer and in view of the current uncertainty, it was premature to set an end date for the measures to support the economy that had been introduced in all Member States. That was the main message of the alert mechanism report, which recommended continuing these measures while also noting that once the health situation and economic conditions permitted, the measures would have to be rolled back without weighing down on growth and keeping in mind the medium-term goal of restoring the viability of the Member States' government debt.

He followed up Mr DOMBROVSKIS's remarks on the in-depth reviews proposed by the Commission for the 12 Member States with macroeconomic imbalances by highlighting the new risks that had been identified in the alert mechanism report, namely current accounts, labour markets and rising debt, including private debt, in all the Member States.

Mr GENTILONI ended by confirming the urgent need for the co-legislators to reach a final agreement on the recovery plan proposed by the Commission to avoid the current recession having more severe consequences.

Mr SCHMIT then presented the proposal for a **joint employment report for 2021**, pursuant to Article 148 of the Treaty on the Functioning of the European Union, which formed part of the autumn package.

It had been a very unusual year and the report reflected the impact of the crisis, examined the Member States' response to the crisis and looked ahead to the future to help the Member States determine their reform and investment priorities.

He began by pointing out that the COVID-19 pandemic had broken a 6 year long positive trend on the employment front. He stressed that the implementation of short-time work schemes had preserved jobs while the number of hours worked had declined steeply. At the same time, the rate of activity had fallen. For these two main reasons, unemployment had risen only moderately from 6.5% in March 2020 to 7.5% in September.

Nevertheless, he did not conceal the fact that the crisis was severely affecting workers in atypical jobs, especially temporary and low-skilled workers. Youth unemployment across the EU as a whole had risen from 14.9% to 17.1% between March and September 2020 – a much sharper increase than for other age groups.

The report also looked at areas where the Recovery and Resilience Facility would provide particular added value. Mr SCHMIT said that SURE should continue to support the short-time work schemes deployed in the Member States, but it was also necessary to boost employment in view of the serious labour market crisis expected in 2022. It was therefore vital that the Facility invest in jobs in the short term in order to encourage upskilling, reskilling and the shift in employment towards the green economy and the digital sector.

In general, he noted how the crisis was revealing the importance of investing in robust social protection and health systems in order to build up the resilience of the EU's economy and society.

He said that the Member States had stepped up aid to the most vulnerable during the crisis, but social protection systems were facing challenges in terms of suitability, coverage and long-term viability.

He then made a few remarks on the recommendations to the euro area Member States, which were of special importance at a time when those countries were preparing their national recovery and resilience plans. He stressed that these recommendations were balanced, as they covered not only the social dimension and the importance of fair working conditions, but also health and social protection systems, which played a key role as automatic stabilisers in times of crisis. He was pleased that one recommendation focused on active policies to support employment in order to ease the transition in jobs towards the green and digital economy, particularly in terms of investment in skills. Lastly, he stressed that the report attached special importance to the involvement of trade union and employers' organisations and to the intensification of both the social dialogue and collective bargaining.

In the course of the discussion that followed, the Commission raised the following key points:

– the unprecedented nature of the current crisis, which swept everything before it and had caused a whole continent to go into lockdown;

– the balanced, pragmatic and even reassuring approach being followed in the current European Semester cycle to mitigate the effects of the pandemic and prepare the return to a positive dynamic, compared with the approach followed during the 2008 financial crisis;

– the observation that imbalances, whether in social terms or between the Member States, were being amplified by the COVID-19 crisis; hence the importance of taking preventive action, for example through SURE, the Coronavirus Response Investment Initiative (CRII) or State aid; a reminder nevertheless that, although all Member States had access to these instruments, they could not all deploy them to the same extent, and this had an impact on the internal market;

– the merits of choosing not to recommend at this stage withdrawing the economic support policies introduced in the Member States, and of highlighting the absolute priority to be given to growth and to preserving jobs, while returning to the question of tackling the medium-term viability of public finances when conditions allowed;

– satisfaction that these policies had made it possible to preserve the EU's industrial base and supply chains during the first wave of the pandemic;

– the observation however that, at the start of the new phase of the pandemic, the services sector – the most important one for jobs and economic activity in the Union – was now being hit extremely hard, with thousands of small and medium-sized businesses facing the threat of bankruptcy, having borrowed in the spring in order to survive; it was therefore necessary to have plans for industry that met the specific needs of the sector;

