

Outlook for the special European Council meeting of 1-2 October 2020

At the special European Council meeting of 1-2 October 2020, postponed from 24-25 September, EU Heads of State or Government are expected to dedicate much of their time to external relations issues, notably to a strategic discussion on Turkey and a debate on relations with China. Continuing illegal Turkish drilling activities in the eastern Mediterranean have made the former more urgent, while the latter is long overdue. The European Council is also likely to adopt extensive conclusions regarding the single market, industrial and digital policy, reiterating the key objective of achieving strategic autonomy, whilst maintaining an open economy. EU leaders are expected to call for development of EU autonomy in the space sector, a more integrated defence industrial base, and for the presentation of a 'digital compass' setting out the EU's digital ambitions for 2030 in its move towards digital sovereignty. EU leaders will also take stock of the coronavirus situation and review the coordination of national and European measures. Finally, the President, Charles Michel, is expected to set out his vision of the main issues to be dealt with by the leaders in the coming year, and to propose a work-plan for the European Council, similar to the Leaders' Agenda which guided the work of the European Council during Donald Tusk's second mandate as President.

1. Background to the special European Council meeting

The objective of this special¹ meeting had been to discuss topics that, due to the coronavirus pandemic, EU leaders had been unable to discuss during the past six months, including digital policies, the single market, and relations with Turkey and China. The intention to discuss the situation in the eastern Mediterranean was formally confirmed by Charles Michel in his [invitation letter](#) to the [European Council video-conference meeting of 19 August 2020](#) and confirmed by Heads of State or Government during that meeting. Other urgent issues requiring the European Council's attention have occurred in the meantime and are also expected to be [raised](#), notably the poisoning of the Russian opposition leader Alexei Navalny. With Charles Michel obliged to enter quarantine after one of his security staff tested positive for coronavirus, the meeting was postponed for a week from 24-25 September, although the [Rules of Procedure](#) provide for alternatives. Issues such as climate policy – originally scheduled for discussion but not addressed in recent months – are expected to feature on the agenda of the October European Council meeting.

2. Special European Council agenda items

Single market, industrial policy and digital transition

EU leaders will discuss the single market, industrial policy and digital topics, from the viewpoint of Europe's [strategic autonomy](#) – a concept aimed at reducing European dependence on external actors, which President Michel [calls](#) 'goal number one for our generation'.

¹ One key difference with an ordinary meeting of the European Council is that the President is not obliged to submit an annotated draft agenda four weeks in advance of a special or extraordinary meeting.

Single market and industrial policy

One of the most urgent issues for the Heads of State or Government is to [restore](#) a fully functional [single market](#), as it has been heavily impacted as a result of the border closures and lockdowns linked to coronavirus. President Michel [stressed](#) that it was essential to repair this 'beating heart' of the EU and to ensure that it can function properly. EU leaders will notably address the enforcement of [single market rules](#) and the [removal of remaining unjustified barriers](#). 'Getting back to normal' may take some time however, and is [unlikely](#) until a safe and efficient vaccine against the coronavirus is found, which many [experts predict](#) might not happen before mid-2021.

Leaders are also expected to address industrial policy, which gained new impetus in spring 2020, with the Commission [communication](#) on 'A New Industrial Strategy for Europe'. The strategy aims at making Europe more resilient and autonomous. In this context, EU leaders may notably discuss efforts to step up 'important projects of common European interest' (IPCEI), to ensure a level playing field and develop new industrial alliances. Furthermore, EU leaders may also reiterate their call for an updated competition policy framework taking the twin – green and digital – transitions into account, including possible rules governing digital platforms. They may also restate their commitment to World Trade Organization (WTO) reform, and call for progress on initiatives such as instruments to address the distortive impact of foreign subsidies in the single market.

