EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2021) 2380 final

- English translation of the French version which is authentic -

Strasbourg, 6 July 2021

TEXTE EN

MINUTES

of the 2380th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 2 June 2021

(morning)

TABLE OF CONTENTS

Single sitting: Wednesday 2 June 2021 (morning)

The sitting opened at 9.08 with Ms von der LEYEN, President, in the chair.

Present:

Ms von der LEYEN	President
Mr TIMMERMANS	Executive Vice-President
Ms VESTAGER	Executive Vice-President
Mr DOMBROVSKIS	Executive Vice-President
Mr ŠEFČOVIČ	Vice-President
Ms JOUROVÁ	Vice-President
Ms ŠUICA	Vice-President
Mr SCHINAS	Vice-President
Mr HAHN	Member
Ms GABRIEL	Member
Mr SCHMIT	Member
Mr GENTILONI	Member
Mr WOJCIECHOWSKI	Member
Mr BRETON	Member
Ms FERREIRA	Member
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

Absent:

Mr BORRELL i FONTELLES High Representative / Vice-President

The following sat in to represent absent Members of the Commission:

Mr SERRANO	Chef de cabinet to Mr BORRELL	Items 1 to 7
Mr BRIENS	Deputy Chef de cabinet to Mr BORRELL	Items 8 to 13

The following also sat in:

Mr SEIBERT	Chef de cabinet to the PRESIDENT	
Mr CALLEJA CRESPO	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 WHELAN	Adviser in the PRESIDENT’s Office	Item 10
Ms TOVSAK-PLETERSKI	Adviser in the PRESIDENT’s Office	Items 8/9
Ms HILI	Adviser in the PRESIDENT’s Office	Items 11/12
Ms SCHULTZ	Policy Coordinator in the PRESIDENT’s Office	
Ms SPINANT	Deputy Chief Spokesperson of the Commission	

Secretary: Ms JUHANSONE, Secretary-General, assisted by Ms ALLOUIS-LE LOSTEC, Head of Unit in the Secretariat-General.

1. AGENDAS
(OJ(2021) 2380/FINAL; SEC(2021) 2380/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(2021) 2380)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 31 May 2021.

3. APPROVAL OF THE MINUTES OF THE 2374TH, 2375TH, 2376TH, 2377TH, 2378TH AND 2379TH MEETINGS OF THE COMMISSION (21/22 AND 27 APRIL, 5, 12, 18 AND 26 MAY 2021)
(PV(2021) 2374; PV(2021) 2374, 2ND PART AND /2; PV(2021) 2375; PV(2021) 2376)

The Commission approved the minutes of its 2374th, 2375th and 2376th meetings, and decided to hold over approval of the minutes of its 2377th, 2378th and 2379th meetings for a later meeting.

4. INTERINSTITUTIONAL RELATIONS
(RCC(2021) 119)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held by videoconference on Friday 28 May 2021 (RCC(2021) 119).

The Commission approved the lines proposed for the following points:

– **Multiannual Financial Framework 2021-2027 – Instrument for Pre-accession Assistance (IPA III) (Regulation) – ZOVKO & PICULA report – 2018/0247 (COD)**

Line set out in SI(2021) 135.

– **Conditions of entry and residence of third-country nationals for the purposes of highly skilled employment (Directive) – MORENO SÁNCHEZ report – 2016/0176 (COD)**

Line set out in SI(2021) 154.

– **Amendment of Regulation (EC) No 1367/2006 of the European Parliament and of the Council of 6 September 2006 on the application of the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters to Community institutions and bodies (Regulation) – DOLESCHAL report – 2020/0289 (COD)**

Line set out in SI(2021) 155/2.

– **Law applicable to the third-party effects of assignments of claims (Regulation) – SVOBODA report – 2018/0044 (COD)**

Line set out in SI(2021) 156.

– **Computerised system for communication in cross-border civil and criminal proceedings (e-CODEX system) and amendment of Regulation (EU) 2018/1726 (Regulation) – 2020/0345 (COD)**

Line set out in SI(2021) 157.

– **Access of third-country goods and services to the Union's internal market in public procurement and procedures supporting negotiations on access of Union goods and services to the public procurement markets of third countries (Regulation) – CASPARY report – 2012/0060 (COD)**

Line set out in SI(2021) 160/2.

– **Amendment of Directive 2006/112/EC as regards exemptions on importations and on certain supplies, in respect of Union measures in the public interest (Council Directive) – TINAGLI report – 2021/0097 (CNS)**

Line set out in SI(2021) 161.

– **Oral Question O-000017/2021 – Autism and inclusive employment**

Line set out in SP(2021) 348.

– **Competition policy – Annual report 2020 – VAN OVERTVELDT report – 2020/2223 (INI)**

Line set out in SP(2021) 356.

The Commission approved the line set out for the following points, for transmission to Parliament:

– **Commission replies to the non-legislative resolutions adopted by Parliament at its part-session of March II 2021 (Part I)**

Line set out in SP(2021) 345/2.

– **Commission replies to the legislative resolutions adopted by Parliament at its part-session of April 2021**

Line set out in SP(2021) 359.