– the urgent need to help Member States support the services sector as they could not all wait for NextGenerationEU funds to be released in order to do so;

– a reminder of the funding streams that the Member States could still draw on, namely State aid, support for short-time work or aid for businesses, for example in the arts sector, which had been devastated;

– acknowledgement that the Member States had reacted responsibly to the crisis, but also the fear that the use of State aid might to some extent mask the real predicament of Europe’s economies;

– the timeliness of the forthcoming Commission proposals on digital technology for service activities in the EU;

– the case for already starting to look at measures for the banking sector, as would soon be the case with the Commission proposal on non-performing loans to be presented in December;

– a warning about the major social consequences of the current crisis, which was causing severe tensions;

– the suggestion that initiatives be taken to encourage people currently affected by restrictive measures to spend the savings they had built up over the last few months.

The PRESIDENT wound up the discussion by emphasising the attention that needed to be paid to job losses in sectors such as the arts.

She also said that while the arrival of one or more successful vaccines against COVID-19 was now a more tangible prospect, a great deal of patience would still be needed in order to arrive at the widespread vaccination of the population. She noted that the race against job losses and the daily struggle to mitigate the effects of the recession were only just beginning and provided even more justification, if any were needed, of the importance of rolling out NextGenerationEU very quickly. Institutional constraints meant that the first tranche of funds could not be paid out until spring 2021.

Following these presentations and the discussion that ensued, the Commission:

– approved the 2021 alert mechanism report in COM(2020) 745/2, for transmission to the European Parliament, the Council, the European Central Bank and the European Economic and Social Committee and, for information, to the Committee of the Regions, the European Investment Bank and the national parliaments, together with the staff working document distributed as SWD(2020) 275, the contents of which were noted;

– adopted the Recommendation for a Council Recommendation on the economic policy of the euro area set out in COM(2020) 746/2, for transmission to the Council and, for information, to the European Parliament, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions, the European Investment Bank and the national parliaments, together with the staff working document distributed as SWD(2020) 276/2, the contents of which were noted;

– approved the proposal for a joint employment report from the Commission and the Council in COM(2020) 744/2, for transmission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, and, for information, to the national parliaments.

In addition, as part of this autumn package of the European Semester for the coordination of economic and budgetary policies for 2021, the following acts were adopted by written procedure, in accordance with Article 12(5) of the Commission's Rules of Procedure, the deadline for which was set at 10.00 on Wednesday 18 November:

– the communication on the assessment of the 2021 draft budgetary plans – COM(2020) 750 [PE/2020/8352];

– the Commission's opinions on the draft budgetary plans of the euro area

Member States: Austria – C(2020) 8500 [PE/2020/8331], Belgium – C(2020) 8501 [PE/2020/8333], Cyprus – C(2020) 8502 [PE/2020/8346], Germany – C(2020) 8503 [PE/2020/8349], Estonia – C(2020) 8504 [PE/2020/8348], Spain – C(2020) 8505 [PE/2020/8345], Greece – C(2020) 8506 [PE/2020/8347], Finland – C(2020) 8507 [PE/2020/8344], France – C(2020) 8508 [PE/2020/8343], Ireland – C(2020) 8509 [PE/2020/8342], Italy – C(2020) 8510 [PE/2020/8341], Lithuania – C(2020) 8511 [PE/2020/8340], Luxembourg – C(2020) 8512 [PE/2020/8339], Latvia – C(2020) 8513 [PE/2020/8338], Malta – C(2020) 8514 [PE/2020/8337], Pays-Bas – C(2020) 8515 [PE/2020/8336], Portugal – C(2020) 8516 [PE/2020/8335], Slovenia – C(2020) 8517 [PE/2020/8334], Slovakia – C(2020) 8518 [PE/2020/8351];

- the communication on the budgetary situation in Romania – COM(2020) 752 [PE/2020/8332];

- the enhanced surveillance report concerning Greece – COM(2020) 751 [PE/2020/8350] ;

A Commission staff working document on “Delivering on the UN’s Sustainable Development Goals – A comprehensive approach” (SWD(2020) 400) was distributed to the College as information note from the PRESIDENT in SEC(2015) 396.

Finally, the package included the post-programme surveillance reports for Cyprus, Ireland, Spain and Portugal, which were adopted by empowerment procedure.

