EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2021) 2385 final

- English translation of the French version which is authentic -

Brussels, 8 September 2021

TEXTE EN

<u>MINUTES</u>

of the 2385th meeting of the Commission

held in Strasbourg

(Louise Weiss building)

on Tuesday 6 July 2021

(afternoon)

TABLE OF CONTENTS

<u>Single sitting</u>: Tuesday 6 July 2021 (afternoon)

The sitting opened at 13.09 with Ms von der LEYEN, President, in the chair.

<u>Present</u>:

Ms von der LEYEN	President	
Ms VESTAGER	Executive Vice-President	
Mr DOMBROVSKIS	Executive Vice-President	
Mr BORRELL i FONTELLES	High Representative / Vice-President	
Ms JOUROVÁ	Vice-President	
Ms ŠUICA	Vice-President	
Mr SCHINAS	Vice-President	
Mr HAHN	Member	Items 8/9 and 10
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	
Ms URPILAINEN	Member	
Ms SIMSON	Member	
Mr SINKEVIČIUS	Member	
Ms McGUINNESS	Member	

Absent:

Mr TIMMERMANS	Executive Vice-President
Mr ŠEFČOVIČ	Vice-President
Mr VÁRHELYI	Member

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

Mr MES	A member of Mr TIMMERMANS's staff
Mr ANDREJKÓ	A member of Mr VÁRHELYI's staff

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
Ms SCHULTZ	Policy Coordinator in the PRESIDENT's Office
Ms MICELI	Policy Coordinator in the PRESIDENT's Office
Mr VALERO	Secretariat-General

Secretary: Ms JUHANSONE, Secretary-General, assisted by Mr Marc TAQUET-GRAZIANI, Deputy Head of Unit in the Secretariat-General.

1. AGENDAS
(OJ(2021) 2385/FINAL; SEC(2021) 2385/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) 2385)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 5 July 2021.

3. APPROVAL OF THE MINUTES OF THE 2380TH, 2381ST, 2382ND, 2383RD AND 2384TH MEETINGS OF THE COMMISSION (2, 8, 15, 23 AND 30 JUNE 2021)
(PV(2021) 2380; PV(2021) 2380, 2ND PART)

The Commission approved the minutes of its 2380th meeting and decided to hold over approval of the minutes of its 2381st, 2382nd, 2383rd and 2384th meetings.

4. INTERINSTITUTIONAL RELATIONS
(RCC(2021) 142)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held by videoconference on Thursday 1 July 2021 (RCC(2021) 142).

The Commission approved the lines proposed for the following points:

– **2021-2027 Multiannual Financial Framework – Common Agricultural Policy (CAP):**

  - **Rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repeal of Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council (Regulation) – JAHR report – 2018/0216 (COD)**

  - **Financing, management and monitoring of the common agricultural policy and repeal of Regulation (EU) No 1306/2013 (Regulation) – MÜLLER report – 2018/0217 (COD)**

  - **Amendment of Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands (Regulation) – ANDRIEU report – 2018/0218 (COD)**

Line set out in SI(2021) 193/3.

– **E-evidence in criminal matters:**

  - **European production and preservation orders for electronic evidence in criminal matters (Regulation) – SIPPEL report – 2018/0108 (COD)**

- **Harmonised rules on the appointment of legal representatives for the purpose of gathering evidence in criminal proceedings (Directive) – SIPPEL report – 2018/0107 (COD)**

Line set out in SI(2021) 225.

– **Amendment of Regulation (EC) 168/2007 establishing a European Union Agency for Fundamental Rights (Council Regulation) – MANDL report – 2020/0112 (APP)**

Line set out in SP(2021) 474.

– **GMO soybeans & GMO maize – Objections pursuant to Rule 112(2) and (3) of Parliament’s Rules of Procedure – Authorisations pursuant to Regulation (EC) No 1829/2003 of the European Parliament and of the Council:**

- **Authorisation of the placing on the market of products containing, consisting of or produced from genetically modified soybean DAS-81419-2 – 2021/2759 (RSP)**

- **Authorisation of the placing on the market of products containing, consisting of or produced from genetically modified soybean DAS-81419-2 × DAS–44406–6 – 2021/2760 (RSP)**

- **Authorisation of the placing on the market of products containing, consisting of or produced from genetically modified maize 1507 × MIR162 × MON810 × NK603 and genetically modified maize combining two or three of the single events 1507, MIR162, MON810 and NK603 – 2021/2765 (RSP)**

- **Renewal of the authorisation for the placing on the market of products containing, consisting of or produced from genetically modified maize Bt 11 (SYN-BTØ11-1) – 2021/2761 (RSP)**

Line set out in SP(2021) 473.

