Outlook for the European Council of 15-16 October 2020

Only two weeks after the last European Council meeting, EU Heads of State or Government gather again on 15-16 October 2020, to address future EU-UK relations, EU-Africa relations and climate change. On climate, EU leaders will evaluate the progress on the EU’s objective of climate neutrality by 2050 and hold an orientation debate. Regarding EU-UK relations, they will assess the implementation of the withdrawal agreement, receive an update on the negotiations on the future EU-UK partnership and discuss the preparatory work for all scenarios after 1 January 2021. In addition to EU-Africa relations, other external relations issues are likely to be discussed, notably the poisoning of Alexei Navalny. EU leaders will also return to the handling of the coronavirus pandemic.

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

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.

As announced in the new Leaders’ Agenda 2020-21, EU leaders will discuss the EU-UK negotiations, hold an orientation debate on climate and focus their exchanges in the external relations field on Africa. At the special European Council meeting of 1-2 October, EU leaders also pledged to return to the matter of the poisoning of Russian opposition leader Alexei Navalny as well as regularly coming back to the handling of the coronavirus pandemic.

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<th>Policy area</th>
<th>Previous commitment</th>
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<td>External relations</td>
<td>The European Council will return to the poisoning of Alexei Navalny</td>
<td>1-2 October 2020</td>
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<td>Coronavirus</td>
<td>The European Council will return to this issue regularly</td>
<td>1-2 October 2020</td>
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<td>Climate change</td>
<td>Come back in June 2020 to the objective of achieving a climate-neutral EU by 2050</td>
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One outstanding task for the European Council is to define the strategic guidelines for legislative and operational planning within the area of freedom, security and justice, as required by Article 68 TFEU. The European Council had been expected to adopt new ‘strategic guidelines for legislative and operational planning’ within the area of freedom, security and justice in spring 2020, but the topic has still not been included on the European Council’s agenda to date, nor is it mentioned in the Leaders’ Agenda 2020-21.
2. European Council agenda points

EU-UK relations

The EU and the UK have been engaged throughout the year in discussions on a new partnership agreement encompassing a wide range of areas including trade, fisheries, thematic cooperation, and internal and external security. To date, nine negotiation rounds have been held, on the basis of the Political Declaration accompanying the Withdrawal Agreement – both finalised in October 2019. The political declaration outlines the areas for negotiations, with 11 chapters opened as follows: 1. Trade in goods; 2. Trade in services and investment and other issues; 3. Level playing-field for open and fair competition; 4. Transport (aviation and roads); 5. Energy and civil nuclear cooperation; 6. Fisheries, 7. Mobility and social security coordination; 8. Law enforcement cooperation and judicial cooperation in criminal matters; 9. Thematic cooperation; 10. Participation in Union programmes; and 11. Horizontal arrangements and governance. Foreign policy, security and defence are not formally included in these talks, but as outlined in the Political Declaration, the UK’s participation in specific EU instruments and programmes is possible.

The European Council emphasised in its guidelines of March 2018 that the future relationship should be based on a balance of rights and obligations, ensure a level playing-field and respect for the integrity of the single market and the customs union, as well as the indivisibility of the four freedoms. The scope and depth of the future relationship would be determined precisely by the commitment of both parties to adhere to high standards in the areas of State aid, competition, social and employment standards, environment, climate change, and relevant tax matters.

The European Commission’s Chief Negotiator, Michel Barnier, has repeatedly stressed that the EU has paid particular attention to the UK’s three ‘red lines’, namely, ability to determine its future laws without constraints, no role for the Court of Justice of the European Union (CJEU) and the ability to manage its own fisheries independently. Progress has however been slow since the very beginning. Despite convergence of positions in many areas such as trade in goods, services and investments, and Union programmes, and recent positive developments in, inter alia, social security coordination and respect for fundamental rights and freedoms, divergences have persisted on issues of major significance for the EU. These are: i. level playing-field provisions on State aid, competition, state-owned enterprises (SOEs), taxation, labour and social protection, environmental protection and the fight against climate change; ii. the governance framework, specifically on dispute settlement/enforcement; and iii. an agreement on fisheries. While convergence is likely on competition and SOEs, difficulties remain on interpretation by the CJEU of EU law (State aid), respect for the principle of non-regression (tax avoidance, labour, environment and climate) and alignment of future legislation (labour, environment and climate change).

The negotiations were shaken up following the publication by the UK, on 9 September 2020, of the internal market bill, which, if adopted in its current form, would be in clear breach of the terms of the Protocol on Ireland and Northern Ireland attached to the Withdrawal Agreement, with respect to state aid and customs obligations. Indeed, the Protocol states that EU State aid rules will apply to any UK act affecting trade between Northern Ireland and the EU, and while Northern Ireland remains in the UK’s customs territory, the Union Customs Code will still apply to the flow of goods between Northern Ireland and Great Britain. Clauses 41-45 of the bill would over-ride these provisions. Despite the Commission’s request to amend the bill before 30 September 2020, the British government did not withdraw these provisions, leading to the launch of infringement proceedings on 1 October 2020, as the Withdrawal Agreement provides for legal remedies in the event of violations of the obligations within it. The UK has one month to provide a reply to the Commission. The implementation of the Protocol, under the responsibility of the EU-UK Joint Committee, will also need to be stepped up as ‘no grace’ period will be granted after the end of the transition period, as stressed by Mr Barnier in July when it was clear that the UK did not wish to extend the transition period. The state of play of the negotiations was discussed briefly at the 1-2 October special European Council meeting, a substantive discussion will however take place on 15-16 October to
assess the situation as well as future scenarios after 1 January 2021. Meeting with Micheál Martin, Taoiseach of Ireland, on 8 October, Charles Michel stressed that the EU stood in full solidarity with Ireland regarding the implementation of the Withdrawal Agreement, as what is at stake is the ‘peace and stability of the island of Ireland and the integrity of the single market’. He urged significant steps to be taken in the negotiations, not only on fisheries, the level playing-field and governance, but also on trade in goods, energy and water transport, as ‘nothing is agreed until everything is agreed’.