– **Commission replies to the non-legislative resolutions adopted by Parliament at its part-session of March I 2021 (Part II)**

Line set out in SP(2021) 361.

The Commission took note of the following points:

– **Multiannual Financial Framework 2021-2027 – Neighbourhood, Development and International Cooperation Instrument (NDICI) (Regulation) – GAHLER & JUKNEVIČIENĖ & ARENA & GOERENS report – 2018/0243 (COD)**

Compromise text in SP(2021) 350, further to the Communication from the Commission COM(2021) 267 on the position of the Council already approved by the Commission on Thursday 27 May 2021.

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

Compromise text in SP(2021) 351, further to the Communication from the Commission COM(2021) 298 on the position of the Council already approved by the Commission on Thursday 3 June 2021.

– **Multiannual Financial Framework 2021-2027 – Establishment, as part of the Integrated Border Management Fund, of the instrument for financial support for customs control equipment (Regulation) – POSPÍŠIL report – 2018/0258 (COD)**

Compromise text in SP(2021) 352, further to the Communication from the Commission COM(2021) 256 on the position of the Council already approved by the Commission on Friday 28 May 2021.

– **Amendment of Regulations (EU) 2018/1862 and (EU) 2019/818 as regards the establishment of the conditions for accessing other EU information**

systems for the purposes of the European Travel Information and Authorisation System (ETIAS) (Regulation) – LENAERS report – 2019/0001A (COD) and 2019/0001B (COD)

Compromise texts in SP(2021) 353 and SP(2021) 354, further to note SI(2021) 91 already approved by the Commission on 24 March 2021.

– **Conditions for accessing other EU information systems for ETIAS purposes and amendment of Regulation (EU) 2018/1240, Regulation (EC) No 767/2008, Regulation (EU) 2017/2226 and Regulation (EU) 2018/1861 (Regulation) – LENAERS report – 2019/0002 (COD)**

Compromise text in SP(2021) 355, further to note SI(2021) 91 already approved by the Commission on 24 March 2021.

– **Regulations and general conditions governing the performance of the Ombudsman’s duties (Regulation) – RANGEL report – 2019/0900 (APP)**

Information set out in SP(2021) 357.

– **Reinforced role for the European Medicines Agency in crisis preparedness and management for medicinal products and medical devices (Regulation) – GONZÁLEZ CASARES report – 2020/0321 (COD)**

Information set out in SI(2021) 162/2.

– **Lisbon Declaration – Digital Democracy with a Purpose – Announcement at the Digital Assembly (1 and 2 June 2021, Lisbon)**

Information set out in SI(2021) 158.

5. COORDINATION OF EXTERNAL ACTION (RCC(2021) 29)

The Commission took note of the operational conclusions in RCC(2021) 29 of the meeting of the Group for External Coordination (EXCO) held by videoconference on Wednesday 26 May 2021.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED (SEC(2021) 209 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 24 and 28 May 2021.

6.2. EMPOWERMENT (SEC(2021) 210 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 24 and 28 May 2021.

6.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2021) 211 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 24 and 28 May 2021 archived in D*e*cide.

6.4. SIGNIFICANT WRITTEN PROCEDURES (SEC(2021) 212 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 31 May and 4 June 2021.

7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2021) 213/2 AND /3)

ADMINISTRATIVE MATTERS (PERS(2021) 48 AND /2)

At the invitation of the PRESIDENT, Mr HAHN presented two proposals for administrative decisions that were being submitted directly to the College for approval.

Mr HAHN first explained that it was thus proposed to adopt the list of unpaid special advisers to the Commission, a list which would be valid until 30 March 2022. The Members of the College would soon be receiving the contracts for their own special advisers.

Mr HAHN took the opportunity to draw the College's attention to a number of points.

Based on the experience acquired this year over the course of the operational steps for appointing both the unpaid special advisers and the small number of paid special advisers (the list of which he would propose before the end of that month, once the information procedure set up with the budgetary authority had been completed), Mr HAHN was convinced that there was a need to envisage rationalising the process.

Firstly, he considered that non-institutional special advisers, i.e. special advisers to the Members of the Commission, should not be paid, unless there was an overriding reason to do so. He proposed that this approach should be applied by default in the next cycle of appointments to be launched.

He then pointed out that the budgetary authority, civil society and stakeholders followed these appointments very closely with regard to the risk, real or perceived, of conflicts of interest. For this reason, he suggested that, in future, the Members of the Commission should ask the Directorates-General under their authority to carry out a first analysis of the proposals for appointment, using their in-depth knowledge of the policy area concerned, before passing on the files to those responsible for ethics in DG Human Resources and Security for a final check and for any recommendations of measures to mitigate risks.

Mr HAHN believed that these changes would enhance safety, since the Members of the Commission took individual responsibility when drawing up a declaration as to the absence of any conflict of interest for their own special advisers. He stressed that commissioners should be able to provide this assurance to one another if the collegial decision to appoint special advisers was contested. He therefore suggested that, in future, if external parties alleged a conflict of interests, the cabinet concerned and the departments under its authority would supervise the drafting and publication of the replies.

