

Outcome of European Council video-conference of 26 March 2020

On 26 March, EU Heads of State or Government continued their joint coordination efforts to address the COVID-19 outbreak and held a six hour-long video-conference meeting on this subject. They followed up on the priorities defined at the previous video-conferences on 10 and 17 March 2020, and outlined additional coordinated measures aimed at overcoming the crisis in a [joint statement](#).

While EU leaders claimed 'to do everything necessary to meet this challenge in a spirit of solidarity', at this stage they could not agree on appropriate financing instruments to help countries in fiscal difficulty due to the crisis, with some countries pleading for the introduction of joint 'corona bonds', whilst others preferred the use of existing EU instruments, notably the European Stability Mechanism (ESM). The President of the European Parliament, David Sassoli, participated for the first time at the start of a video-conference meeting. As at ordinary European Council meetings, he gave an opening [statement](#), and [subsequently](#) underlined that he 'expected a stronger assumption of responsibility from national leaders'.

Looking beyond the immediate priorities, EU leaders asked the President of the Commission and the President of the European Council to start working on a roadmap, accompanied by an action plan, to prepare an exit strategy and a comprehensive recovery plan, including unprecedented investment. Additionally, EU Heads of State or Government also used the meeting to address EU enlargement, the earthquake in Croatia and the situation at the EU's external borders.

1. Discussions on the COVID-19 outbreak

Limiting the spread of the virus

EU Heads of State or Government discussed their joint and national actions to contain and slow the spread of the virus. Concerning the reinforcement of EU external border controls following the European Council's agreement on [17 March](#) to apply a coordinated temporary restriction of non-essential travel to the EU for a period of 30 days, EU leaders decided to 'evaluate the situation in due time and decide whether or not to prolong these measures'.

Regarding temporary internal border controls, EU leaders agreed to 'ensure smooth border management for persons and goods and preserve the functioning of the Single Market'. Concerning EU citizens blocked at internal EU borders and prevented from returning to their homes, as well as ensuring the supply of goods and essential services, EU leaders pledged to address the remaining problems urgently, with the assistance of the Commission. The latter was asked to report on the situation before the European Council's next video-conference meeting.

Differing from previous crises (see [The European Council as COVID-19 crisis manager](#)), the COVID-19 outbreak is accompanied by an increased spread of disinformation. EU leaders aim at fighting this phenomenon with transparent, timely and fact-based communication, with the full involvement of the Commission and the High Representative/Vice-President, who will report on the joint efforts to the Council. Moreover, Commission President Ursula von der Leyen [announced](#) that the Commission structures active in the cybersecurity field will reinforce their activities to fight disinformation.

Providing medical equipment

Member States were invited to coordinate and provide reliable data to the Commission on the provision of medical equipment throughout the EU. The Commission, in cooperation with industry, is to monitor the available stocks and take action to improve supply. It will continue to pursue joint procurement initiatives for protective equipment as well as ventilators and testing supplies, whilst seeking to speed up procedures in this respect.

On 19 March 2020, the Commission [announced](#) the creation of a stockpile of medical equipment, including for intensive care, vaccines and therapeutics, under the [rescEU initiative](#), which is part of the EU Civil Protection Mechanism. In this respect, EU leaders have underlined the need to increase, as necessary, the budget allocated for the rescEU stockpile. In light of World Health Organization recommendations, the European Council stressed that testing capacity in Member States must be increased as a matter of urgency, inviting Member States to report to the Commission accordingly.

Promoting research

The European Council highlighted its commitment to do everything possible to support research efforts within the European scientific and research community. The development of a vaccine in the shortest time possible, available to all, is an absolute priority, as underlined by the EU leaders. Some 17 research projects, involving 136 teams worldwide, have already been shortlisted following the Commission [call](#) launched on 30 January 2020. EU leaders welcomed the initiatives taken by the Commission, the European Innovation Council and the European Investment Bank Group to provide financial support for the clinical and public health response to COVID-19.

Tackling socio-economic consequences

In their [statement](#), EU Heads of State and Government acknowledged the developments achieved by the Eurogroup and called upon the latter to suggest proposals within two weeks, which should consider the exceptional challenges posed by the COVID-19 shock. On 24 March, EU finance ministers [agreed](#) to coordinate their actions as a means of providing stimulus packages and protecting citizens and companies across the EU. Subsequently, Eurogroup President Mario Centeno [stated](#) that there was 'broad support to consider a pandemic crisis support safeguard based on an existing ESM precautionary instrument, such as the Enhanced Conditions Credit Line'. President Centeno further stressed the latter proposal in a [letter](#) addressed to the President of the European Council, Charles Michel, praising leaders for their efforts to establish a Pandemic Crisis Support Instrument and to set the ESM to finance fiscal spending equal to 2% of Member States' GDP.

Regarding the European Central Bank's fiscal response to the economic consequences of the coronavirus within the euro area, EU Heads of State and Government unanimously welcomed the launch of the [Pandemic Emergency Purchase Programme](#) (PEPP) of public and private-sector securities, unveiled on 18 March; an ambitious policy measure that includes an overall envelope of €750 billion. On 19 March, the European Commission presented the [Temporary Framework for State Aid](#) to help companies and small and medium-sized enterprises (SMEs) facing economic difficulties in the context of the COVID-19 pandemic, which was commended as 'a major step forward' by the European Council. EU leaders also voiced support for other significant tools made available by the Commission, such as the general escape clause under the Stability and Growth Pact. Concerning the European Investment Bank's reaction to the pandemic, leaders endorsed the [decision](#) to deploy loans and liquidity lines to banks in support of SMEs.

