Council of the European Union

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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
Subject:	European Council meeting (10 and 11 December 2020) – Draft guidelines for conclusions

With a view to the forthcoming meeting of the European Council, delegations will find below the state of progress regarding the various topics on its agenda. Where possible, first indications are given on the elements the President of the European Council intends to include in the draft of the conclusions.

Member States are invited to provide their reactions, in order to help guide the preparations for the draft European Council conclusions which will be submitted in one week.

In the margins of the December meeting the members of the European Council will hold a Leaders Meeting with members of the African Union Bureau, the Chairperson of the African Union Commission and the Chairpersons of the Regional Economic Communities. At the start of the European Council meeting, the Member of the European Council representing the Member State holding the six-monthly Presidency of the Council will provide an overview of progress on the implementation of earlier European Council conclusions.

I. COVID-19

The European Council will take stock of the situation and discuss the overall coordination effort in response to the COVID-19 pandemic, including the development and deployment of vaccines, the use and mutual recognition of testing and their results, and the gradual lifting of restrictions.

It will also highlight the need to pursue work to increase resilience in the health area, including by making full use of the potential of health data in Europe.

Looking beyond the EU, the European Council will discuss further steps in ensuring affordable and fair access to vaccines for all. In view of better anticipating and managing potential future pandemics, it will also examine international cooperation and how to reinforce it including through a possible international Treaty on pandemics, within the framework of the United Nations and the World Health Organisation.

II. CLIMATE CHANGE [*Draft conclusions*]

1. To meet the objective of a climate-neutral EU by 2050 in line with the objectives of the Paris Agreement, the EU needs to increase its ambition for the coming decade and update its climate and energy policy framework. To that end, the European Council endorses a binding EU target of a net reduction of at least 55% in domestic greenhouse gas emissions by 2030 compared to 1990. It calls on the co-legislators to reflect this new target in the European Climate Law proposal and to adopt the latter swiftly.

2. Raising our climate ambition will spur economic growth, create jobs, deliver health and environmental benefits for EU citizens, and contribute to the long-term global competitiveness of the EU economy by promoting innovation in green technologies.

3. The target will be delivered collectively by the EU in the most cost-effective manner possible. All Member States will participate in this effort, taking into account considerations of fairness and solidarity. The new 2030 target needs to be achieved in a way that preserves the EU's competitiveness and takes account of Member States' national circumstances. The European Council acknowledges the need to ensure security of energy supplies at an affordable price, and to respect the right of the Member States to decide on their energy mix.

4. Public finance and private capital must be mobilised to address the significant investment needs stemming from this increased ambition. The economic response to the coronavirus crisis offers the opportunity to accelerate the sustainable transformation and modernisation of our economies and to gain a competitive advantage. Full use must be made of the MFF/NGEU package, including the Just Transition Mechanism. As agreed in July 2020, climate action will be mainstreamed in policies and programmes financed under the MFF and NGEU. An overall climate target of at least 30% will apply to the total amount of expenditure from the MFF and NGEU and be reflected in appropriate targets in sectoral legislation.

5. The EU should promote the development of common, global standards for Green finance. The European Council invites the Commission to put forward a legislative proposal for an EU green bond standard by June 2021 at the latest. It also welcomes the EIB Group Climate Bank Roadmap 2021-25, which will contribute to meeting its commitment to support EUR 1 trillion of climate and environmental investments by 2030.

6. The European Council invites the Commission to assess how all economic sectors can best contribute to the 2030 target and to make the necessary legislative proposals accompanied by an examination of the economic, environmental and social impact at Member States' level. The Commission is invited to consider in particular:

- exploring the ways to reform the ETS system while preserving its integrity, in particular to strengthen carbon pricing policies, and taking into account the need to address distributional concerns and energy poverty. The Modernisation Fund will address increased investment needs to accelerate the transition to climate neutrality and to modernise their energy systems;
- enhancing the potential reductions in sectors which will not be covered by the ETS;
- introducing a Carbon Border Adjustment Mechanism to ensure the environmental integrity of EU policies and avoid carbon leakage in a WTO-compatible way.

7. The EU's Nationally Determined Contribution will be updated according to the new binding target and submitted to the UNFCCC secretariat by the end of the year. Ahead of COP 26, the European Council calls upon all other Parties, in particular major economies, to come forward with their own ambitious targets and policies.

8. On trade, future comprehensive trade agreements should be consistent with the EU's climate ambition.

III. SECURITY

The European Council will address security issues, focusing on the fight against terrorism and violent extremism, including online. With regard to fighting illegal content online, the European Council will welcome the Commission proposal for a Digital Services Act that will reinforce the responsibilities of online platforms.

Drawing on the joint statement by the EU Home Affairs ministers of 13 November the European Council is expected to:

- condemn recent terrorist attacks, affirming its solidarity in the fight against terrorism and upholding our common values;

- call for taking forward work on the Commission's proposed EU agenda on counter-terrorism, discuss further steps in the field of police cooperation and coordination, including the proposal to reinforce Europol's mandate, preventing violent extremism and combating terrorism, and illegal content online. It will call for the swift adoption of the proposal on preventing the dissemination of terrorist content online;
- call for stepping up drastically the implementation of agreed measures which, together with new steps in police cooperation and coordination and reinforced external borders, will improve the proper functioning of the Schengen area.

IV. EXTERNAL RELATIONS

The European Council is expected to:

- revert to the situation in the Eastern Mediterranean and relations with Turkey in line with its conclusions of October 2020;
- hold a discussion on EU relations with the Southern Neighbourhood, following the 25th anniversary of the Barcelona process. Conclusions will recall the importance of the EU's relations with Southern Neighbourhood countries and look forward to the upcoming Joint Communication on a renewed partnership.

In the light of events, the European Council may address other specific foreign policy issues.

p.m.: appointment of the ECB Executive Board member
p.m.: EU-US relations
p.m.: Trade will be tackled at a later stage in 2021