As regards the second proposal for an administrative decision submitted directly to the College that day, Mr HAHN stated that it was proposed to appoint Ms Iliyana TSANOVA to the post of Deputy Director-General in charge of units E1 and E3 in DG Budget.

He highlighted Ms Iliyana TSANOVA’s outstanding skills, remarkable career and recognised expertise, which would be valuable assets in her new post.

7.1. DG HUMAN RESOURCES AND SECURITY – SPECIAL ADVISERS TO THE COMMISSION (PERS(2021) 50)

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

- to adopt the list of special advisers to the Members of the Commission, which was valid, unless stated otherwise, from the date of effect of this decision until 31 March 2022, as set out in PERS(2021) 50;

- by way of derogation from the provisions under point 6, second paragraph, of Commission Decision C(2007) 6655 of 19 December 2007 on the rules on special advisers to the Commission, to authorise Mr HAHN, the Member of the Commission responsible for the budget and human resources, to conclude addenda to the existing contracts in the event of duly justified and urgent needs, subject to the availability of sufficient budgetary appropriations;

- to authorise the Director-General of DG Human Resources and Security to implement this decision by signing contracts of employment on behalf of the authority empowered to conclude contracts of employment.

These decisions would take effect immediately.

7.2. DG BUDGET – APPOINTMENT OF AN AD15/16 DEPUTY DIRECTOR-GENERAL (PERS(2021) 88 TO /4)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) and Article 29(2) of the Staff Regulations for the post of Deputy Director-General in charge of units E1 and E3 in DG Budget (PERS(2021) 88 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 27 and 29 April 2021 (PERS(2021) 88/3 and /4).

The Commission then examined the applicants' qualifications for the post. On a proposal from Mr HAHN, in agreement with the PRESIDENT, it then decided to appoint Ms Iliyana TSANOVA to the post.

This decision would take effect on 1 September 2021.

7.3. DG INTERNAL MARKET, INDUSTRY, ENTREPRENEURSHIP AND SMEs – APPOINTMENT OF AN AD15 DIRECTOR

On a proposal from Mr HAHN, in agreement with the PRESIDENT, and after consulting Mr GENTILONI and Mr BRETON, the Commission decided to transfer in the interest of the service, under Article 7 of the Staff Regulations, Ms Mary Veronica TOVSAK PLETERSKI, an AD15 official, currently Principal Adviser in DG Economic and Financial Affairs and seconded to the PRESIDENT's Office, to the post of Director of the 'Single Market Enforcement' Directorate in DG Internal Market, Industry, Entrepreneurship and SMEs.

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

7.4. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF A LIST OF CANDIDATES FOR THE POST OF HEAD OF THE EUROPEAN UNION DELEGATION IN KENYA (AT GRADE AD14/15) (PERS(2021) 49)

On a proposal from Mr HAHN, in agreement with the PRESIDENT, the Commission decided to approve the list of candidates for the post of Head of the EU Delegation to Kenya (at grade AD14/15) set out in PERS(2021) 49.

The competent authority of the European External Action Service (EEAS) would make the final appointment on the basis of this list.

This decision would take effect immediately.

7.5. SECRETARIAT-GENERAL – COMMUNICATION TO THE COMMISSION ON THE AGREEMENT BETWEEN THE EUROPEAN COMMISSION AND THE EUROPEAN PUBLIC PROSECUTOR'S OFFICE (EPPO) (C(2021) 4012)

The Commission approved the Communication set out in C(2021) 4012 on the Agreement between the European Commission and the European Public Prosecutor's Office (EPPO), and authorised the Secretary-General to sign the Agreement on behalf of the Commission.

This decision would take effect immediately.

7.6. DG COMMUNICATION – APPOINTMENT OF HEAD OF EUROPEAN COMMISSION REPRESENTATION

The Commission took note of the decision taken by the Appointing Authority to appoint Ms Ramona CHIRIAC to the post of Head of the European Commission's Representation in Bucharest, Romania.

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

8. COMMUNICATION FROM THE COMMISSION 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 – ECONOMIC POLICY COORDINATION IN 2021 – OVERCOMING COVID-19, SUPPORTING THE RECOVERY AND MODERNISING OUR ECONOMY

(COM(2021) 500 TO /3; SWD(2021) 401 AND /2; SWD(2021) 402 AND /2; SWD(2021) 403 TO /3; SWD(2021) 404 AND /2; SWD(2021) 405 TO /3; SWD(2021) 406 AND /2; SWD(2021) 407 AND /2; SWD(2021) 408 AND /2; SWD(2021) 409 AND /2; SWD(2021) 410 AND /2; SWD(2021) 411 AND /2; SWD(2021) 412 AND /2; RCC(2021) 122)

9. PROPOSAL FOR A COUNCIL DECISION ON GUIDELINES FOR THE EMPLOYMENT POLICIES OF THE MEMBER STATES

(COM(2021) 282 AND /2; RCC(2021) 122)

The PRESIDENT introduced the debate on the spring package of the European Semester for the coordination of economic and budgetary policies. She highlighted the fact that the process of implementing the Recovery and Resilience Facility necessarily had an impact on this exercise, as a result of which there were some significant differences this year compared to exercises in previous years. In particular, this year's country-specific recommendations focused on the Member States' fiscal policies, while matters relating to structural reforms were dealt with as part of the national recovery and resilience plans.

