
Outcome of the European Council video-conference of 23 April 2020

At the European Council's video-conference meeting on 23 April, EU leaders demonstrated greater willingness to achieve a coordinated response at EU-level to face the coronavirus crisis than had previously been the case. Although concrete decisions were postponed, Heads of State or Government adopted a more united approach and took decisive steps towards collective action. Notably, they welcomed both the 'Joint European Roadmap towards Lifting Covid-19 Containment Measures' and the 'Roadmap for Recovery', but also agreed to 'work towards establishing' an urgently needed recovery fund 'dedicated to dealing with this unprecedented crisis'. However, whilst asking the European Commission to shape the recovery strategy and to clarify the link between the Recovery Fund and the Multiannual Financial Framework (MFF), EU leaders gave little guidance on specific details, such as the total amount, whether it would provide loans or grants, or on a precise timetable.

Furthermore, EU leaders called on Turkey to end its illegal drilling activities off Cyprus in the island's Exclusive Economic Zone. They also announced a video-conference between EU Heads of State or Government and their counterparts from the Western Balkans, on 6 May 2020, date of the previously planned EU-Western Balkans Summit.

1. Video-conference of EU Heads of State or Government

On 23 April, the members of the European Council held their fourth video-conference meeting aimed at defining a coordinated EU response to the Covid-19 outbreak. EU Heads of State or Government [stressed](#) their 'strong will to move forward together'. The President of the European Council, Charles Michel, in his invitation letter, called on EU leaders to 'show even greater determination in overcoming our differences'. This call for unity was also [shared](#) by the President of the European Parliament, who, as at ordinary meetings of the European Council, addressed EU leaders at the start of the meeting, stressing that 'the time has come to put blinkered self-interest to one side and to make the solidarity which is at the heart of the European project our guiding principle once again'. Other participants in the 23 April video-conference were the Presidents of the European Central Bank, Christine Lagarde, and of the Eurogroup, Mário Centeno, as well as the High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the European Commission (HR/VP), Josep Borrell.

The video-conference working method, besides being rather challenging for discussions in the European Council, especially on technical issues, has another consequence, which is that there are in fact more people 'in the room' than just the members of the European Council and the above-mentioned guests. In contrast to normal 'physical meetings' in Brussels, [some](#) leaders had their [advisors](#) with them during the discussions.

2. Results of the video-conference

As was the case with the European Council video-conferences of 10 March and 17 March, the 'Conclusions of the President', rather than formal conclusions, outlined the [results](#) of the discussions. The video-conference of 26 March, on the other hand, concluded with a joint statement.

Table 1 gives an overview of the main points resulting from the video-conference, the type of action taken or answer given by the European Council as well as the envisaged follow up. The wording used in the conclusions is rather vague and less decisive, and is mostly of a reactive nature (i.e. welcoming actions of other players) rather than providing any concrete decisions.

Table 1: Overview of main elements of the European Council video-conference of 23 April 2020

Topic	European Council action	Tasks and follow up
Various dimensions of the European response to the pandemic	discussed	The European Council will continue to follow the situation closely
Joint European roadmap towards lifting of Covid-19 containment measures	welcomed	The European Council will coordinate as much as possible to ensure gradual and orderly lifting of restrictions
Joint Roadmap for Recovery	welcomed	The European Council will monitor progress in close cooperation with other EU institutions*
Eurogroup agreement on three important safety nets for workers, businesses and sovereigns	endorsed	The package should be operational by 1 June 2020
Recovery fund	agreed to work towards establishing	The Commission will analyse the exact needs and urgently come up with a proposal
MFF	mentioned	The Commission will adjust its MFF proposal and clarify the link to the recovery fund
Recovery Fund and MFF	remains committed to	Give the necessary impetus to find a balanced agreement as soon as possible
Economic situation	tasked	The Eurogroup, in an inclusive format, will continue to closely monitor and prepare the ground for a robust recovery

* This follow-up was mentioned in the roadmap for recovery and not in the conclusions.

3. EU recovery strategy

As flagged up in the EPRS [outlook](#), this video-conference focused on the recovery plan, which EU leaders had requested at their 26 March video-conference. EU leaders welcomed the joint [roadmap for recovery](#) presented on 21 April by Charles Michel and the President of the European Commission, Ursula von der Leyen. As previously announced by Charles Michel, it focuses on four areas for action:

- 1) The internal market,
- 2) an unprecedented investment strategy,
- 3) a global recovery strategy, and
- 4) EU resilience and governance.

The President of the European Council indicated that 'this roadmap will be complemented by a more detailed Action Plan setting out the measures to be taken with the appropriate timings'. In this context, Charles Michel also [stressed](#) that producing 'essential goods in Europe' was a means of increasing the EU's strategic autonomy.