Digital policy

The coronavirus crisis has highlighted the importance of digital sovereignty and digital transition in Europe, since an unprecedented digital leap with lasting effects took place during the pandemic. Thus, EU leaders are likely to discuss ways of achieving digital sovereignty, and to endorse the [June 2020 Council conclusions](#) on the matter. They will put particular emphasis on issues such as [artificial intelligence](#) (AI), [data, cloud services](#) and [5G](#), which are crucial to shaping Europe's digital future. Leaders may also request concrete steps are taken to ensure the interoperability, security and privacy of European data, the implementation of the 5G cybersecurity toolbox, further development of the EU cloud infrastructure, and at providing a clear definition for high-risk AI. Furthermore, developing a joint secure public electronic identification (e-ID) for the EU, which was mentioned in the February communication on '[Shaping Europe's Digital Future](#)', may also feature on the agenda.

External relations

EU-China relations

EU leaders will take stock of the multifaceted relationship with China, a country that is simultaneously a 'cooperation partner' (on climate change), 'a negotiating partner' (on trade), 'a strategic competitor' (on the economy) and a 'systemic rival' (with different values and political systems).

The [EU-China Summit](#) held on 22 June 2020, and the [quadrilateral meeting](#) on 14 September – attended by Charles Michel, Ursula von der Leyen, President of the European Commission, the Chancellor of Germany, Angela Merkel, as President-in-office of the Council of the EU, and by the President of the People's Republic of China, Xi Jinping – provided occasions to discuss a wide range of issues of common interest, including climate change and trade. They also provided the opportunity to raise diverging views on certain topics. This is notably the case on human rights abuses and on the tense situation in Hong Kong following the adoption of a national security law, which '[erodes freedoms](#)' and contradicts Hong Kong's [Basic Law](#).

There has been slight progress between the two meetings, with the signing of the [EU-China geographical indications agreement](#). President von der Leyen [referred](#) to a 'frank and open, and constructive and intense quadrilogue', 'with tangible actions discussed'. As regards a possible [comprehensive agreement on investment](#), President von der Leyen confirmed progress and agreement on three issues: 'disciplines regarding the behaviour of state-owned enterprises'; 'forced technology transfer'; and 'transparency of subsidies'. The EU remains committed to signing a comprehensive agreement on investment with China by the end of 2020, should agreement be reached on two pending issues: 'market access' and 'sustainable development'.

Besides trade, the other major topic of the more recent meeting was cooperation on climate change. President Michel stressed that the EU [encourages](#) China 'to be even more ambitious' with respect to greenhouse gas emissions reduction and possibly to set similarly ambitious targets to those the EU has set for itself, namely to achieve carbon neutrality by 2050. Chancellor Merkel [noted](#) that 'a high-level dialogue is to be put in place between China and the EU that is systematic rather than ad hoc'. This would allow close coordination on climate change issues and acceleration of the implementation of the Paris Agreement. Furthermore, President von der Leyen [confirmed](#) that a physical meeting, similar to that initially planned to take place in Leipzig and [postponed](#) due to the pandemic, will be organised between EU leaders and President Xi once the pandemic situation allows.

EU-Turkey relations

Since [March 2018](#), the European Council has closely [monitored](#) and strongly condemned Turkey's illegal drilling activities in the eastern Mediterranean, whilst expressing solidarity with both Cyprus and Greece. During the summer of 2020, tensions increased and a dangerous escalation in [military activity](#) occurred. Both President [Michel](#) and North Atlantic Treaty Organization (NATO) Secretary-General, [Jens Stoltenberg](#), have called for de-escalation of the situation. Meanwhile, Turkey [withdrew](#) its seismic research vessel, *Oruç Reis*. This led High Representative/Vice-President Josep Borrell to [speak](#) of a 'step in the right direction' and to call for further dialogue.

Against this backdrop, the European Council will hold a debate on EU relations with Turkey. It is likely – unless further de-escalation takes place – that the debate will ultimately focus on crisis management aspects, rather than on the long-term EU strategic approach to Turkey.

Turkey is an EU candidate country with which accession negotiations [have been 'frozen'](#) since 2018. It remains a partner for the EU in a series of areas, including migration. For 21 EU Member States, Turkey is also an ally in NATO. However, in recent years, the country has shown increasingly assertive behaviour and a willingness to [assert its power](#) regionally. Drilling activity in the eastern Mediterranean is not the only contentious issue. Turkey's [unilateral military intervention in northern Syria](#) in autumn 2019, and its [violation](#) of the United Nations (UN) arms embargo on Libya, have also contributed to the rapid deterioration of relations, bringing High Representative Borrell to [qualify](#) the current state of play as a 'watershed moment' in the history of bilateral relations. Furthermore, there is growing concern regarding the deterioration of the human rights situation in Turkey, on [rule of law violations](#), as well as on the [unilateral decision](#) to modify the status of [Hagia Sofia](#).

