



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2020) 2329 final

- *English language version of the French text which is authentic* -

Brussels, 8 April 2020

TEXTE EN

MINUTES

**of the 2329th meeting of the Commission
held in Brussels
(Berlaymont)
on Tuesday 10 March 2020
(afternoon)**

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- *English language version of the French text which is authentic* -

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Single sitting: Tuesday 10 March 2020 (afternoon)

The sitting opened at 12.05 with Ms von der LEYEN, President, in the chair.

Present:

Ms von der LEYEN	President	
Mr TIMMERMANS	Executive Vice-President	
Ms VESTAGER	Executive Vice-President	
Mr DOMBROVSKIS	Executive Vice-President	
Mr BORRELL i FONTELLES	High Representative/ Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Ms JOUROVÁ	Vice-President	
Ms ŠUICA	Vice-President	
Mr SCHINAS	Vice-President	
Mr HAHN	Member	
Mr HOGAN	Member	
Ms GABRIEL	Member	
Mr SCHMIT	Member	
Mr GENTILONI	Member	
Mr WOJCIECHOWSKI	Member	
Mr BRETON	Member	
Ms FERREIRA	Member	
Ms KYRIAKIDES	Member	Items 8/11 (in part) and 12
Mr REYNDERS	Member	
Ms DALLI	Member	
Ms JOHANSSON	Member	
Mr LENARČIČ	Member	Items 8/11 (in part) and 12
Ms VÁLEAN	Member	Items 1 to 8/11 (in part)
Mr VÁRHELYI	Member	
Ms URPILAINEN	Member	
Ms SIMSON	Member	
Mr SINKEVIČIUS	Member	

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The following also sat in:

Mr SEIBERT	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Ms AHRENKILDE HANSEN	Director-General, DG Communication	
Mr MAMER	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	Items 8/11 (in part) and 12
Mr LEARDINI	Deputy Secretary-General	
Ms GAUER	Deputy Secretary-General	Items 8/11 (in part)
Mr FLOSDORFF	Executive Adviser in the PRESIDENT's Office	Items 8/11 (in part) and 12
Ms PETKOVA	Director of Coordination and Administration in the PRESIDENT's Office	
Mr WHELAN	Adviser in the PRESIDENT's Office	Items 8 to 11
Ms TOVSAK PLETESKI	Adviser in the PRESIDENT's Office	Items 8 to 11
Ms VILA NUÑEZ	Policy Coordinator in the PRESIDENT's Office	
Mr SMITH	Policy Coordinator in the PRESIDENT's Office	Items 8 to 11
Ms VEGNERE	Deputy Chef de cabinet to Mr DOMBROVSKIS	Items 8/11 (in part)
Mr MOUTARLIER	Chef de cabinet to Mr BRETON	Items 8 to 11
Ms OJALA	Deputy Chef de cabinet to Ms KYRIAKIDES	Items 1 to 8/11 (in part)
Mr ROSSIDES	Chef de cabinet to Ms KYRIAKIDES	Item 12 (in part)
Mr MALGAJ	Chef de cabinet to Mr LENARČIČ	Items 1 to 8/11 (in part) and 12 (in part)
Mr NEGREANU ARBOREANU	Deputy Chef de cabinet to Ms VĂLEAN	Items 8/11 (in part) and 12
Mr HEMMELGARN	Secretariat-General	
Mr SPINANT	Commission Spokesperson's Service	Items 8/11 (in part) and 12 (in part)

Secretary: Ms JUHANSONE, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

1. AGENDAS

(OJ(2020) 2329/FINAL; SEC(2020) 2329/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2020) 2329)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 9 March 2020.

3. APPROVAL OF THE MINUTES OF THE 2326TH, 2327TH AND 2328TH MEETINGS OF THE COMMISSION (19 AND 26 FEBRUARY, AND 4 MARCH 2020)

The Commission held over approval of the minutes of its 2326th, 2327th and 2328th meetings for a later meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2020) 35)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 6 March 2020 (RCC(2020) 35).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Trilogues

(point 3.1 of the IRG record)

- Streamlining measures for advancing the realisation of the trans-European transport network (Regulation) – RIQUET report – 2018/0138 (COD)

The Commission approved the line set out in SI(2020) 67.

- Rail passengers' rights and obligations (Regulation – recast) – LIBERADZKI report – 2017/0237 (COD)

The Commission approved the line set out in SI(2020) 68/2.

ii) European Parliament dossiers

(point 3.2 of the IRG record)

Ordinary legislative procedure – First reading

- Amendment of Regulation (EU) 2016/1139 as regards the introduction of capacity limits for Eastern Baltic cod, data collection and control measures in the Baltic Sea, and Regulation (EU) 508/2014 as regards permanent cessation for fleets fishing for Eastern Baltic cod (Regulation) – HERBST report – 2019/0246 (COD)

The Commission approved the line set out in SP(2020) 91.

Implementing acts and measures

- Authorisation for the placing on the market of products containing, consisting of or produced from genetically modified soybean MON 87708 × MON 89788 × A5547-127, pursuant to Regulation (EC) 1829/2003 of the European Parliament and of the Council (Commission Implementing

Decision) – 2020/2535 (RSP) – Objection pursuant to Rule 112 of the European Parliament's Rules of Procedure

The Commission took note of SP(2020) 115.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iii) Programming of Council business

(SI(2020) 83)

The Commission took note of the information in SI(2020) 83 on the Council meetings between 12 and 25 March 2020.