With regard to the plans, the PRESIDENT said that the national plans of five Member States – Malta, Romania, Estonia, Bulgaria and the Netherlands – were still being drawn up and were expected by the end of July at the latest.

She invited Mr DOMBROVSKIS, Mr GENTILONI and Mr SCHMIT to present the spring package in greater detail.

Mr DOMBROVSKIS began by referring to the general economic context, which had reached a turning point, as rising vaccination rates and the gradual easing of restrictions meant that recovery was in sight. For the EU as a whole, economic activity was expected to return to pre-crisis levels this year. Although divergences remained, by the end of 2022 the economies of all the Member States were expected to return to the levels seen at the end of 2019. He considered that this situation was largely a result of the EU's unprecedented policy response, which had been based on close coordination of fiscal and monetary policies since the beginning of the pandemic in order to boost the economy.

Mr DOMBROVSKIS highlighted the important role that the Recovery and Resilience Facility would play during the recovery phase. While the 23 national recovery and resilience plans that had already been submitted to the Commission were being evaluated, the spring package of the European Semester presented that day focused on setting out fiscal guidance, which comprised two main aspects. First, based on the Commission's spring economic forecast, the general escape clause of the Stability and Growth Pact would continue to be used in 2022, but would cease to be applied from 2023. Second, the forecast provided further confirmation that Member States should avoid withdrawing fiscal support prematurely, particularly this year and next. The Recovery and Resilience Facility would contribute significantly to the recovery, though grants from the Facility would not increase national debt or deficits. For the EU as a whole, the Facility was expected to provide an economic boost equivalent to 1.2% of GDP by the end of 2022 and would create around 800 000 jobs.

As economic activity gradually returned to pre-crisis levels, more differentiation would be needed in 2022 in terms of fiscal policies. Member States with high levels of debt would need to adopt a prudent fiscal policy, using the Facility to finance additional investment. Those Member States whose fiscal sustainability risks were low were advised to support their economies, including by using the Facility. At the same time, the growth of nationally financed current expenditure would need to be kept under control, and should even be limited in heavily indebted Member States. This would support the recovery and boost growth potential in the best way possible, without creating a permanent and significant burden on public finances.

However, as things stood, there was still significant uncertainty, since the long-term effects of the crisis on EU economies and the full impact of the Recovery and Resilience Facility were not yet clear. That was why the Commission's guidance was still qualitative and no new excessive deficit procedures were being launched this year. Nevertheless, it was clear that, once economic conditions allowed, Member States should pursue policies that focused on guaranteeing prudent medium-term fiscal positions and ensuring fiscal sustainability in the medium term. The Commission expected to be in a position to provide more specific guidance on those two points next year. Furthermore, the Commission had updated the adjustment path for Romania, which was already under an excessive deficit procedure owing to a high deficit in 2019, setting a new deadline for correction in 2024.

The Commission was also drawing up a final recommendation on the composition of public finances, inviting all Member States to focus on improving efficiency. He considered that the main challenge was to set European economies firmly on the path towards inclusive and sustainable growth, with the support of the Recovery and Resilience Facility. This would require reform of the labour market, education and training, social protection and health systems. These modernisation efforts also formed the core of the employment guidelines submitted for approval that day.

The Recovery and Resilience Facility would also help to address macroeconomic imbalances, which were the subject of in-depth reviews for each Member State. While the main sources of imbalance remained unchanged, the economic impact of the pandemic added to the existing vulnerabilities, though this did not require the overall assessment to be revised. Consequently, the Commission confirmed that Cyprus, Greece and Italy were still experiencing excessive imbalances, while imbalances continued to exist in nine other Member States (Croatia, France, Germany, Ireland, the Netherlands, Portugal, Romania, Spain and Sweden).

Lastly, Mr DOMBROVSKIS referred to Greece and said that a report would also be adopted by the Commission that day – by written procedure – as part of the enhanced surveillance of Greece. Despite the challenging circumstances, Greece had taken the action needed to fulfil its commitments. The Commission’s report would allow the Eurogroup to decide whether to approve the release of the next tranche of policy-contingent debt measures worth EUR 767 million.

Mr GENTILONI highlighted the exceptional nature of the spring package, which was not surprising since the fiscal policy guidelines set out in the Commission communication of 3 March 2021 had foreshadowed the current proposals. Despite the more favourable economic outlook, the decision to confirm the use of the general escape clause of the Stability and Growth Pact for 2022 was justified given the current, still exceptional, situation, as was the decision not to launch any new excessive deficit procedures, even though 24 of the 27 Member States were not complying with the public deficit criterion and the majority of them were not complying with the public debt criterion.

However, Mr GENTILONI noted that the improved economic outlook was quite recent, following a technical recession in the last quarter of 2020 and the first quarter of 2021. The growth forecasts were supported by the progress with vaccinations and by the upturn in global economic activity, particularly in the US and China. He also observed that unemployment was falling, which was testament to the successful implementation of the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) that had supported 30 million jobs across the EU. Despite these positive trends, there were still significant gaps between the Member States and between income categories.

