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OUTCOME OF THE COUNCIL MEETING

3785th Council meeting

Foreign Affairs

Items approved by written procedure between 25 January and 22 February 2021

Brussels, 22 February 2021

President Josep Borrell

High Representative for Foreign Affairs and Security

Policy

PRESS

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none

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[•] Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.

[•] Documents for which references are given in the text are available on the Council's internet site (http://www.consilium.europa.eu).

[•] Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's internet site or may be obtained from the Press Office.

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ITEMS DEBATED

OTHER ITEMS APPROVED

Temporary derogation from the Council's rules of procedure

Due to exceptional circumstances related to the COVID-19 pandemic, on 23 April 2020 the Council agreed on a temporary derogation from its rules of procedure to make it easier to take decisions by written procedure. The temporary derogation is currently in force until 19 Mars 2021 (2021/26). It may be renewed if justified by a continuation of the current exceptional circumstances.

The derogation allows member states' EU ambassadors sitting in the Committee of Permanent Representatives (Coreper) to decide to use the written procedure in accordance with the voting rule applicable to the adoption of the act itself. It means that the requirement for unanimity for all decisions adopted using the written procedure no longer applies. The objective is to facilitate the use of the written procedure to help ensure the continuity of Council business.

For more information on the temporary derogation, see the <u>press release</u>.

As the latest formal Council meeting was held on 24 January, results of written procedures concluded between 25 January and 22 February 2021, which would otherwise have been communicated in Outcomes of Council meetings, are presented below. Results which have been communicated by means of a Council press release are not included.

FOREIGN AFFAIRS

Sanctions on Zimbabwe renewed

The Council adopted a decision amending decision 2011/101/CFSP, and a regulation amending regulation (EC) No 314/2004, and approved the notice for attention of the persons, bodies and entities to whom sanctions may apply, to be published in the Official Journal. These measures renew the sanctions against specific Zimbabwean entities and persons, which will now remain in place until 20 February 2022. Sanctions against three persons remain suspended and one deceased person has been deleted from the sanctions list.

The sanctions were first introduced in 2002 after the Council expressed grave concern over the human rights violations being committed by the Zimbabwean government.

- 2020 Council press release on sanctions on Zimbabwe
- Council decision 2011/101/CFSP
- Council regulation (EC) No 314/2004

Position of the European Union at the 7th meeting of the EU-Ukraine Association Council

The Council approved the position to be taken by the EU at the 7th meeting of the EU-Ukraine Association Council that took place in Brussels on 11 February 2021.

Implementation of operations under the 8th, 9th, 10th and 11th European development funds for the 2019 financial year

The Council adopted recommendations on the discharge to be given by the European Parliament to the Commission in respect of the implementation of operations under the 8th, 9th, 10th and 11th European development funds for the 2019 financial year.

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INTERNAL MARKET

Council conclusions on special report No 24/2020 from the European Court of Auditors

On 8 February 2021, the Council adopted a set of conclusions on special report No 24/2020 from the European Court of Auditors, 'The Commission's EU merger control and antitrust proceedings: a need to scale up market oversight'.

In these conclusions, the Council acknowledges the importance of the enforcement of EU competition rules for the proper functioning and competitiveness of the EU's internal market and as a key driver of improvements in the well-being of EU citizens, businesses and European society as a whole. The Council also takes note of the Commission's observations on the Court's findings and recommendations, and qualifies the report as a useful contribution to reflections on the part of the Commission and member states on how to further improve EU competition rules and their enforcement (5602/21).

RESEARCH

EU-CELAC 2021-2023 strategic roadmap and action plan

On 9 February 2021, the Council authorised the Commission to enter into negotiations on two non-binding instruments, the EU-CELAC¹ 2021-2023 strategic roadmap for the implementation of the Brussels declaration and the EU-CELAC action plan on science, technology and innovation.

The strategic roadmap is expected to include a list of discussion points relating to priority areas for cooperation between the EU and CELAC, such as mobility of researchers, research infrastructure, health research, the green transition, the digital transformation, innovation and open access. It should have no legally binding or financial implications for the EU (5562/21).

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Community of Latin American and Caribbean States.

JUSTICE AND HOME AFFAIRS

EU-Afghanistan cooperation on migration

The Council authorised the signing and approved the text of a joint declaration on cooperation between Afghanistan and the EU in the area of migration.

