

Outcome of the video-conferences of EU leaders on 25 March 2021

Due to the worsening epidemiological situation, EU leaders met on 25 March 2021 in a series of video-conferences instead of a two-day physical meeting. The top priority was the fight against the coronavirus pandemic, notably through increasing production, delivery and deployment of vaccines. EU leaders reaffirmed the pharmaceutical companies' obligation to respect contractual delivery deadlines, and underlined the role of export authorisations. They confirmed the pro-rata population key for the allocation of vaccines and called on EU institutions to treat work on the proposed digital green certificate as a matter of urgency. Another highlight of the European Council meeting was the exchange of views with the President of the United States, Joe Biden – the first such meeting for 11 years – which focused on the coronavirus pandemic and common challenges. In addition, EU leaders reviewed recent work in the area of the single market, industrial policy and digital, and discussed the situation in the eastern Mediterranean and relations with Turkey. The Euro Summit video-conference discussed the international role of the euro.

1. Meeting format and new time-specific commitments

The President of the European Council, Charles Michel [acknowledged](#) that the change of format from a physical to a virtual meeting did not simplify decision-making on a number of difficult subjects and required thorough preparation. This change also impacted the agenda. On the one hand, it allowed US President Biden to attend the meeting as a guest. On the other hand, the strategic debate on Russia was postponed and turned into an information point only.

Table 1 – New European Council commitments and requests with a specific time schedule

Policy area	Action	Actor	Schedule
Digital taxation	Strive to reach a consensus-based solution within the framework of the OECD	Member States and EU	Mid-2021
Digital taxation	Put forward a proposal on a digital levy	Commission	First half of 2021
Russia	Hold a strategic debate	European Council	24-25 June 2021

2. European Council video-conference

Response to coronavirus pandemic

As flagged up in the [EPRS outlook](#), the fight against the pandemic again topped the meeting's agenda.

Progress on production, delivery and deployment of vaccines

The European Council [reiterated](#) its call for 'accelerating the production, delivery and deployment of vaccines', and stressed the need to intensify all efforts to this end. The President of the European Commission, Ursula von der Leyen, [outlined](#) that 88 million doses had now been delivered and

62 million doses were available to be administered in the EU. Considering the commitments from the different pharmaceutical companies, the EU is on track to achieve the goal of having 70% of the EU's adult population vaccinated by the summer. This could have been done faster 'if all pharmaceutical companies had fulfilled their contracts'. AstraZeneca is expected to deliver only 70 million doses in the second quarter instead of the 180 million set out in their contract. To increase production of Covid-19 vaccines the European Commission is organising a [matchmaking event](#) on 29-31 March 2021 for companies producing vaccines, or supplying the raw materials needed, in the EU.

Exports of Covid-19 vaccines

A potential EU 'export ban' for Covid-19 vaccines manufactured in the EU was heavily [debated](#) in the days running up to, and at the meeting itself. EU leaders underlined 'the importance of transparency as well as of the use of export authorisations' and reaffirmed that 'companies must ensure predictability of their vaccine production and respect contractual delivery deadlines'. President von der Leyen [stressed](#) that companies have first to honour their commitments to the EU before they can export to other parts of the world.

Main message of the Parliament's President: President David Sassoli [stressed](#) the need to 'speed up the distribution and administration of vaccines both inside and outside the EU. But it is time to apply the principles of reciprocity and proportionality before giving the green light to exports from the EU.'

Allocation of coronavirus vaccines

Under-delivery by AstraZeneca strongly impacted the allocation of coronavirus vaccines among Member States, as some had [chosen](#) a higher proportion of this vaccine in their portfolio than others. In response to the [criticism](#) from some Member States about the allocation of vaccines, EU leaders confirmed the European Commission's [methodology](#) of a 'pro-rata population key for the allocation of vaccines'. Nevertheless, they asked EU ambassadors (Coreper) to allocate the 10 million accelerated BioNTech-Pfizer doses in a 'spirit of solidarity'. Some EU leaders, such as Dutch Prime Minister, Mark Rutte, [indicated](#) that they were very much open to find a way to help Croatia, Bulgaria and Latvia in this respect, but that it is currently difficult to conclude that Austria has an issue.