This exceptional situation explained why the Commission's overarching message was to encourage differentiated fiscal policies that supported the economy. Generally speaking, the Member States had been warned against withdrawing support measures too soon, so as to avoid a repeat of the mistakes made during the 2008-2009 financial crisis that had caused premature fiscal consolidation. The challenge in the years ahead would not only be to achieve a short-term economic recovery, something which would happen in 2021 and 2022, but also to ensure that growth was sustainable and to avoid the pitfalls experienced by Japan, which had a combination of very low inflation, growth and interest rates. Mr GENTILONI hoped that the Commission's current policy response would make it possible to rise to this challenge.

The PRESIDENT confirmed that differentiation would be crucial when designing fiscal policies. She noted that, once fiscal support measures were withdrawn, the number of bankruptcies could increase, which would adversely affect the labour market. With that in mind, she asked Mr SCHMIT to present the proposal for guidelines on employment.

Mr SCHMIT noted that unemployment had not increased significantly during the pandemic thanks to the SURE instrument, among others. However, he considered that the labour market recovery must go hand in hand with active policies in this area and that the withdrawal of support measures needed to be phased in order to avoid bankruptcies. Job creation therefore had to be a key element in the process of economic recovery.

He reminded the meeting of the conclusions of the Porto Social Summit held on 8 May, one of which was that the implementation of the European Pillar of Social Rights must guarantee the creation of more and better jobs as part of a more inclusive recovery. The debate on the future of the labour market and on precarious employment was important above all for young people, who had significantly higher unemployment rates and needed specific support measures to ensure that the negative effects of the crisis on their career prospects were not prolonged.

Mr SCHMIT explained that the employment guidelines had not been modified in the current European Semester exercise. Only the recitals to these guidelines had been modified to take account of the conclusions of the Porto Summit and the implementation of the Recovery and Resilience Facility. The recommendations presented in the guidelines remained valid, particularly as regards hiring incentives for small and medium-sized enterprises, which had been weakened by the crisis. Efforts must also be continued to develop training and retraining opportunities, to enable workers to find new jobs more quickly and avoid a rise in structural unemployment.

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

– the careful, pragmatic and optimistic approach followed in this European Semester cycle, which was taking place in very particular circumstances; the positive development of the situation anticipated from the progress of vaccination campaigns and the resulting lifting of health restrictions and improved economic prospects;

- the importance of caution when considering a return to the EU’s normal economic governance, since the vaccination campaigns were meeting resistance from part of the population in some Member States and the strength of the economic recovery still largely depended on the health situation and on support by the EU and the Member States to the sectors hardest hit by the crisis;

- the need to take account of the heavy indebtedness of most of the EU Member States;

- the case for using the *NextGenerationEU* recovery plan to improve Europe’s competitiveness by transforming its economy, ecosystem by ecosystem;

- recognition of the variable levels of recovery in different regions of the EU, some of which had returned to growth while others were struggling to get back on their feet;

- the need to anticipate that there would be hidden unemployment as public support for employment was phased out;

- the particular attention to be paid to the youngest members of society, in view of the fact that at the end of 2019, before the crisis, 18 million children were already at risk of poverty and social exclusion;

- from this standpoint, the importance of the Porto Declaration, which called for priority to be given to measures to support the young; the COVID-19 crisis had hit young people very hard, profoundly disrupting their participation in the labour market and their education and training plans; the desirability of mobilising EU cohesion funds and instruments to this end;

– the case for examining future arrangements for opening excessive deficit or macroeconomic imbalance procedures;

– the EU's capacity to prevent a significant increase in corporate bankruptcies, since it now had appropriate instruments to manage non-performing loans and the Commission was ready to assist Member States in this regard;

– the need for caution when envisaging the gradual phase-out of public support measures, while helping companies to return to growth, for example through state guarantees when their funds were exhausted;

– the observation that, paradoxically, during the pandemic there had been fewer bankruptcies and non-performing loans because of the support provided to businesses by the EU and the Member States;

– the desirability of helping numerous businesses in the tourism and leisure sector to survive; although vulnerable today, they would be viable tomorrow;

– however, the counterproductive effects of the support provided to certain sectors which were set to gradually disappear with the ongoing green and digital transition, and whose activities risked being artificially prolonged;

– hence the usefulness of the Commission's discussions with the Member States with a view to setting out the arrangements and timetable for phasing out the temporary framework set up to address the crisis triggered by the pandemic;

– the experience the EU had acquired in crisis management, particularly in the economic and financial field, thanks to which it could now envisage an estimated growth recovery equivalent to 4.4% of the EU's GDP for 2021 and mobilise a raft of instruments to bring about a green and digital transformation and develop its economic resilience;

– the value of the Porto Declaration, which could be applied to a new approach to the EU's economic governance consisting of using growth indicators that went beyond GDP, so as to integrate the environmental dimension of the Member States' economic and fiscal policy and assess the sustainability of the measures implemented;

- the need to take into account the considerable impact of demographic trends and the EU's ageing population on health systems, which must be adapted accordingly;
- the need to 'recalibrate' the objectives of economic governance in line with the twin green and digital transition and with a view to restoring the European social model;
- the need to take into account the planet's limited resources by introducing a wider range of indicators based on a new definition of well-being that drew lessons from the pandemic and the sudden changes it had brought;
- the central role of the world of work in the green and digital transition; the inequalities revealed by a crisis that had particularly affected women and the youngest and most vulnerable in society; the need to rebalance these inequalities as part of the transformation of the economy and society.