Despite wide agreement in adopting the above-mentioned measures, disagreement persists amongst Member States on a long-term response, and in particular on the most appropriate financial instruments to help countries facing fiscal difficulties as a result of the COVID-19 crisis. Some countries have expressed their preference for the use of existing EU instruments, notably the ESM, whilst others, including France, Italy and Spain, called for special eurobonds or 'corona bonds' to be issued, with the [aim](#) of facilitating 'the transmission of euro-area monetary policy and

boost[ing] efficiency in the bond market and in the broader euro-area financial system'. Subsequently, nine EU Heads of State or Government¹ wrote a [joint letter](#) urging the establishment of a common European debt instrument against the economic threat posed by the coronavirus outbreak. At their video-conference on 26 March, EU leaders failed to reach agreement on the way forward, with, as only outcome, the commitment to return to the debate in two weeks' time on the basis of proposals from the Eurogroup. In this context, Charles Michel nonetheless [offered](#) reassurance that the European Council 'will continue all its efforts and will do everything it takes to find the right solution', whilst Commission President von der Leyen [stressed](#) that 'the room is still open to discuss other possibilities that might be on the table'. The President of the European Parliament, David Sassoli, strongly [criticised](#) the results of the European Council and 'the short-sightedness and selfishness of some governments', stressing that Europe is 'more than just national governments. Countries must be able to spend all they need to spend. To do this we need a common tool to guarantee debt'.

Citizens stranded in third countries

EU leaders [reaffirmed](#) their commitment to coordinate the repatriation of EU citizens from third countries through the [Union's Civil Protection Mechanism](#). The High Representative/Vice-President, Josep Borrell, and the newly established Consular Task Force in the European External Action Service (EEAS) will continue to support these efforts and cooperate closely with the Commission, including its specialised agencies, and the Member States. To ensure rapid and swift repatriation of EU citizens, Borrell [stepped up](#) contacts with his counterparts from both Asian and Latin American countries. As an intra-EU measure facilitating the return of EU citizens, the Commission is [expected](#) to put 'forward an addendum to the border management guidelines to facilitate transit arrangements'.

Cooperation with the international community

EU leaders pledged to cooperate with the international community and the EU's external partners in combating the global pandemic. Just prior to the video-conference of the members of the European Council, G20 leaders held an extraordinary video-conference to coordinate their macroeconomic policies to mitigate the economic downturn, support workers and the companies most affected. At the G20 video-conference, Presidents Michel and von der Leyen [underlined](#) that 'the European Union is committed to international cooperation in tackling this pandemic and will continue to assist vulnerable countries and communities around the world, especially in Africa'. They used the occasion to recall the need also to 'keep trade flows and supply chains open'.

2. Exit strategy and lessons learned from the COVID-19 crisis

While the priorities outlined above aim at fighting the COVID-19 pandemic and its immediate consequences, EU Heads of State or Government agreed on the need to start preparing a coordinated exit strategy. This includes 'the measures necessary to get back to a normal functioning of our societies and economies and to sustainable growth, integrating inter alia the green transition and the digital transformation, and drawing all lessons from the crisis'. Moreover, they agreed on the need for a comprehensive recovery plan and unprecedented investment.

To that end, the European Council invited the President of the Commission and the President of the European Council, in consultation with other institutions, especially the European Central Bank, to start work on a roadmap accompanied by an action plan for that purpose. Following the video-conference, Ursula von der Leyen [specified](#) that the Commission would now develop an exit strategy, built on a science-based protocol, which would propose when and how to move away from containment measures, such as social distancing.

EU leaders agreed that they had to draw lessons from the COVID-19 crisis and called for 'a more ambitious and wide-ranging crisis management system within the EU', inviting the Commission to make proposals in that respect.

3. Other topics

EU leaders used the opportunity of the video-conference meeting to discuss other pressing issues.

Enlargement

EU leaders endorsed the 25 March 2020 General Affairs Council [conclusions](#) on enlargement and stabilisation and association agreements, confirming the Council's decision to open accession negotiations, under stricter conditionality rules, in line with the [accession methodology](#) presented by the Commission in February, with both Albania and North Macedonia. President Michel [spoke](#) of 'an important step for both countries which sends a strong signal to the whole region in these times'.

Earthquake in Croatia

EU Heads of State or Government expressed their fullest sympathy with the Croatian Presidency and people, and [declared](#) that they 'stand ready to assist them in coping with the effects of the recent earthquake'.

Situation at the EU's external borders

The European Council stated its concerns over the situation at the Greek-Turkish border and affirmed its full solidarity with Greece, as well as with Bulgaria and Cyprus and other Member States affected in their efforts to manage the EU's external borders.

Multiannual financial framework

While not included in the Joint Statement, President von der Leyen, [addressed](#) the negotiations on the 2021-2027 multiannual financial framework during the press conference following the video-conference meeting. In her view, the COVID-19 crisis shows the importance of an EU budget that can deal with complex crises. An ambitious new EU budget is thus needed, helping the EU economy to recover and to rebound as soon as possible. EU leaders will have to come back to this issue in the next weeks. On 28 March, she [announced](#) that the Commission will shortly put forward an amended MFF proposal, including a stimulus package for the recovery.

ENDNOTE

¹ The Heads of State or Government of Belgium, France, Greece, Ireland, Italy, Luxembourg, Portugal, Slovenia and Spain.

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