– **European Union Agency for Asylum and repeal of Regulation (EU) No 439/2010 (Regulation) – YONCHEVA report – 2016/0131 (COD)**

Line set out in SI(2021) 229.

– **Recovery and Resilience Facility – Proposals for Council implementing decisions on the approval of the assessment of the recovery and resilience plans**

Line set out in SI(2021) 227/2.

– **Impact of the Covid-19 crisis on aviation:**

  - **Oral question O-000049/2021 – Decent working and employment conditions in the aviation sector**

  - **Oral question O-000033/2021 – Impact of the COVID 19 crisis on the aviation sector**

Lines set out in SP(2021) 475 and SP(2021) 476.

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

– **Replies to the legislative resolutions (and list of non-legislative resolutions without formal reply) adopted by Parliament at its June I 2021 part session**

Line set out in SP(2021) 472.

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

Line set out in SP(2021) 480.

5. COORDINATION OF EXTERNAL ACTION (RCC(2021) 34)

The Commission took note of the operational conclusions in RCC(2021) 34 of the meeting of the Group for External Coordination (EXCO) held by videoconference on Wednesday 30 June 2021.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED (SEC(2021) 251 ET SEQ.)

The Commission took note of the Secretariat-General’s memoranda recording decisions adopted between 28 June and 2 July 2021.

6.2. EMPOWERMENT (SEC(2021) 252 ET SEQ.)

The Commission took note of the Secretariat-General’s memoranda recording decisions adopted between 28 June and 2 July 2021.

6.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2021) 253 ET SEQ.)

The Commission took note of the Secretariat-General’s memoranda recording decisions adopted under the delegation and subdelegation procedure between 28 June and 2 July 2021, as archived in D*e*cide.

6.4. SIGNIFICANT WRITTEN PROCEDURES (SEC(2021) 254 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 5 and 9 July 2021.

7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2021) 255/2)

ADMINISTRATIVE MATTERS
(PERS(2021) 62)

7.1. OFFICE FOR INFRASTRUCTURE AND LOGISTICS IN BRUSSELS – LOI 130 INTERNATIONAL ARCHITECTURAL COMPETITION

Having taken note of the information in point 1 of PERS(2021) 62, and agreeing that the context – financial, legal and political – had fundamentally changed, the Commission decided, on a proposal from Mr HAHN, in agreement with the PRESIDENT:

- not to implement the results of the 2019 architectural competition for the ‘Loi 130’ project (see minutes of the 2303rd meeting of the Commission of 10 July 2019 – PV(2019) 2303);
- to instruct the Office for Infrastructure and Logistics in Brussels (OIB) to inform the budgetary authority of this decision;
- to instruct the OIB to inform the three winners that the project was being abandoned in accordance with the competition notice (B.48).

This decision would take effect immediately.

7.2. SECRETARIAT-GENERAL – COMMISSION DECISIONS ON POST TERM-OF-OFFICE ACTIVITIES OF TWO FORMER MEMBERS OF THE COMMISSION (C(2021) 9015; C(2021) 9016)

The Commission adopted the Decisions set out in C(2021) 9015 and C(2021) 9016.

The Commission specifically decided that the professional activities envisaged by Mr Miguel ARIAS CAÑETE and Mr Carlos MOEDAS after leaving office as Members of the Commission were compatible with Article 245(2) of the Treaty on the Functioning of the European Union (TFEU) and with the Code of Conduct for Commissioners, subject to certain specific conditions and obligations.

These decisions would take effect immediately.

7.3. DG COMMUNICATION – APPOINTMENT OF A HEAD OF A EUROPEAN COMMISSION REPRESENTATION

The Commission took note of the decision taken by the Appointing Authority to appoint Ms Sofia MOREIRA DE SOUSA to the post of Head of the European Commission's Representation in Lisbon, Portugal.

This decision would take effect on 1 September 2021.

8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS – STRATEGY FOR FINANCING THE TRANSITION TO A SUSTAINABLE ECONOMY (COM(2021) 390 AND /2; SWD(2021) 180 AND /2; RCC(2021) 153)

9. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON EUROPEAN GREEN BONDS (COM(2021) 391 AND /2; SWD(2021) 181 AND /2; SWD(2021) 182; SEC(2021) 390; RCC(2021) 153)

The PRESIDENT introduced a set of proposals on sustainable finance comprising a communication entitled ‘Strategy for financing the transition to a sustainable economy’ and a proposal for a regulation on European green bonds.

She invited Mr DOMBROVSKIS and Ms McGUINNESS to present these proposals in detail.