The aim of the declaration is to ensure continued cooperation with Afghanistan on the return of Afghan nationals who do not fulfil the conditions for staying in the EU. It succeeds and builds on the joint way forward on migration issues concluded between Afghanistan and the EU in 2016. The joint declaration is a non-binding instrument which does not create any legal obligations.

Bonn agreement

The Council adopted a decision on the conclusion of amendments to the Bonn agreement extending its scope of application and providing for the accession of Spain to the agreement (11487/20, 11490/20, 11493/20).

The Bonn agreement aims to promote cooperation and mutual assistance in combating pollution of the North Sea area resulting from oil and other harmful substances, in order to protect the marine environment and safeguard coastal areas.

European Public Prosecutor's Office – appointment of European prosecutors

The Council approved the replies to the requests submitted by Svetlana Shopova-Koleva and Isabel Vicente Carbajosa.

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ECONOMIC AND MONETARY AFFAIRS

Financial benchmarks

On 2 February 2021, the Council adopted amendments to the benchmark regulation in order to take account of the termination of certain financial benchmarks (PE-CONS 63/20).

The amendments have been made in view of the expected phasing-out of the London Inter-Bank Offered Rate (LIBOR) by the end of 2021. The aim of the new rules is to reduce legal uncertainty and avoid risks to financial stability by making sure that a statutory replacement rate is ready to be put in place when a systemically important benchmark goes out of use.

Under the new framework, the Commission will have the power to replace benchmarks designated as critical, i.e. those which could affect the stability of financial markets in the EU, and other benchmarks, if their termination would result in significant disruption to the functioning of EU financial markets. The Commission will also be able to replace benchmarks from non-EU countries if their termination would result in significant disruption to the functioning of financial markets or pose a systemic risk for the EU financial system.

The new rules also cover the replacement through national legislation of benchmarks designated as critical in one member state only.

In addition, the amendments to the benchmark regulation extend the transition period for the use of benchmarks from non-EU countries until the new rules governing the use of such benchmarks come into force. EU supervised entities will be able to use these benchmarks until the end of 2023. The Commission may further extend this period until the end of 2025 in a delegated act to be adopted by 15 June 2023, if it presents, by that date, a report providing evidence that this is necessary.

Read the <u>press release</u>.

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Technical support instrument

On 2 February 2021, the Council adopted a regulation establishing a technical support instrument (PE-CONS 61/20) that will help member states to implement reforms.

The instrument is the successor to the structural reform support programme (SRSP) coordinated by the Commission. It will ensure that the Commission can continue to provide tailor-made expertise on specific, tangible issues and support member states in improving their institutional and administrative capacity to develop and implement reforms which will contribute to growth. The programme will, in particular, support member states in the preparation and implementation of their recovery and resilience plans under the Recovery and Resilience Facility.

The instrument will have a budget of €864 million for the period 2021-2027 (in current prices). Member states will also be able to make additional contributions.

Pericles IV

On 8 February 2021, the Council decided to request the European Parliament's consent on the draft Council regulation extending to non-participating member states the application of the regulation establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2021-2027 (the Pericles IV programme) (1594/21 + 13255/1/20 REV 1).

Recovery and Resilience Facility

On 11 February 2021, the Council adopted a regulation establishing the Recovery and Resilience Facility (PE-CONS 75/20). The facility will make €672.5 billion in grants and loans available for public investment and reforms in the 27 member states. The aim is to help member states to address the impact of the COVID-19 pandemic, to promote the green and digital transitions and to build resilient and inclusive societies.

Member states will receive support from the facility on the basis of their national recovery and resilience plans, which will need to set out a coherent package of reforms and investment projects, covering six policy areas relevant at EU level. Support will be linked to country-specific recommendations issued under the European Semester. National plans must allocate at least 37% of their total budget to supporting the green transition and at least 20% to the digital transformation. Member states will also need to ensure that adequate systems are put in place to prevent, detect and address corruption, fraud and conflicts of interest.

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Member states have, in principle, until 30 April to submit their recovery and resilience plans to the Commission. The Commission will then, in general, have up to two months to assess the plans, following which the Council will have four weeks to adopt its decision on the final approval of each plan.

Member states will be able to benefit from pre-financing of up to 13% of the grants and loans provided for in their plans approved in 2021. The EU's own resources decision must first, however, be ratified in all member states, as it is this decision that authorises the Commission to borrow on the capital markets to address the consequences of the COVID-19 crisis.