Common EU approach to the lifting of restrictions

Due to the serious epidemiological situation, notably the variants of the virus, EU leaders confirmed that 'restrictions, including as regards non-essential travel, must therefore be upheld for the time being'. At the same time, the unhindered flow of goods and services within the single market also needed to be ensured. To provide some perspective, EU leaders stated that 'preparations should nevertheless start on a common approach to the gradual lifting of restrictions'. The European Council had first called for such a 'common approach' in [April 2020](#), with the Commission providing numerous [contributions](#) to safe border reopening, most recently on [17 March](#) 2021 with its 'common path'.

Digital green certificate

EU leaders called on EU institutions to advance with the legislative and technical work on the digital certificate 'as a matter of urgency'. Just prior to the video-conference, the European Parliament

The 'export authorisation mechanism'

With the objective of providing transparency of exports of Covid-19 vaccines to countries outside of the EU, the European Commission created on 30 January 2021 an export authorisation mechanism'.

Functioning

Vaccine exports are subject to prior authorisation by the national competent authority of the Member State in which the goods are manufactured.

Scope

The export authorisation mechanism only applies to exports from companies with which the EU has concluded advance purchase agreements (APAs): [AstraZeneca](#), [Sanofi-GSK](#), [Janssen Pharmaceutica NV](#), [BioNtech-Pfizer](#), [CureVac](#), and [Moderna](#).

On 21 March 2021, the Commission [introduced](#) new criteria for the mechanism, namely

Reciprocity – does the destination country restrict its own exports of vaccines or required raw materials?

Proportionality – are the conditions prevailing in the destination country better or worse than in the EU?

Timeframe

Originally to last until 12 March, it was [extended](#) until 30 June 2021.

Source: [European Commission](#).

[agreed](#) to use the [urgent procedure](#) (i.e. speeding up the legislative process by referring the proposal directly for adoption to the plenary, without nomination of a rapporteur, drafting a report or proposing amendments), to deal with the Commission's proposal on a 'digital green certificate'.

Global solidarity

EU leaders [stressed](#) that the European Union will continue to strengthen its global response to the pandemic, and called for rapidly advancing on the creation of a 'vaccine-sharing mechanism' to complement and support COVAX's role in the deployment of vaccines.

Single market, industrial policy, digital transformation and the economy

Single market, and industrial policy

In line with previous European Council [conclusions](#), EU leaders [highlighted](#) the need for an inclusive and sustainable recovery. They underscored the role of labour market and skills policies in the green and digital transitions. The European Council stressed the need to further accelerate these green and digital transitions with appropriate vehicles to support multi-country projects, as well as to strengthen the competitiveness and resilience of European industry, including SMEs.

Digital policy

Recalling its [conclusions](#) of 1-2 October 2020 and of [10-11 December 2020](#), the European Council welcomed the Commission's communication on the [2030 Digital Compass](#) and called on the Council to examine it and formulate policy guidelines. EU leaders reiterated their core objective of ensuring Europe's digital sovereignty and the need to enhance international outreach efforts on digital issues, while upholding all relevant [data protection](#) legislation. They invited the Commission to present the proposal for a [regulatory framework for artificial intelligence](#) and assess the progress made in establishing the sectoral data spaces as announced in the [European strategy for data of February 2020](#). The European Council called on the co-legislators to advance on the [digital services act](#), the [digital markets act](#), and the [data governance act](#) proposals to strengthen the digital single market.

EU leaders stressed the need to address urgently the tax challenges arising from the digitalisation of the economy, to ensure fairness and effectiveness. Despite [internal divisions](#), they reiterated their strong preference for and commitment to a global solution on international digital taxation.