Mr DOMBROVSKIS explained that the Commission wanted to step up its level of ambition on sustainable finance. The new strategy therefore presented several sustainable finance initiatives to tackle climate change and other environmental challenges, and the proposal for a European green bond standard aimed to create a voluntary high-quality standard for bonds financing sustainable investments.

The aim of this set of proposals, which were underpinned by an action plan on financing sustainable growth adopted in 2018, was to enable the EU to achieve its ambitious objectives of climate neutrality by 2050 and a reduction of at least 55% in greenhouse gas emissions by 2030 compared to 1990.

He stressed the importance of mobilising the necessary investments for the transition to a sustainable economy. The EU would need an estimated additional investment of EUR 350 billion per annum during this decade to achieve its objective by 2030 in energy systems alone. He therefore concluded that the EU would not be able to achieve its increased ambitions under the European Green Deal unless it succeeded in mobilising the public and private investment needed to press ahead with transforming its economy.

The proposed measures covered in particular the issues linked to the transition to a sustainable economy and the means of financing that economy, given the size of the investments that needed to be found in the form of sustainable financing.

He also stressed the importance of making the Capital Markets Union greener by requiring financial and non-financial companies to provide specific information to investors on the environmental performance of their assets and economic activities.

This was why the strategy was being proposed for adoption at the same time as a proposal for a European standard for green bonds, which were playing an increasingly important role in financing the assets needed for the transition to a low-carbon economy. He said that the main feature of green bonds was that the funds raised by issuing them were earmarked for climate- and environment-friendly projects, but there were no uniform standards for green bonds on the market. The proposed green bond standard therefore aimed to remove this barrier by establishing a standard for high-quality green bonds that would be linked to the EU taxonomy.

Lastly, he spoke of the international dimension of the proposed initiatives with a view to the November 2021 UN Climate Change Conference (COP26) and other important frameworks for global cooperation on climate and the environment. It was important that the EU step up its work with its international partners to deepen cooperation on sustainable finance, since global challenges called for a global response.

Ms McGUINNESS said that unless investments were channelled properly, they could have disastrous consequences. It was therefore necessary to ensure that capital was invested in sustainable activities. She stressed the need to channel private investment towards the achievement of the EU’s climate and environmental targets. Consideration should thus be given not just to activities that were regarded as ‘green’ today, but also to those that would be regarded as such in the future.

In this regard, the Taxonomy Regulation was important in setting standards and continuing the transition to a sustainable economy on the basis of clear and transparent criteria. The financial sector must play a significant role in integrating all these criteria under the supervision of the European Banking Authority and ensuring the sustainability of the activities financed.

The set of measures presented that day was structured around four main pillars, namely (i) the transition to a carbon-neutral economy, (ii) access to sustainable finance for small and medium-sized enterprises (SMEs), (iii) the resilience of the financial system, and (iv) maintaining a leading role for Europe in the global efforts towards a sustainable economy.

Regarding the transition to a carbon-neutral economy, she emphasised how essential it was to progress along this path. The Green Taxonomy would not be immediately accessible for everyone, from day one. But to facilitate the transition, it was necessary to look at the merits of an intermediate taxonomy to complement the Green Taxonomy and, in this context, transition bonds or sustainability-linked bonds. The idea was to create a transparent, credible framework of labels and standards to prevent greenwashing.

As regards the consideration to be given to SMEs, she underlined that these enterprises played a vital role and needed support. The proposal also focused on how to inform retail investors about the concept of sustainability in their choices. It also explored green mortgages and green loans.

On the subject of resilience, she explained that the financial system was exposed to climate and environmental risks and some assets such as coal infrastructure risked becoming stranded assets by 2050, potentially posing a problem for financial stability. The proposed strategy explored how to plan ahead better for such scenarios and examined how the financial sector itself could improve its contribution to sustainable development to support the European Green Deal objectives.

With regard to the global dimension, while the EU was a leader in sustainable finance, other actors were on the march. It would therefore have to reach out to its partners to persuade other countries to get on board. The strategy examined how the Union could bring sustainable finance opportunities to emerging markets and economies.

Returning to the EU Green Bond Standard, she explained that it would be a voluntary standard, open to sovereigns and to companies. This meant that companies and sovereigns could choose to use this standard when issuing green bonds or continue to use standards already available on the markets (such as ICMA).

The European Green Bond Standard was entirely based on the taxonomy. For companies, external reviewers would monitor and ensure the quality of the bonds, while sovereigns would not need external reviewers.

The European standard would enable issuers to attract green finance from the capital markets to help them invest in projects that were compatible with the European Green Deal. It would be possible to use European green bonds to fund long-term projects for a duration of up to 10 years. The bond would also be available to companies outside the EU if they wished to use it.