4. EU recovery fund and the next Multiannual Financial Framework

One of the core topics of the video-conference meeting was the long term recovery of the EU. The leaders asked the Commission to submit urgently a proposal for the financing of the EU recovery strategy, possibly combining two instruments: 1) a recovery fund, based on Article 122 TFEU, and 'dedicated to dealing with this unprecedented crisis', and 2) a strengthened 2021-2027 MFF.

EU Heads of State or Government [agreed](#) 'to work towards establishing a recovery fund' which 'shall be of a sufficient magnitude, targeted towards the sectors and geographical parts of Europe most affected, and be dedicated to dealing with this unprecedented crisis'. Yet, the mechanics and the size of the fund, questions which were left [unresolved](#) following the Eurogroup meeting of 7-9 April – as countries could not agree on the financing modalities – were again left open. Thus, the Commission was [tasked](#) with analysing the exact needs, and with clarifying the fund's [link with](#) the EU's long-term budget or MFF.

Ursula von der Leyen [expressed](#) her conviction that 'there is only one instrument that can deliver this magnitude of tasks behind the recovery and that is the European budget clearly linked to the recovery fund'. Therefore she was glad that the Heads of State or Government had demonstrated unity and encouraged the Commission to explore innovative financial instruments in relation to the MFF. She announced that the Commission would propose to increase the headroom (i.e. the space between the existing ceiling in the MFF and the own resources ceiling). Based on 'the legal guarantee of the Member States, the European Commission will be able to raise funds which will then be channelled through the European budget into the Member States'. The current estimates by the Commission assume that 'an Own Resources ceiling of around 2 per cent of GNI for two or three years instead of the current 1.2 per cent will be required'. President von der Leyen [announced](#) that the money would be concentrated in four areas which would receive increased investment:

- 1) increased financial support for investment and reforms in Member States and cohesion;
- 2) modern policies: the European Green Deal, digital transition and increased strategic autonomy;
- 3) the EU's common crisis response; and
- 4) strengthening the support to the EU's neighbourhood and partners.

She indicated the investment should be front-loaded in the first years. According to [some estimates](#), the new recovery fund and MFF package could amount to up to €2 trillion.

The Commission President indicated that her aim was to present the revised MFF proposal in the second or third week of May. However, many questions will need to be answered before the Commission can actually do so. Next to legal considerations linked to the strict rules applying to the MFF, consensus will need to be achieved on issues such as the [required balance](#) between loans and grants.

5. Main messages from the European Parliament President

When [addressing](#) the European Council, the President of the European Parliament, David Sassoli, relayed Parliament's recently adopted [resolution](#) to the Heads of State or Government. He stressed that Parliament supported the idea of a dedicated 'recovery fund', provided that certain key conditions be met, first and foremost, the embedding of the recovery fund in the MFF. For Parliament, this requires a significantly strengthened MFF, which draws on existing EU funds as well as on innovative financial instruments, such as recovery bonds backed by the EU budget. President Sassoli [underlined](#) that this fund needed to come quickly, and promised that 'the European

Parliament, as the democratic representative of EU citizens and one arm of the budgetary authority, will do its part, and it expects to be fully involved'.

6. Other items

Turkey's illegal drilling activities

EU leaders reaffirmed their 'full solidarity' with Cyprus, and [recalled](#) their previous conclusions condemning Turkey's illegal drilling activities in the Cypriot Exclusive Economic Zone and calling for their end.

Western Balkans

EU Heads of State or Government will hold a [video-conference](#) with their counterparts from the Western Balkans on 6 May 2020, the first day on which an informal EU-Western Balkans summit had initially been scheduled to take place in Zagreb. President Michel [stressed](#) that Albania and North Macedonia had recently been given the [green light](#) to open accession negotiations, and that the meeting would consider the EU's priorities for the Western Balkans.

Secretary-General of the Council

Member States also agreed to renew the mandate of Jeppe Tranholm-Mikkelsen as Secretary-General of the Council, [to be](#) formally confirmed subsequently by written procedure.

7. Next steps

Apart from the Western Balkans video-conference scheduled for 6 May, no date has been set for a follow-up meeting of the European Council on the roadmap for recovery. However, the European Council has announced that it would monitor progress on all the elements of the strategy in close cooperation with other EU institutions. And since a revised MFF proposal is expected early in May, another meeting of Heads of State or Government can be expected in mid- to late May. Charles Michel [reported](#) the political will of the EU leaders to work together on the MFF and the recovery fund, and take decisions in the coming weeks. In this context, EU Heads of State or Government have promised to complement the roadmap with 'a more detailed Action Plan setting out the measures to be taken with the appropriate timings'. What form this roadmap takes remains to be seen.

Incidentally, as a result of this new crisis, Charles Michel will probably not be able to publish his own work programme for the European Council anytime soon, and is likely to find himself in a similar situation to his two predecessors, who could only present their own work programmes in their second mandates once the respective crises they had faced (i.e. the economic and financial, and the migration crises) had receded.

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