

Outlook for the meetings of EU leaders on 10-11 December 2020

On 10 and 11 December, EU leaders will meet for their 13th meeting of 2020, bringing to a close a year of exceptionally intensive activity for the European Council. EU Heads of State or Government will address a packed agenda, covering most of 2020's key issues: the coronavirus pandemic, climate change – notably the new EU greenhouse gas emissions reduction targets for 2030 – and the fight against terrorism, as well as various external relations issues, such as relations with the US and with Turkey. Two crucial issues, which are not on the formal agenda but could dominate discussions, are rule-of-law conditionality for the 2021-27 Multiannual Financial Framework (MFF) and the EU-UK negotiations. EU leaders are also expected to appoint a new member of the European Central Bank's executive board. The Euro Summit on 11 December will focus on the revision of the European Stability Mechanism (ESM) treaty and on progress towards a banking union.

1. Implementation: Follow-up of previous European Council commitments

As is customary, at the start of the European Council meeting, the President of the European Parliament, David Sassoli, will address the Heads of State or Government. Angela Merkel, the Chancellor of Germany, which currently holds the rotating six-month presidency of the Council of the EU, will provide an overview of progress made in implementing previous European Council conclusions.

2. European Council meeting

Coronavirus pandemic

The European Council is expected to assess the overall situation and discuss coordination efforts in response to the Covid-19 pandemic, including on issues such as vaccines, testing and the mutual recognition of test results and vaccinations, as well as the lifting of restrictions. Most recently, at the [15th G20 Leaders' summit in November 2020](#), the European Council's President, Charles Michel, emphasised the EU's strong [commitment](#) to ensuring affordable and fair access to a vaccine for all. In order to prevent future pandemics and provide a more coordinated response, [Charles Michel](#) also proposed the creation of an international treaty on pandemics. This [would be negotiated](#) among all nations as well as United Nations organizations and agencies, in particular the World Health Organization, which, the President of the European Council stressed, 'must remain the cornerstone of global coordination against health emergencies'.

Climate Change

Following an '[orientation debate](#)' held in October 2020, the European Council is expected to agree on new EU greenhouse gas emissions reduction targets for 2030. The European Commission has proposed a 55 % reduction in emissions – compared to 1990 levels – as the target for 2030. For its part, the European Parliament supports the position that the EU can only meet its 2050 carbon neutrality goals by reducing emissions by at least 60% by 2030. Political consensus is still to be found, as some Member States, in particular [Poland](#), continue to express sensitivities on the level of

ambition. An agreement on emissions reduction targets would allow Member States to submit their updated [nationally determined contributions](#) (NDCs) to the United Nations Framework Convention on Climate Change by the end of 2020.

The EU's credibility and ability to act as a global leader in the fight against climate change depends on both the level of ambition on emissions reductions and its ability to achieve its own targets. Thus far, the EU has been able to go [beyond](#) its own target for 2020, and reduce emissions by 24 % instead of the agreed 20 % target. Climate diplomacy is, as [recognised](#) by the European Council, central to the EU's climate action. Its importance will only grow in the coming years if the US were to re-join the Paris Agreement, in which case a significant part of the future transatlantic agenda could be dedicated to climate change dialogue.

Internal security and the fight against terrorism

The European Council will address security issues, focusing on the fight against terrorism and violent extremism, including online. It will most likely reiterate its condemnation of recent terrorist attacks, affirming its solidarity in the fight against terrorism and upholding the EU's common values. Discussions among EU leaders will also draw on the 13 November 2020 [statement](#) of EU home affairs ministers on the recent terrorist attacks in Europe. In this joint statement, ministers pledged to protect Europe's societies and its people, to uphold common values and the European way of life and to safeguard our pluralist societies. They recalled that the security structures and legal frameworks in the Member States and at European Union level have been strengthened over the past two decades, but indicated that additional efforts and resources are required to fully implement the legislation adopted.

The day before the European Council, on 9 December, the European Commission [adopted](#) a new 'EU agenda on counter-terrorism' progress report, and a proposal to strengthen Europol's mandate. EU Heads of State or Government are expected to call on the Commission to take work forward regarding the new EU agenda on counter-terrorism and ask for the swift adoption of the proposal on [preventing the dissemination of terrorist content online](#). Moreover, in order to improve the proper functioning of the Schengen area, new steps in police cooperation and coordination as well as the reinforcement of external borders are required – as is also the fully effective implementation of previously agreed measures.

With regard to fighting illegal content online, the European Council will most likely welcome the forthcoming Commission proposal for a Digital Services Act expected on 15 December 2020, which aims at reinforcing the responsibilities of online platforms. Regarding the judicial aspects of fighting terrorism, EU Heads of State or Government should draw on the results of the meeting of EU justice ministers of 2 December covering ways to better combat hate speech online and improve digital cooperation in order to better address cross-border digital crime.

Multiannual Financial Framework

EU leaders are also expected to discuss the MFF for the 2021-27 period, notably rule-of-law conditionality, namely the proposed general regime of conditionality for the protection of the Union budget. Following Hungary and Poland's decision to withhold their consent on the Own Resources Decision, which is a prerequisite for the roll-out of Next Generation EU (NGEU), the EU co-legislators have so far not been able to adopt the overall package of measures linked to the 2021-27 MFF. Hungary and Poland chose to block the adoption of the Own Resources Decision which requires unanimity, while the rule-of-law conditionality regulation, the real subject of their concern, is decided upon by qualified majority voting.