Two long-standing issues could, if addressed in parallel, contribute in time to a normalisation of the EU's relations with Turkey. Firstly, there is a need to solve the existing maritime border [disputes](#), the source of past and current escalation in the eastern Mediterranean. This would require that parties bring the matter to the International Court of Justice in The Hague, whilst accepting *ab initio* that the Court in its decision might not meet in full their initial claims. Secondly, there is a need to resolve the Cyprus issue. High Representative Borrell [has expressed](#) hope that talks could resume under UN auspices, and dialogue with Turkey be re-established.

The European Parliament has closely monitored the evolution of the situation in the eastern Mediterranean. Its Committee on Foreign Affairs has [called](#) for de-escalation, expressed support for Greece and Cyprus, condemned Turkey's illegal drilling activities and supported the view that targeted sanctions should be established, if, by the time EU leaders meet, the situation in the eastern Mediterranean has not improved. Earlier in summer 2020, High Representative Borrell [confirmed](#) that the European Council could discuss 'a list of further restrictive measures' in case there is no progress in engaging in dialogue with Turkey. Cyprus is [threatening](#) to block additional sanctions against Belarus should no new sanctions be adopted on Turkey.

Other external relations issues

EU leaders could once again consider the [situation in Belarus](#), where the Belarusian people calling for freedom are facing repression. The European Council could [endorse](#) new sanctions on Belarus should the Council adopt them prior to the European Council meeting. However, EU leaders might

be called to consider sanctions on Belarus and Turkey together, should no agreement be reached in the Council prior to their meeting.

The poisoning of Alexei Navalny with a Russian nerve agent, Novichok, represents not only an attempt [to silence](#) an opponent but also a [breach](#) of international law, which forbids the use of chemical weapons. Following this assassination attempt, Germany has [asked](#) that sanctions be adopted against Russia. High Representative Borrell stressed that Russia's action would have an [impact](#) on EU-Russia relations, and EU leaders are expected to discuss the matter.

Other items

Taking stock of the coronavirus pandemic

The [agenda](#) also states that the Heads of State or Government will take stock of the coronavirus pandemic. They are expected to discuss the coordination of national measures to deal with the virus and restrictions on intra-EU movement. On 4 September 2020, the Commission [proposed](#) a Council recommendation covering common criteria and thresholds in deciding whether to introduce restrictions to free movement; the mapping of common criteria using an agreed colour code; a common approach to the measures applied to persons moving to and from areas which are identified as higher risk; and commitments to provide the public with clear and timely information.

On 15 September, Parliament debated EU coordination of health assessments and risk classification as well as the consequences for Schengen and the single market in the context of coronavirus. Prior to the debate, 75 Members of the European Parliament published an [open letter](#), in which they criticised 'the chaos at the internal borders of the European Union,' as well as the 'unilateral decisions to control or restrict borders'. They also called for a 'common [European] methodology for health data collection and the qualification of risk mapping with common colour codes'. In preparation for the special European Council meeting, European Affairs Ministers again discussed the coordination of national [measures to deal with coronavirus](#) on 22 September.

Migration

EU leaders have for years failed to find agreement on reform of the European asylum system, notably on the distribution of migrants beyond the Member State of arrival. While not originally planned for discussion at this meeting, pressure has been building on EU leaders to return to the migration issue following the fire that destroyed the Moria refugee camp on the Greek island of Lesbos. In this context, the European Commission presented a [new pact on migration and asylum](#) on 23 September, aimed at overhauling the EU asylum system. On 15 September, President Michel visited the Moria camp, and [called](#) for 'progress to have more convergence in the framework of [the EU's] asylum policy', while acknowledging that the debate in the Member States will be difficult.

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