Ms McGUINNESS said that there was no conflict between the proposed European Green Bond standards and the standards of the bonds issued so far under the NextGenerationEU recovery plan (NGEU). While the Commission would have liked to press ahead with its flagship standards without delay, the legislative process timetable and the role of the co-legislators had to be respected.

Mr DOMBROVSKIS added in this regard that the best existing internationally-known standards had been respected, since the scope of the recovery plan was also much wider than that of the proposed green bonds.

Ms McGUINNESS also pointed out that the UK was about to adopt its own taxonomy for its green bonds, along the lines of the EU’s six pillars for climate and environment. It was therefore important for the EU to maintain its lead.

In conclusion, she welcomed the fact that the two proposals put forward that day paved the way for the ‘Fit for 55’ package that the Commission would present on 14 July. The green transformation could not happen without the means to finance it.

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

- support for the communication on the part of the College, which praised its timeliness and importance;

- a reminder of the substantial investments that would be needed to achieve the transition to greater sustainability, and of the fact that it would not be achieved without the support of the financial and private capital markets;

- the positive way in which these initiatives were likely to be received by the OECD and investors;

- at the same time, the obligation to implement a reliable system to prevent abuse and fight against greenwashing.

- the apparent contradiction in the fact that the EU was currently, as part of NextGenerationEU, the main issuer of green bonds on the markets that did not yet follow the standard it was proposing;

- an acknowledgement, nonetheless, of the explanation given for this situation, which was a matter of scheduling, and the importance of emphasising that, once it was adopted by the co-legislator, the proposed European Green Bond Standard would be a success;

- assurance that the green bonds issued by the EU would actually be green, since they had been rated by an independent credit rating agency in 2021 and would soon be given a second authorisation;

- the importance of the role played by the taxonomy in the transition to a more sustainable economy;

- in the same vein, the need to rapidly adopt a clear definition of the concept of sustainable green activity, including as regards gas and nuclear energy, and of climate and environmental risks.

– the suggestion that the taxonomy selection criteria cover all modes of transport, including the air industry, as well as the maritime sector; the importance of training the staff of the European Securities and Markets Authority for their new tasks.

The PRESIDENT wound up the discussion by thanking Mr DOMBROVSKIS and Ms McGUINNESS for the important work presented that day.

Following these presentations, the Commission:

- approved the Communication in COM(2021) 390/2 for transmission to Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions and, for information, to the European Central Bank and the national parliaments, together with the staff working document distributed as SWD(2021) 180/2, the contents of which were noted;

- adopted the proposal for a Regulation in COM(2021) 391/2 for transmission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the national parliaments, and, for information, to the Committee of the Regions, together with the impact assessment, the summary thereof and the opinion of the Regulatory Scrutiny Board in SWD(2021) 181/2, SWD(2021) 182 and SEC(2021) 390, the contents of which were noted.

10. OTHER BUSINESS

10.1. LATEST DEVELOPMENTS IN EXTERNAL RELATIONS

Mr BORRELL reported to the College on the latest developments in external relations.

He began by referring to Mr VÁRHELYI's attendance at the first intergovernmental conferences with Montenegro and Serbia as part of the new enlargement methodology, and to his own attendance at the conference on Libya held on 23 June as part of the peace talks in Berlin, in the presence of the new Libyan Prime Minister Abdul Hamid DBEIBEH.

Although there had been some tangible improvements in Libya, no general solution had yet emerged. The country lacked financial means and the EU was insisting that national elections be held there by the end of 2021.

In addition, while Europe was ready to help maintain the agreed ceasefire in the country, the Libyan government did not support the idea of EU peacekeeping forces on the ground. The role of Turkey needed to be closely monitored.

He also referred to the joint meeting of G20 Foreign Affairs and Development Ministers, held on 29 June in Matera, Italy. The consensual discussions had essentially focused on multilateralism and global governance. Neither China nor Russia had attended the meeting.

He had also attended the meeting of the International Coalition for the Sahel on 28 June in Rome. He briefly mentioned the fragile situation in the Central African Republic and Russian influence in the country.

Mr BORRELL then noted that the next Foreign Affairs Council would be held on 12 July and would focus on (i) the geopolitics of new digital technologies, (ii) the Strategic Compass and (iii) the situation in Ethiopia.

On the first point, new digital technologies were increasingly present in the Union’s foreign and security policy. Questions arose about their interaction and influence, in particular emerging technologies, on the EU’s external policies, as well as the role of European diplomacy in promoting Europe’s digital agenda. This topic was also closely linked to connectivity and ministers would adopt Council conclusions on a globally connected

Europe.