European Semester

EU leaders welcomed the policy priority areas of the [annual sustainable growth strategy](#) and invited the Member States to reflect on them in their national [recovery and resilience plans](#).

External relations

EU-US relations

The discussion with President Biden on transatlantic relations aimed at showing unity and shaping a new EU-US agenda. President Biden [called](#) for 'closer cooperation on common challenges', whilst President Michel [stressed](#) that the EU and the US had a 'historic opportunity to re-energise [their] cooperation' and to 'deepen [their] historic bond'. A new transatlantic agenda emerged, focused on combating Covid-19, fighting climate change, democracy promotion, countering disinformation, and digitalisation. President Biden stressed the US's 'desire to work together on shared foreign policy interests, including China and Russia' and 'noted the need for continued EU-US- engagement on Turkey, the South Caucasus, eastern Europe, and the Western Balkans'. President Michel spoke of 'authoritarian tendencies morphed into new models' which 'threaten democracy, human rights and the rules based order'. He called for strengthened multilateralism, including in NATO, in which 'Europeans are determined to assume [their] fair share of the burden'.

Main message of the Parliament's President: President Sassoli stressed that a strong EU-US relationship was needed and 'renewed cooperation' would give impetus 'to our global leadership'.

Russia

President Michel [informed](#) the EU leaders of the latest developments in EU-Russia relations. The strategic debate on relations with Russia was postponed to the June 2021 European Council.

Eastern Mediterranean

The European Council held a discussion on the situation in the eastern Mediterranean and on relations with Turkey, thereby welcoming the joint communication on the '[State of play on EU-Turkey political, economic and trade relations](#)'. EU leaders reaffirmed the EU's interest in 'a stable and secure' eastern Mediterranean and 'mutually beneficial relations with Turkey'. They notably welcomed recent de-escalation efforts and the resumption of bilateral Greek-Turkish talks, whilst reaffirming their 'full commitment to a comprehensive settlement' of the Cyprus problem and expressing support to the upcoming negotiations under UN auspices with the EU as an observer. High Representative Josep Borrell was invited to continue work on the multilateral conference on the eastern Mediterranean, an [initiative](#) put forward by President Michel in October 2020.

The EU leaders confirmed the 'dual track' approach defined in [October](#) and [December 2020](#). Hence, [engagement](#) with Turkey will be 'phased, proportionate and reversible' in several areas of mutual interest such as economic cooperation, including the modernisation of the customs union, public health, people-to-people mobility, climate, counter-terrorism and migration. Regarding migration, they invited the Commission to present a proposal for a financial framework allowing a continued offer of EU financial assistance for Syrian refugees in Turkey, Jordan and Lebanon. EU leaders expect Turkey to play a positive role in solving the Libyan, Syrian and Southern Caucasus crises, and will 'remain vigilant on this matter'. President Michel [stressed](#) the conditionality aspect and suggested that 'more formal decisions' could be expected in June 2021 were a positive course of action to be maintained. The European Council stressed that 'recent decisions represent major setbacks for human rights' without specifically mentioning Turkey's recently announced withdrawal from the [Convention on Preventing and Combatting Violence Against Women and Domestic Violence](#). Prior to the meeting, the European Parliament had [warned](#) about the degradation of human rights and rule of law in Turkey, and called for including them on the EU's agenda with Turkey.

3. Euro Summit video-conference

EU leaders held a discussion with the President of the European Central Bank, Christine Lagarde, and the President of the Eurogroup, Paschal Donohoe, on the international role of the euro. They stressed the role of the Recovery and Resilience Facility and the need for a robust, inclusive and sustainable recovery with enhanced economic resilience. In order to achieve a sound European financial architecture, EU leaders emphasised the need to strengthen Economic and Monetary Union, to complete the Banking Union, and make progress towards a true Capital Markets Union. They will review progress towards these goals at their June 2021 meeting.

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