The PRESIDENT concluded the discussion by congratulating the Members of the College responsible and the Commission departments involved in drawing up the European Semester Spring Package for the quality of their work, carried out in extraordinary circumstances. She welcomed the results of the Porto Social Summit, which would translate the principles of the European Pillar of Social Rights into action under the European Semester and contribute to a resilient, inclusive and sustainable European recovery.

Following these presentations, the Commission:

- approved the communication on economic policy coordination in 2021 in COM(2021) 500/3, 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, together with the staff working documents distributed as SWD(2021) 401/2, SWD(2021) 402/2, SWD(2021) 403/3, SWD(2021) 404/2, SWD(2021) 405/3, SWD(2021) 406/2, SWD(2021) 407/2, SWD(2021) 408/2, SWD(2021) 409/2, SWD(2021) 410/2, SWD(2021) 411/2 and SWD(2021) 412/2, the contents of which were noted;

– adopted the proposal for a Council Decision set out in COM(2021) 282/2 for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments.

In addition, in the same spring package of the European Semester for 2021, the Commission took note of the following fiscal acts, which had been adopted by written procedure under Article 12(5) of its Rules of Procedure on Wednesday 2 June at 10.00:

– the recommendations for Council recommendations delivering Council opinions on the 2021 Stability Programmes of Belgium (COM(2021) 501 – PE/2021/4013), Germany (COM(2021) 505 – PE/2021/4018), Estonia (COM(2021) 506 – PE/2021/4017), Ireland (COM(2021) 507 – PE/2021/4008), Greece (COM(2021) 508 – PE/2021/4016), Spain (COM(2021) 509 – PE/2021/4015), France (COM(2021) 510 – PE/2021/4010), Italy (COM(2021) 512 – PE/2021/4007), Cyprus (COM(2021) 513 – PE/2021/3995), Latvia (COM(2021) 514 – PE/2021/4004), Lithuania (COM(2021) 515 – PE/2021/4006), Luxembourg (COM(2021) 516 – PE/2021/4005), Malta (COM(2021) 518 – PE/2021/4003), Netherlands (COM(2021) 519 – PE/2021/4002), Austria (COM(2021) 520 – PE/2021/4014), Portugal (COM(2021) 522 – PE/2021/4000), Slovenia (COM(2021) 524 – PE/2021/3997), Slovakia (COM(2021) 525 – PE/2021/3993), Finland (COM(2021) 526 – PE/2021/4011);

– the recommendations for Council recommendations delivering Council opinions on the 2021 Convergence Programmes of Bulgaria (COM(2021) 502 – PE/2021/4019), Czechia (COM(2021) 503 – PE/2021/3998), Denmark (COM(2021) 504 – PE/2021/4012), Croatia (COM(2021) 511 – PE/2021/3994), Hungary (COM(2021) 517 – PE/2021/4009), Poland (COM(2021) 521 – PE/2021/4001), Romania (COM(2021) 523 – PE/2021/3999), Sweden (COM(2021) 527 – PE/2021/3996);

– the Commission report pursuant to Article 126(3) of the Treaty on the Functioning of the European Union on Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Slovenia, Slovakia, Finland and Sweden (COM(2021) 529 – PE/2021/3992);

– the recommendation for a Council Recommendation with a view to bringing an end to the situation of an excessive government deficit in Romania (COM(2021) 530 – PE/2021/3991);

– the updated report under the Enhanced Surveillance Framework for Greece – June 2021 (COM(2021) 528 – PE/2021/4088).

10. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) No 910/2014 AS REGARDS ESTABLISHING A FRAMEWORK FOR A EUROPEAN DIGITAL IDENTITY
(COM(2021) 281 TO /3; SWD(2021) 124; SWD(2021) 125; SEC(2021) 228; RCC(2021) 123)

The PRESIDENT introduced the proposal for a Regulation amending Regulation (EU) No 910/2014 as regards establishing a framework for a European digital identity.

The digital world had undergone major upheavals during the COVID-19 pandemic, particularly because consumers had switched to online shopping during the lockdown. Some critical voices had repeatedly warned against the unchecked influence of large technology companies on the digital landscape. The key to the success of these technology companies lay in the user-friendliness of their products and services.

She welcomed the fact that the Commission had been able to present a mature, extremely high-quality proposal that day, following a difficult drafting process.

Ms VESTAGER explained that the proposal was intended to improve on the current Regulation on electronic identification and trust services for electronic transactions in the internal market, known as the eIDAS Regulation. It was comparable to the proposal on mobile telephone roaming in terms of the tangible benefits it would bring Europe's people.