11. COMMISSION RECOMMENDATION ON THE USE OF RAPID ANTIGEN TESTS FOR THE DIAGNOSIS OF SARS-CoV-2 INFECTION (C(2020) 8037 TO /3; RCC(2020) 181)

The PRESIDENT asked Ms KYRIAKIDES to present the Recommendation on the use of rapid antigen tests for the diagnosis of SARS-CoV-2 infection tabled that day for approval by the College. This Recommendation followed on from the one presented by the Commission on 28 October with a view to ensuring a common approach and more effective testing strategies in the EU as a whole.

Mme KYRIAKIDES stressed above all the crucial importance of testing in managing the COVID-19 pandemic, in order to limit and better control its spread, as agreed by the members of the European Council during their videoconference on 29 October.

She said that the tentative signs, according to recent epidemiological data in some Member States, that the situation was stabilising by no means meant that there could be any relaxation of efforts, and a sound testing strategy was therefore still essential.

The most reliable testing method for COVID-19 cases was still the approach based on reverse-transcription polymerase chain reaction. However, tests carried out using this approach (‘PCR tests’) were costly, had a fairly high turnaround time and were liable to be in short supply given the high demand.

In her view, therefore, the new generation of faster and cheaper antigen tests was a useful supplement to PCR tests and should be encouraged under certain conditions, although so far they were less sensitive and therefore less reliable than PCR tests.

Nevertheless, a common and harmonised approach at EU level was advisable to ensure that these rapid tests were reliable. In this spirit, that day’s Recommendation provided the Member States with guidance on certain matters.

The first of these concerned the selection criteria for the rapid antigen tests in order to maintain an appropriate quality level. The Member States were asked to carry out additional checks to verify the clinical performance of these tests for detecting COVID-19 and the reliability of their results.

Ms KYRIAKIDES then referred to the specific situations in which Member States were encouraged to use rapid antigen tests in order to break virus transmission chains as rapidly as possible.

These included situations where rapid identification of infected persons helped in managing outbreak clusters and regularly monitoring high-risk groups, such as medical personnel or nursing homes for the elderly. Rapid antigen tests were also recommended for targeted testing of large populations where this measure was justified at local level or in the event of widespread circulation of the virus.

In addition, she did not rule out the possibility that rapid antigen tests might help to revitalise the travel sector, which in her view was an objective that should be actively worked towards. She felt it was important to make a distinction between quarantines required because of close contact with a person who had tested positive for COVID-19 and those required of travellers simply because they had travelled. However, in this context rapid tests would only be taking account of the evolution of the epidemiological situation and scientific developments.

Lastly, Ms KYRIAKIDES stressed that mutual recognition of test results was a prerequisite for smooth cross-border movement and would facilitate cross border contact tracing and treatment.

She pointed out that solidarity was the watchword, in particular in managing this pandemic. Thus, to encourage cooperation between Member States, a joint procurement procedure would be launched to purchase 500 million rapid tests. These would guarantee the Member States a minimum COVID-19 testing capacity.

She also said that EUR 35.5 million, funded by the Emergency Support Instrument (ESI), would be used to train staff in sampling and analysis and in performing the tests.

As regards the medium-term outlook, Ms KYRIAKIDES briefly reviewed the active steps taken by the Commission to speed up the development, production and rolling-out of an effective and safe vaccine against COVID-19. The Commission intended to approve that day a contract with the European pharmaceutical company

CureVac, in addition to the four contracts already signed with AstraZeneca, Sanofi-GSK, Janssen Pharmaceutica NV and BioNtech-Pfizer. There had also been encouraging exploratory discussions with Moderna.

In the course of the brief discussion that followed, the Commission referred mainly to the importance of not considering travellers to be systematic importers of the virus into the countries they visited, and of encouraging effective coordination between Member States in order to avoid imposing diverging or even incompatible rules within the EU.

The PRESIDENT felt it was important to increase the sensitivity of the rapid tests in order to make them real alternatives to PCR tests. She, too, stressed that it was necessary to distinguish between the different kinds of quarantine. Undoubtedly, the likelihood of a person having COVID-19 varied depending on whether they had been in contact with a person actually carrying the virus or had merely travelled.

In conclusion, she warmly thanked Ms KYRIAKIDES and her teams, for her determination and tireless efforts to help the EU manage this unprecedented pandemic in a united and cohesive way.