Read the <u>press release</u>.

Implementing measures for the EU system of own resources

On 12 February 2021, the Council decided to request the European Parliament's consent on the draft Council regulation laying down implementing measures for the EU system of own resources $(\underline{1738/21} + \underline{10045/20})$.

Capital market recovery package

On 15 February 2021, the Council adopted targeted amendments to directive 2014/65/EU on markets in financial instruments (MiFID II) (PE-CONS 71/20) and the prospectus regulation (PE-CONS 72/20) to facilitate the recapitalisation of EU companies on financial markets in the wake of the COVID-19 crisis.

Together with adaptations to the EU's securitisation framework, these measures form part of the capital markets recovery package agreed between the Council and the European Parliament at the end of 2020. The aim of the package is to make it easier for capital markets to support economic recovery from the pandemic.

The MiFID II rules have been amended to simplify information requirements in a targeted manner, while safeguarding investor protection. The new rules will also allow banks and financial firms to bundle research and execution costs when research is conducted on small and mid-cap issuers. Other changes include adjustments to the position limit regime for commodity derivatives designed to support the emergence and growth of euro-denominated commodity derivatives markets.

The main purpose of amending the prospectus regulation was to establish a new EU recovery prospectus. This shorter prospectus will make it easier for companies to raise capital to meet their funding needs, while ensuring that adequate information is provided to investors.

Read the <u>press release</u>.

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Export credits for civil aircraft

On 15 February 2021, the Council adopted a decision on the position to be taken by the EU in the written procedure in which the participants to the aircraft sector understanding on export credits for civil aircraft are to decide on the proposed common line (5327/21 + 5390/21).

The EU is proposing a common line which would allow purchasers of new aircraft and purchasers of spare engines and spare parts to defer repayment of loan principal for 12 months following the delivery of the purchased goods or, if certain conditions are satisfied, for 18 months.

The aim of the common line is to address the short-term liquidity issues being faced by operators and buyers of new aircraft and engines as a result of the ongoing COVID-19 crisis.

BUDGETS

Discharge procedure for the 2019 EU budget

On 16 February 2021, the Council adopted a recommendation on the discharge to be given by the European Parliament to the Commission for the implementation of the 2019 EU budget (5792/21 ADD 1). The recommendation was prepared on the basis of the Court of Auditors' annual report on the implementation of the budget, published in November 2020.

The court concluded, in this report, that the revenue for the 2019 financial year was legal and regular and free from material error. The court issued an adverse opinion on the legality and regularity of expenditure, however, after finding that high-risk expenditure (mainly spending on a reimbursement basis, which is subject to complex rules) is increasingly affected by material error and represents over half of the audit population. The court therefore considered, unlike in the previous three years, the error in expenditure to be pervasive.

In the light of the court's report, the Council recommendation included a specific section addressing this issue.

The Council also adopted recommendations on the discharge to be given to the directors of the EU's 32 decentralised agencies (5793/21 ADD 1), 6 executive agencies (5794/21 ADD 1) and 8 joint undertakings (5795/21 ADD 1) for the implementation of their 2019 budgets. These recommendations take account of the court's 2019 annual reports on EU agencies and joint undertakings.

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Budget guidelines for 2022

On 16 February 2021, the Council adopted conclusions on the budget guidelines for 2022 (5791/21). The guidelines are intended as input for the Commission when it prepares the draft EU budget for 2022, which will be submitted to the European Parliament and to the Council and subject to their negotiations.

The budgetary guidelines underline that the budget for 2022 will play an important role in the development and delivery of the EU's long-term objectives and political priorities. Boosted by financing from the Next Generation EU (NGEU) recovery instrument, it will contribute, in particular, to the economic recovery from the COVID-19 pandemic.

The Council considers that the budget for 2022 should be realistic, should correspond to actual needs, and should ensure prudent budgeting, leaving sufficient margin under the ceilings set out in the multiannual financial framework (MFF) to deal with unforeseen circumstances. At the same time, it should provide sufficient resources to ensure the implementation of EU programmes and to allow commitments already made under the current and previous MFF to be paid in due time. The level of outstanding commitments should be continuously monitored.

With regard to administrative expenditure, the Council calls on all EU institutions, bodies, offices and agencies to present, by the end of 2021, a comprehensive and targeted approach that will ensure the optimisation of staff resources at the 2020 level, in line with the July 2020 European Council conclusions. It also stresses the importance of keeping the funding of decentralised agencies under strict control.