The current availability of digital identity solutions was insufficient in most Member States, and the situation varied greatly within the EU. Just 14 Member States and 59% of EU citizens currently had access to electronic identification. Moreover, the digital ID issued by one Member State was often not recognised in others.

The proposed revision of the Regulation was therefore designed to give all Europeans the right to secure, trustworthy digital identity solutions, give them full control over their personal data and ensure their security, lay down clear rules for providers of digital identity solutions and guarantee the mutual recognition of digital identity schemes in all Member States.

Ms VESTAGER noted that among the key changes to the status quo, Member States would now be required to give notice of digital identity schemes and issue all of their citizens with a digital wallet free of charge. Furthermore, these digital IDs would have to be recognised in all Member States, which would address the problems currently experienced with cross-border use.

Mr BRETON added that for these changes to take place smoothly, the Commission recommended that the Member States work together, without delay, on a toolbox to promote implementation of the European digital identity framework. This would entail designing its technical architecture and reference framework, producing joint standards and technical specifications and devising shared guidelines and best practices.

Mr BRETON noted that digital IDs could be stored on a smartphone or in a secure cloud service and welcomed the idea of giving Europeans back control over their personal data, against the backdrop of a ‘surveillance economy’ in which major platforms were taking over states’ prerogatives, such as by identifying citizens and issuing currency (in this case, by creating digital currencies).

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

- the College broadly supported the proposal, which was described as necessary, opportune, tangible for citizens and highly relevant politically;
- it was satisfying to see that the proposal abided by the principles of the General Data Protection Regulation, given the importance of systematically ensuring the highest standards of security and protection to prevent digital identity theft;
- the risks of sharing personal data with major digital platforms, often free of charge;
- the fact that the proposal referred to the possibility of developing e-voting and digital solutions for participation in democratic life in the future was welcome, as was the reference to the potential future creation of a European social security card.

The PRESIDENT wrapped up the discussion by thanking Ms VESTAGER, Mr BRETON and the departments involved for their excellent work.

Following these presentations, the Commission, on a proposal from the PRESIDENT, confirmed that the proposal for a Regulation in COM(2021) 281/3 would be formally adopted by the finalisation written procedure, the deadline for which was set at 10.00 on Thursday 3 June 2021 (PE/2021/3978).

11. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – A STRATEGY TOWARDS A FULLY FUNCTIONING AND RESILIENT SCHENGEN AREA (COM(2021) 277 TO /3; RCC(2021) 124)

12. PROPOSAL FOR A COUNCIL REGULATION ON THE ESTABLISHMENT AND OPERATION OF AN EVALUATION AND MONITORING MECHANISM TO VERIFY THE APPLICATION OF THE SCHENGEN ACQUIS AND REPEALING REGULATION (EU) No 1053/2013 (COM(2021) 278 TO /3; SWD(2021) 119 AND /2; SWD(2021) 120 AND /2; SEC(2021) 225; RCC(2021) 124)

The PRESIDENT introduced the presentation of the initiatives relating to the Schengen area by underlining the importance of this achievement for European integration and its citizens. Recalling the history of its creation, she said that the end of controls at the EU’s internal borders and police cooperation had made it possible to create a genuine area of freedom of movement and security for persons.

Mr SCHINAS said that the strategy for a fully functioning and resilient Schengen area had been announced by the PRESIDENT during her State of the Union address in September 2020 and was based on the roadmap for the European Pact on Migration and Asylum. He stressed the numerous crises that the Schengen area, one of the major successes of the European Union, had suffered in recent years due to irregular migration, organised crime and the COVID-19 pandemic, which had led some Member States to reintroduce controls at their borders with other Member States.

He said improvements needed to be made in order for the Schengen area to continue to deliver its full potential by offering European citizens freedom of movement in a framework of security. He mentioned the three main pillars of the Schengen area, namely (i) effective management of its external borders, (ii) cooperation measures to compensate for the absence of internal border controls, for example on visas, return of irregular migrants or interoperable computer systems, and finally (iii) robust governance, in particular an effective evaluation and monitoring mechanism.

Mr SCHINAS said that these three pillars, the keystones of the Schengen area, would soon be the subject of initiatives that would make them more functional, effective and robust.

Ms JOHANSSON presented in detail the Communication and the proposal for a Regulation, which were a key political dossier as the Schengen area was one of the greatest achievements of the European Union and enjoyed immense popularity among citizens. She too pointed out that there had recently been unprecedented crises that had prompted Member States to close their internal borders, such as the migration crisis in 2015 and the current COVID-19 pandemic.

The strategy presented was therefore intended to deepen cooperation within the Schengen area by restoring mutual trust between Member States, with concrete measures and actions in the three fundamental pillars already mentioned, which were the guarantee of a robust Schengen area.

With regard to the first pillar, effective external border management, she said that an area without internal borders required a fully secure external border and stressed that the Schengen Member States and the EU therefore had a common and shared responsibility to protect that border, in close cooperation with partner countries and neighbouring countries.

Many efforts had been made under this pillar and implementation now needed to be completed, for example by deploying by 2027 the 10 000 permanent border and coast guards pledged under Frontex or putting in place a common European IT architecture by 2023 with interconnected border management, migration control and law enforcement systems.