Following this presentation, the Commission adopted the Recommendation in C(2020) 8037/3 and decided to notify it to the Member States and to publish it, for information, in the Official Journal of the European Union.

12. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS AN EU STRATEGY TO HARNESS THE POTENTIAL OF OFFSHORE RENEWABLE ENERGY FOR A CLIMATE NEUTRAL FUTURE (COM(2020) 741 TO /3; SWD(2020) 273; RCC(2020) 176)

At the request of the PRESIDENT, Ms SIMSON presented to the College the communication submitted for its approval on the EU strategy to harness the potential of offshore renewable energy for a climate neutral future.

She explained that, when the Commission decided a year ago to devise a strategy for offshore wind energy as part of the European Green Deal, it had quickly been required to extend its scope to other promising renewable energy technologies, of which Europe was at the forefront. These technologies used tidal, wave, solar, floating wind and thermal energy, and now even algae, as in a number of pilot energy production projects financed by the Union.

Exploiting the potential of wind and sea power could give Europe the key to a greener and more competitive energy future, which was possible in all of the Union’s sea basins, from the North Sea to the Baltic and the Atlantic. In the Mediterranean and North Seas, where the conditions for harnessing energy were different, interest in the development of floating wind and ocean energy was growing. It was important to maintain this interest if the Union wished to achieve its greenhouse gas reduction targets in 2030 and its goal of climate neutrality in 2050.

She felt that offshore renewable energy was probably the most promising way of increasing renewable electricity production in the long term. She stressed that Europe would need large quantities of green energy to replace coal, lignite and gas, and to address the future increase in demand for electricity.

Offshore renewable energy could bring about the large-scale developments that would be needed for the EU to swiftly achieve its highly ambitious targets. At present, Europe produced 12 Gigawatts (GW) of offshore wind energy, while the strategy proposed that the Union should have at least 300 GW of offshore wind capacity and 40 GW of ocean energy capacity by 2050.

She added that the Union aimed to increase its offshore wind capacity to 60 GW by 2030 and emphasised the scale of the challenge, which meant multiplying offshore renewable energy capacity by nearly 30 times over the next 30 years.

However, the Union was more than capable of meeting this challenge, given that offshore wind technology had very rapidly reached maturity in recent years. The installations were now bigger, more efficient and produced energy at a much lower cost than thirty years ago. However, to develop offshore energy on a larger scale, the Union now needed to fundamentally change its approach and set a political framework, with the appropriate incentives.

This was why the strategy presented that day defined the tools needed to develop more cross-border projects, ensure that the market rules were adapted to new, more complex and hybrid projects, ensure the forward-looking planning of electricity grid infrastructure and incorporate offshore energy into the planning of the maritime space. For this reason, she felt it necessary to propose a coherent long-term plan, underpinned by concrete actions. Thus, the Commission's future proposal on the trans-European energy network (RTE-E), which would be presented in December, would create the necessary framework for better planning and greater support for cross-border offshore projects.

In this regard, Ms SIMSON said that offshore energy could be developed while fully respecting environmental law, maritime communities and users, and preserving the beauty of coastlines and the integrity of the Union's maritime resources.

Offshore wind power was a true European technological success, since EU businesses were world leaders in the sector. As the industry supporting offshore renewable energy was pan-European, even countries without direct access to the sea were part of the value chain, with wind energy components manufactured in the Czech Republic, Austria and the inland areas of Spain, France, Germany and Poland, addressing rising global demand.

She also emphasised the strategy's potential for job creation, given that the offshore wind sector already employed 62 000 people and the ocean energy sector 2 500 people and these numbers could be multiplied ten-fold over the next thirty years, to the benefit of regions and coastal areas which would be most affected by the transition to a climate-neutral economy.

In conclusion, Ms SIMSON pointed out that it was necessary to build on the European success of the offshore renewable energy sector by giving it renewed impetus through the proposed strategy, so that it could make a powerful contribution to the Union's climate targets and economic recovery.