Climate change

The European Council will hold an ‘orientation debate’ on climate change, on the basis of the Commission’s 2030 Climate Target Plan. Commission President Ursula von der Leyen confirmed the EU’s determination to cut greenhouse gas emission by at least 55 % by 2030, stressing that the target was ‘ambitious, achievable and beneficial for Europe’. Voting on the proposed European Climate Law, the European Parliament supported an even higher binding target of 60 % greenhouse gas emissions cuts by 2030. Furthermore, the Parliament considers the funding for climate related projects under the 2021-27 Multiannual Financial Framework (MFF) insufficient to allow both the 2030 and 2050 climate targets to be met. Ahead of the coming European Council meeting, civil society representatives called for a more ambitious climate policy, warning that the Paris Agreement goal of limiting the rise of global temperature to 1.5 °C could only be met by achieving at least a 65 % reduction in greenhouse gas emissions by 2030.

EU leaders will most probably also consider progress made on achieving climate neutrality by 2050. At their last discussion on this matter in December 2019, all but one Member State, Poland, had agreed to make climate neutrality by 2050 a binding commitment to be set in the European Climate Law. In the interim, Poland has reviewed its 2040 energy roadmap and showed openness to commit to climate neutrality – albeit without confirming 2050 as a target.

Usually, at their October meeting, EU leaders take stock of progress made in the implementation of the Paris Agreement ahead of the yearly UN Conference of Parties (COP). However, due to the coronavirus outbreak, COP 26 in Glasgow was postponed by a year, to 1-12 November 2021. Nonetheless, progress will be needed in finalising and submitting national long-term strategies, as only 15 out of 27 Member States had done so by July 2020.

External relations

Africa

The coronavirus outbreak led the European Council to postpone the strategic debate on relations with Africa, initially planned for June 2020. For similar reasons, the EU-African Union summit planned for autumn 2020 will most likely only take place in early 2021. The EU High Representative, Josep Borrell, recognised that the pandemic had slowed down ‘outreach efforts’, but confirmed that the ‘ambition’ to increase partnership with Africa remains intact.

A strengthened partnership with Africa has been a priority for the Presidents of both the European Council, Charles Michel, and the Commission, Ursula von der Leyen, from the beginning of their respective mandates. EU-Africa relations were on the agenda of the first European Council meeting chaired by Mr Michel in December 2019. He then put cooperation in stemming the spread of coronavirus in Africa high on the agenda and welcomed the efforts made, particularly through the G20, to reduce African debt. He was active at both multilateral and bilateral levels, attending in person or by video-conference: the African Union summit, several summits with the G5 Sahel countries, as well as a series of bilateral meetings with African leaders at which economic, development and security aspects were considered. Similarly, Ursula von der Leyen spoke of Africa as ‘our close neighbour and our most natural partner’, calling for a ‘comprehensive strategy on Africa’ and making her first visit as President outside the EU to the African Union. More recently, in the ‘State of the Union’ address she underlined that the new strategy with Africa is a ‘partnership of equals’ since ‘both sides share opportunities and responsibilities’, and it will enable them to shape the world of tomorrow by working closely on climate, trade and digital.
Alexei Navalny poisoning

Following confirmation from the Organisation for the Prohibition of Chemical Weapons (OPCW) that Russian opposition leader Navalny was indeed the victim of a poisoning attempt using a nerve agent, the European Council is expected to discuss his case again. Calling once again on Russia to cooperate fully with the OPCW, President Michel confirmed that EU leaders would discuss possible sanctions against Russia. Setting sanctions would allow some of the sensitivities expressed recently by certain Member States’ representatives, including the President of Lithuania, Gitanas Nausėda, as regards relations with Russia to dissipate. However, more needs to be done to ensure that EU Member States speak with one voice. To facilitate further convergence, a strategic debate on relations with Russia is scheduled for March 2021.

Other external relations issues

The European Council could consider other external relations items, in particular the situation in regions or countries which it has committed to monitor closely, as is the case for the eastern Mediterranean, Nagorno-Karabakh, Belarus and Ukraine.

Other Items

Taking stock of the coronavirus pandemic

EU leaders are also expected to exchange information on coordination efforts at national and European level regarding the coronavirus pandemic. On 4 September 2020, the Commission proposed a Council recommendation on a coordinated approach to the restriction of free movement in response to the Covid-19 pandemic. The proposal outlines: i) common criteria and thresholds in deciding on whether to introduce restrictions to free movement. It also includes, ii) the mapping of common criteria using an agreed colour code; iii) a common approach to the measures applied to persons moving to and from areas which are identified as higher risk; and iv) commitments to provide the public with clear and timely information. During a meeting of the General Affairs Council on 22 September, Member States ‘expressed broad support for the proposed approach to the collection and presentation of data by the European Centre for Disease Prevention and Control (ECDC)’, and stressed the ‘importance of clear and timely communication between member states and to the public’. If the General Affairs Council of 13 October 2020 adopts this recommendation, it would most likely be welcomed by the European Council.

ENDNOTES

1 Regulations adopted by the parties would not go below the level provided by the common standards applicable within the EU and the UK at the end of the transition period.
2 Neither party would adopt regulations that would be below the level of the other party (‘dynamic alignment’).

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