On the Strategic Compass, Mr BORRELL highlighted the important work carried out by the Member States. In the light of developments in the security situation, particularly in Afghanistan, where the Taliban was expected quickly to regain control of the country, the European Union had to enhance the effectiveness and flexibility of its civilian and military operational engagement, as well as the readiness of the forces of the Member States. In order to increase the EU's credibility as a security actor, appropriate civilian and military capabilities, including in new technologies, had to be developed.

With regard to Ethiopia, and in particular Tigray, the aim was to reach a common EU position on the way forward. The situation on the ground had changed with the offensive of Tigrayan defence forces and the withdrawal of Ethiopian troops and even Eritrean troops.

The EU continued to focus on five points: humanitarian access, the cessation of hostilities, the prevention of human rights violations, investigation of alleged violations, and national dialogue. The immediate aim was to ensure humanitarian access and the adoption of a ceasefire, which had so far only been unilaterally declared by the Ethiopian government. Some 800 000 people in Ethiopia were at risk of famine and the EU was doing all it could to prevent this.

Finally, Mr BORRELL reported that ministers at the next Foreign Affairs Council would have an informal exchange of views during the working lunch with Israeli Foreign Minister Yair LAPID. A new Israeli government made up of personalities from different political families and traditions had recently taken office. While it was still too early to understand clearly what the EU could expect from the new Israeli government, he would visit Israel soon to discuss the future of bilateral relations with Mr LAPID.

The Commission took note of this information.

10.2. AGREEMENT CONCLUDED AS PART OF THE NEGOTIATIONS OF THE ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD) ON REFORMING INTERNATIONAL CORPORATE TAXATION (1 JULY 2021)

Mr GENTILONI reported on the agreement concluded on 1 July by 130 of the 139 countries participating in the 'G20/OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS)' on reforming international corporate taxation. He welcomed what he considered to be a major success of multilateral cooperation, in a context of deep crisis which had in fact facilitated a paradigm shift. He pointed out that the final declaration, which was much more detailed than the agreement reached at the G7 in mid-June, had been signed by all G20 members.

He explained that the agreement in question was based on two pillars. The first pillar concerned the reallocation of taxing rights and would cover multinational enterprises with a global turnover exceeding EUR 20 billion and a profitability greater than 10%. Mining companies and regulated financial services were excluded from the scope of the agreement.

The second pillar concerned the introduction of a global minimum tax for multinationals with a turnover of at least EUR 750 million. The minimum tax rate applicable would be at least 15% and, according to the Organisation for Economic Cooperation and Development (OECD), would be expected to yield around USD 150 billion of additional global tax revenues each year.

However, Mr GENTILONI pointed out that not all participating countries had acceded to the agreement, in particular three EU Member States – Ireland, Hungary and Estonia. He called for continued efforts to convince them to accede to it by October, especially since the implementation of the second pillar would require the unanimous adoption of an EU directive.

He also referred to the ongoing work on an EU digital tax. He felt it was important to explain in detail to the US administration the main objectives of this tax, which served more to create a new own resource to feed the EU budget than to tax US multinationals in the digital sector. This issue would be discussed on 12 July at the Eurogroup meeting in inclusive format, which would provide for an exchange of views with Janet YELLEN, the US Treasury Secretary.

Mr GENTILONI took the opportunity to announce to the College the publication of the Summer 2021 interim Economic Forecast on 7 July. He said that the economy in the EU as a whole and the euro area was set to grow by 4.8% this year and by 4.5% in 2022. The European economy was forecast to rebound somewhat faster than initially expected, as in the first quarter of the year activity had exceeded expectations and in the second quarter the improved health situation had led to a swifter easing of pandemic control restrictions. Private consumption and investment were expected to be the main drivers of growth, supported by employment, which was expected to move in tandem with economic activity.

He also referred to the inflation forecasts for 2021 and 2022, which had also been revised upwards. Rising energy and commodity prices, production bottlenecks and strong domestic and external demand were expected to exert upward pressure on consumer prices, although this would be less intense in 2022 than in 2021, when constraints on production would be lifted and supply and demand would converge.

A short discussion followed, during which the Commission referred to the historic progress that the OECD agreement represented and the favourable context it created to encourage all EU Member States to accede to it.

The PRESIDENT welcomed the unexpected speed with which this agreement had been reached within the OECD and said that she would have the opportunity to discuss this issue and the EU digital tax in a few days' time at a working lunch with Janet YELLEN in the margins of the Eurogroup meeting.

The Commission took note of this information.

*

*   *

The meeting closed at 14.27.