Ms JOHANSSON noted that the co-legislators needed to agree on the key proposals for effective border protection that the Commission had already presented, such as the proposal for a regulation on screening third-country nationals at the external borders or the proposal for a regulation on the establishment of ‘Eurodac’, a system for the comparison of fingerprints of asylum seekers and nationals of countries not members of the European Union or the European Economic Area (EEA). She added that the Commission would present a new proposal on the digitalisation of procedures at external borders for visas and travel documents.

With regard to the second pillar, compensatory measures, she pointed out that these were measures necessary to overcome the absence of internal border controls and to strengthen the internal Schengen area in the fields of security, visas and return policy for irregular migrants.

She noted that, according to the Schengen *acquis*, the Member States must cooperate not only on matters directly related to the Schengen area but also on other complementary measures in the fields of police and judicial cooperation and asylum and migration.

She stressed the need to strengthen police cooperation, which currently still varied too widely from one Member State to another. For that reason, she announced that towards the end of the current year she would propose an EU police cooperation code capable of creating a coherent European legal framework and strengthening the exchange of information and cooperation between European police forces. That proposal would coincide with the revision of the Community code on the rules governing the movement of persons across borders (‘Schengen Borders Code’), which would require time in order to consult stakeholders and consider the possible options.

Ms JOHANSSON said, finally, that the proper functioning of the Schengen area required the proper management of migration flows. The European Pact on Migration and Asylum provided all the necessary solutions in terms of solidarity and responsibility and it must now be adopted by the co-legislators.

Finally, with regard to the third pillar, sound governance and enhanced preparation, she mentioned in particular two improvements. The first concerned strengthened political governance tools: the Schengen Forum, the annual reports on the state of the Schengen area and the Schengen scoreboards. The second related to revision of the Schengen evaluation mechanism (‘Scheval’) with a revised legislative proposal which aimed (i) to considerably shorten the processes when serious shortcomings, for example in external border control, had to be corrected very quickly, (ii) to make the process much more strategic and political by including annual Scheval reports to feed into the annual political discussions on the state of the Schengen area in the Schengen Forum, and (iii) to make the process more transparent and less cumbersome in terms of procedure and to embed fundamental rights in all Scheval evaluations.

She said that the Schengen Borders Code would be revised in the course of 2021 in order, in particular, to permit genuine coordination at European level of the necessary measures in the event of Schengen-wide threats, both at the external borders of the EU and within the area, and to confirm the right of Member States to introduce such checks unilaterally while putting in place more safeguards to ensure that they genuinely remained measures of last resort.

Ms JOHANSSON concluded by saying that the Commission, in its strategy, was adopting a very clear position on the accessions of Romania and Bulgaria to the Schengen area, evaluated in 2010 and 2011, that of Croatia, evaluated very recently, and that of Cyprus, which was under way. She pointed out that the strategy underlined that these Member States had a legitimate expectation and a right to fully join the Schengen area.

Following these presentations, the Commission:

– approved the Communication in COM(2021) 277/3, for transmission to Parliament and the Council and, for information, to the European Data Protection Supervisor and the national parliaments;

– adopted the proposal for a Council Regulation in COM(2021) 278/3, for transmission to Parliament, the Council and the national parliaments and, for information, to the European Data Protection Supervisor.

13. OTHER BUSINESS

13.1. EU-SWISS RELATIONS

The PRESIDENT turned to the decision announced by Switzerland on 26 May to put an end to seven years of talks with the EU on the modernisation of bilateral agreements on access to the single market, some of which had been in force for several decades, by negotiating an institutional framework agreement which defined the governance structures of all those agreements.

In 2018, when the framework agreement was finalised at technical level, the Swiss Federal Council had asked for a reflection period to review three elements which it regarded as crucial, and in 2020 it had requested a further pause for domestic policy reasons.

The Swiss Government appeared to have been back-pedalling since then. No progress had been made at the meeting she had held on 22 April with the President of the Confederation, Guy Parmelin.

The PRESIDENT regretted the decision of the Swiss Federal Council, which was necessarily bad news, and was surprised that at the same time the head of the Swiss Government had announced the breakdown of negotiations and called for relations with the European Union to be placed on a new footing.

Rights and obligations went hand in hand and wanting to benefit from the former without respecting the latter was not acceptable.

In the circumstances, she felt that the European side should allow itself time to think the matter over.

The Commission took note of this information.

13.2. EU-UK RELATIONS

Mr ŠEFČOVIČ reported on the state of the EU's relations with the United Kingdom a few days before the first meeting of the Partnership Council established by the Trade and Cooperation Agreement between the two parties.

The PRESIDENT explained that the central concern was to implement the Withdrawal Agreement in Northern Ireland and to protect the Good Friday Agreement. If the UK continued to fail to comply, she advocated a step-by-step approach using the instruments made available to the EU by the Trade and Cooperation Agreement to ensure that the United Kingdom complied with its commitments and did what was required of it under the agreements.

The Commission took note of this information.

*

*　　*

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

*

*　　*

The meeting closed at 11.14.