The Council calls on the Commission to provide all relevant information on funding from the NGEU in order to guarantee full transparency and visibility. It also calls on the Commission to regularly inform member states of the assigned revenue entered in the budget, including from the NGEU and the Trade and Cooperation Agreement with the UK. The Council stresses the importance of transparency as regards the financing costs of the NGEU.

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ENVIRONMENT

Global alliance on circular economy and resource efficiency

The Council authorised the Commission to launch a global alliance on circular economy and resource efficiency as a non-binding instrument setting out political commitments.

The purpose of the global alliance is to identify gaps in knowledge and governance that need to be addressed in order to develop a global circular economy and take forward partnership initiatives, including with major economies. It is expected to be launched in the margins of the first segment of the fifth meeting of the UN Environment Assembly (UNEA-5.1, Nairobi, 22-23 February 2021, online meeting).

TRANSPORT

International Civil Aviation Organization (ICAO) – EU coordination

On 8 February 2021, the Council approved, by written procedure, an information note recommending the adoption of an EU position for the 222nd session of the International Civil Aviation Organization (ICAO) Council (5638/21 ADD1). The note relates to items of EU interest in the areas of strategic objectives, safety, aviation security and facilitation and environmental protection.

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TELECOM

Global partnership on artificial intelligence

On 15 February 2021, the Council agreed, by written procedure, that the Commission would sign a letter of intent with a view to the EU joining the global partnership on artificial intelligence (5952/21).

Measures to address socio-economic consequences of COVID-19

The Council adopted, by written procedure, a regulation amending EU regulation No 223/2014 as regards the introduction of specific measures for addressing the COVID-19 crisis. The objective of the regulation is to respond to the impact of the COVID-19 outbreak and to address in particular the socio-economic consequences for the most deprived persons (1468/21, PE-CONS 51/20).

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EDUCATION

Strategic framework for European cooperation in education and training: European education area

The Council approved, by written procedure, a Council resolution on a strategic framework for European cooperation in education and training (for 2021-2030). The resolution sets out five strategic priorities:

- improving quality, equity, inclusion and success for all in education and training
- making lifelong learning and mobility a reality for all
- increasing competence and motivation in the education profession
- strengthening European higher education
- supporting the green and digital transitions in and through education and training

The resolution also includes concrete suggested actions for all five priorities as well as indicative EU level targets, such as: reducing the proportion of students with a low level of basic and digital skills, reducing the proportion of early leavers from education (to below 9% in 2030), increasing the proportion of students with tertiary level education or above (1586/21, 6125/21 REV 2).

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FISHERIES

Fishing opportunities for certain fish stocks in the Mediterranean and Black Seas

The Council adopted, by written procedure, a regulation fixing for 2021 the fishing opportunities for certain fish stocks and groups of fish stocks in the Mediterranean and Black Seas (1293/21, 13459/20).

Fishing opportunities for certain fish stocks in EU and certain non-EU waters

The Council adopted, by written procedure, a regulation fixing for 2021 the fishing opportunities for certain fish stocks and groups of fish stocks in EU waters and, for EU fishing vessels, in certain non-EU waters (1296/21, 14278/20, + ADD 1 + ADD 2).

Fishing opportunities for EU fishing vessels for certain deep-sea fish stocks

The Council adopted, by written procedure, a regulation fixing for 2021 and 2022 the fishing opportunities for EU fishing vessels for certain deep-sea fish stocks (1298/21, 14271/20).

TRANSPARENCY

Public access to documents

On 15 February 2021, the Council adopted by written procedure the reply to confirmatory application No 01/c/01/21(see CM 1454/21).

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TRADE

EU-UK Trade and Cooperation Agreement – notifications

The Council approved the notification made by the EU in accordance with the EU-UK Trade and Cooperation Agreement (5501/2/21).

EU-UK Trade and Cooperation Agreement – EU position on end date for provisional application

The Council adopted a decision on the position to be taken on behalf of the EU within the partnership council established by the EU-UK Trade and Cooperation Agreement as regards the date on which provisional application of the agreement is to cease. To allow sufficient time to complete the legal-linguistic revision of the agreement in all 24 languages, the EU requests that the provisional application period be extended until 30 April 2021 (6080/21).

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