The European Commission is considering [different options](#), in case no agreement can be found on time, such as to move forward with only 25 Member States, or at least adopting the urgently needed recovery fund, aimed at helping Member States deal with the economic effects of the pandemic.

On 26 November, the Prime Ministers of Hungary and Poland issued a [joint declaration](#), in which they reiterated their disagreement with the current [compromise](#) between the Council Presidency

and the European Parliament on rule-of-law conditionality. They argue that it does not comply with the agreement reached at the [July 2020 European Council](#) meeting. They propose to 'limit the scope of any additional budgetary conditionality to the protection of the financial interests of the Union', and to discuss in the European Council whether a link between the rule of law and the financial interests of the Union should be established. This 'elevation' of issues from the Council to the European Council level would constitute another case of the European Council becoming [involved](#) in a legislative process; although Article 15(1) TEU clearly specifies that it 'shall not exercise legislative functions'. This practice occurs specifically in cases when individual Member States seek to impose consensus as the decision-making method on a sensitive issue, and thus to circumvent qualified majority voting (QMV) in Council, as has previously happened, notably for migration. The European Parliament has repeatedly [expressed](#) its discontent with this practice.

Following a [discussion](#) with David Sassoli, the European Parliament's President, Antonio Costa, the Prime Minister of Portugal, and incoming holder of the rotating six-month presidency of the Council of the EU, stressed that it was vital to conclude the MFF discussions at this European Council meeting. Antonio Costa and David Sassoli underlined that the rule-of-law conditionality agreement between Council and Parliament could not be reopened.

External relations

EU-UK negotiations

Given the deadlock over recent weeks, the two negotiating teams are currently attempting to iron out a deal as soon as feasibly possible on [outstanding issues](#), notably on the [level playing field provisions, governance and fisheries](#). Whether the result delivers a breakthrough or 'no deal', preparations need to be accelerated at EU level. The European Council meeting could in principle sign off a final agreement, although, for now, the topic [is not formally on the agenda](#). In addition, an extra European Parliament plenary session could be scheduled in late December, if necessary, to ratify an agreement.

Eastern Mediterranean and relations with Turkey

The European Council is expected to assess the evolution of the situation in the eastern Mediterranean and consider a new framework for relations with Turkey. Similarly to what happened in October 2020, Turkey is once again [de-escalating](#) ahead of a European Council meeting by pulling back its seismic exploration vessel, *Oruç Reis*. However, this time around, the decision of EU leaders will most probably be based on an [assessment](#) of Turkey's behaviour 'over a certain period of time' rather than on one-off actions. The most sensitive aspect for EU leaders to consider is whether to agree to the introduction of sanctions over Turkey's repeated violations of the Greek and Cypriot maritime zones, a course of action which the European Parliament [has supported](#) in a recent resolution. Turkey's assertive behaviour in the eastern Mediterranean is one of the many issues that have brought EU-Turkey relations to a historic low in recent months.

Southern Neighbourhood

Twenty-five years after the launch of the [Barcelona process](#), EU leaders will consider the Southern Neighbourhood. The new [Leaders' Agenda 2020-2021](#) first indicated the European Council's intention to hold a debate on the Southern Neighbourhood, a development later confirmed by the 15-16 October European Council [conclusions](#). This will be the first time in over five years that the European Council will focus on this region, while a [joint communication](#) on a renewed partnership is awaited. In her [State of Union](#) address, Commission President Ursula von der Leyen confirmed the EU's commitment to supporting its southern partners in their job creation and economic development efforts.

Other external relations items

The European Council could also touch upon other external relations items, including relations with Africa, following the EU leaders meeting with African Union leaders [scheduled](#) for 9 December 2020.

EU-US relations

On 2 December 2020, the European Commission and the High Representative, Josep Borell, published a joint communication on '[A new EU-US agenda for global change](#)'. The document aims [to shape](#) a 'new forward-looking transatlantic agenda' for cooperation along four main lines: i) the fight against Covid-19 and the reform of the World Health Organization; ii) climate change; iii) technology, trade and standard setting; and iv) security and defence. On 7 December 2020, the Foreign Affairs Council held an [exchange of views](#) on transatlantic relations, and EU leaders are expected to discuss the topic further during their meeting. President Michel, who has spoken in favour of [rebuilding](#) 'strong transatlantic' ties, has held [consultations](#) with his peers on this issue ahead of the European Council meeting.

3. Euro Summit

On 11 December, the Euro Summit will meet for the first time in 2020 in an inclusive format with all EU-27 leaders (the standard Euro Summit includes only the leaders of the euro-area countries together with the non-euro-area countries that have ratified the [Treaty on Stability, Coordination and Governance in the EMU](#) (TSCG)).¹ EU leaders will receive an update on progress towards a banking union from Eurogroup President [Paschal Donohoe](#), and are likely to welcome the agreement reached in the [Eurogroup](#) meeting of 30 November on the reform of the European Stability Mechanism (ESM). The latter notably includes the establishment of a line of credit to the Single Resolution Fund by 2022 with a view to further safeguarding financial stability and strengthening the euro area's resilience. Once signed by Eurogroup members, probably in January, the revised ESM treaty will need to be ratified by national parliaments, which could take up to a year. Paschal Donohoe [noted](#) that 'we want to keep our progress and our momentum going'. This agreement is a significant milestone towards the completion of a banking union. The next steps would be an agreement on the third pillar of a banking union, a European deposit insurance scheme, on which negotiations have been stalled for years.

ENDNOTE

¹ The TSCG stipulates that euro-area leaders should hold meetings at least twice a year.

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