In the course of the discussion that followed, the Commission raised the following key points:

– the ambition of the targets set by the strategy to increase the production of offshore renewable energy;

– recognition of the practical application of the European Green Deal in an industrial sector of the future, illustrating the compatibility between environmental protection and economic growth;

– the need for the proposed strategy to be able to be implemented while fully respecting environmental law and the protection of the most vulnerable marine ecosystems;

– the strategy's balance between the development of offshore renewable energy, the protection of coastal communities and land-use planning;

– the importance of the guidelines given to the Member States by the Commission that day to develop wind energy;

– the comprehensive nature of the strategy, which covered all of the Union's sea basins;

– the strategy's expected contribution to the development of a circular economy;

– the important regional dimension of the strategy, which would mobilise substantial investments that should also benefit local communities;

– the need to ensure harmonious coexistence between the port sector and maritime transport sector on one side and the offshore renewable energy sector on the other;

– the importance of the investments already made by large oil companies, aware of the need to shift to the supply of a much more diversified and sustainable energy mix;

– consideration of the implications of the strategy in terms of development of modern, fit-for-purpose infrastructure, in light of the exponential growth in offshore renewable energy production envisaged over the next thirty years.

The PRESIDENT concluded the College's discussion by pointing out that, at present, 90% of turbines and 66% of patents in the field of offshore renewable energy production came from the Union. Technological excellence in this area currently allowed Europe to use it as a decisive tool in attaining the Union's climate targets and in the transition to a circular economy, which were, alongside the development of a digital Europe, the main pillars of the vision of the future presented by the Commission for the coming years.

Following these presentations, the Commission, on a proposal from the PRESIDENT, confirmed the adoption of the Communication in COM(2020) 741/3 by the finalisation written procedure, the deadline for which was set at 10.00 on Thursday 19 November 2020 (PE/2020/8219).

13. OTHER MATTERS

13.1. LATEST DEVELOPMENTS IN EXTERNAL RELATIONS

The PRESIDENT asked Mr BORRELL to give the College an overview of the latest foreign policy developments.

Mr BORRELL said that the coming week would be very intense, with three Foreign Affairs Council meetings. The first of these would be held on 18 November 2020 in its traditional format and would focus in particular on multilateralism. As regards the other two Foreign Affairs Councils, there would be a meeting of defence ministers on 19 November and of development cooperation ministers on 23 November.

He then reviewed various significant international developments.

The ceasefire negotiated by the Russian Federation in Nagorno-Karabakh had been maintained, chiefly due to the presence of around 2 000 Russian soldiers in the region. Mr BORRELL said that in addition to providing financial support, the European Union should help to secure a lasting political settlement in the region.

Next, he noted a shift in Turkey's attitude to the Cyprus issue following the election of a new leader in the northern part of the island. He referred to the recent declaration by the Turkish President, Recep Tayyip Erdoğan, in Varosha, in which he had for the first time explicitly expressed his support for a two-state solution on the island of Cyprus. Mr BORRELL considered that the issue should be addressed at the December European Council.

He also referred to the recent presidential election in Moldova, which the pro-European candidate, Maia Sandu, had won with almost 60% of the votes in the second ballot. The EU was ready to help Moldova continue its reforms.

He also reported on a difficult week in the Middle East. Israel had issued public invitations to tender for the construction of a colony on the West Bank, which did not increase the chances of peace and a two-state solution in the region. However, it was a positive sign that the Palestinian Authority, which had at first suspended all cooperation with Israel, had now decided to resume negotiations, while Israel had called for compliance with the Oslo Agreement.

On the question of defence, he said that work had begun on the 'strategic compass', one of the most important developments in this area, which helped to set out the challenges and risks common to all the Member States with a view to reaching a common understanding of developments in the field of security.

On development cooperation policy, Mr BORRELL said that the next Council meeting would address the question of debt relief, in particular for low-income countries in the context of the COVID-19 pandemic.

Next, he reverted to the situation in Belarus. The Member States were considering a third wave of sanctions against the regime, which this time would include companies and institutions and not just individuals. Work on a set of proposals to that end was ongoing.

Lastly, Mr BORRELL said that he had been asked to prepare a conference on the Eastern Mediterranean and that the previous day he had sent the PRESIDENT and the President of the European Council a summary assessing ways of developing a process on that issue.

The Commission took note of this information.

13.2. CURRENT STATE OF NEGOTIATIONS ON THE FUTURE RELATIONSHIP BETWEEN THE EUROPEAN UNION AND THE UNITED KINGDOM

The PRESIDENT invited Mr BARNIER to brief the College on the latest developments in the negotiations which he was conducting on the Commission's behalf with the United Kingdom with a view to reaching an agreement on the future relationship between the two parties.

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The Commission's other discussions on certain agenda items are recorded in the special minutes.

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The meeting closed at 11.44.