4.3. RELATIONS WITH PARLIAMENT

iv) Preparations for the plenary session of March 2020

(point 5.1.1 of the IRG record)

- Banking Union – Annual Report 2019 – MARQUES report – 2019/2130 (INI)

The Commission took note of SP(2020) 85.

v) Action taken on the non-legislative resolutions adopted by Parliament at its December II 2019 part-session

(point 5.6.1 of the IRG record)

The Commission approved document SP(2020) 105/2 on the action taken on the non-legislative resolutions adopted by Parliament at its December II 2019 part-session, for transmission to Parliament.

vi) Action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its January I and February 2020 part-sessions

(point 5.6.2 of the IRG record)

The Commission approved document SP(2020) 94 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its January I and February 2020 part-sessions, for transmission to Parliament.

4.4. RELATIONS WITH NATIONAL PARLIAMENTS, THE OTHER INSTITUTIONS AND BODIES, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS

vii) Follow-up to Committee of the Regions opinions – October 2019 plenary session

(point 6.4.2 of the IRG record)

The Commission approved document SR(2020) 4/2 on the action taken by the Commission on the opinions adopted by the Committee of the Regions at its session of October 2019, for transmission to the Committee of the Regions.

5. COORDINATION OF EXTERNAL ACTION (RCC(2020) 40/2)

The Commission took note of the operational conclusions in RCC(2020) 40/2 of the meeting of the Group for External Coordination (EXCO) held on Wednesday 4 March 2020.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED (SEC(2020) 99 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 6 March 2020.

6.2. EMPOWERMENT

(SEC(2020) 100 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 6 March 2020.

6.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2020) 101 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 2 and 6 March 2020 archived in Decide.

6.4. SIGNIFICANT WRITTEN PROCEDURES

(SEC(2020) 102)

The Commission took note of the significant written procedures for which the time limit expired between 9 and 13 March 2020 and of the finalisation written procedure initiated following the weekly meeting of Chefs de cabinet on Monday 9 March 2020.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2020) 103)

ADMINISTRATIVE MATTERS

(PERS(2020) 13/2)

**7.1. DG EUROPEAN CIVIL PROTECTION AND HUMANITARIAN AID
OPERATIONS (ECHO) – APPOINTMENT OF AN AD14/15 DIRECTOR
(PERS(2019) 120 TO /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the 'Sub- Saharan Africa,

Asia, Latin America and Pacific' Directorate in DG European Civil Protection and Humanitarian Aid Operations (ECHO) (PERS(2019) 120).

It took note of the opinions of the Consultative Committee on Appointments of 21 November 2019 and 30 January 2020 (PERS(2019) 120/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Mr LENARČIČ, it then decided to appoint Ms Andrea KOULAIMAH to the post.

This decision would take effect on a date to be determined.

**7.2. EUROPEAN PERSONNEL SELECTION OFFICE (EPSO) –
APPOINTMENT OF AN AD14/15 DIRECTOR
(PERS(2019) 103 TO /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) and 29(1)(b) of the Staff Regulations for the post of Director of the European Personnel Selection Office (EPSO) (PERS(2019) 103).

It took note of the opinions of the Consultative Committee on Appointments of 16 October and 14 November 2019 (PERS(2019) 103/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr HAHN, in agreement with the PRESIDENT, it then decided to appoint Ms Mina VUORIO to the post.

This decision would take effect on a date to be determined.

**7.3. DG RESEARCH AND INNOVATION – APPOINTMENT OF AN AD14
DIRECTOR**

On a proposal from Mr HAHN, in agreement with the PRESIDENT and after

consulting Ms GABRIEL and Mr BRETON, the Commission decided:

- to terminate the secondment in the interest of the service, under Articles 37 and 38 of the Staff Regulations, of Mr Julien GUERRIER to the post of Executive Director of the Executive Agency for Small and Medium-sized Enterprises (EASME);
- to transfer in the interest of the service, under Article 7 of the Staff Regulations, Mr Julien GUERRIER from his post of Principal Adviser/Executive Director of EASME in DG Internal Market, Industry, Entrepreneurship and SMEs, to the post of Director of the ‘Policy & Programming Centre’ Directorate in DG Research and Innovation.

This decision would take effect on a date to be determined.

7.4. DG NEIGHBOURHOOD AND ENLARGEMENT NEGOTIATIONS – AMENDMENT OF THE ORGANISATION CHART

On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Mr VÁRHELYI, the Commission decided:

- to create a temporary post of adviser hors classe in DG Neighbourhood and Enlargement Negotiations; this post would be abolished upon the departure of the job-holder;
- to reinstate Mr Stefano SANNINO, currently on leave on personal grounds under Article 40 of the Staff Regulations, to this newly created post;
- to agree to the transfer of Mr Stefano SANNINO to the European External Action Service (EEAS).

These decisions would take effect on 1 April 2020.

**7.5. DG COMMUNICATION NETWORKS, CONTENT AND TECHNOLOGY
– LIST OF CANDIDATES FOR THE AD14 POST OF EXECUTIVE
DIRECTOR OF THE EUROPEAN HIGH-PERFORMANCE
COMPUTING JOINT UNDERTAKING (EuroHPC JU)**

On a proposal from Mr HAHN, in agreement with the PRESIDENT, the Commission decided:

- to approve the list of three candidates, presented in alphabetical order, set out in point 5 of PERS(2020) 13/2, for the post of Executive Director of the European High-Performance Computing Joint Undertaking (EuroHPC JU), and to consider this list as the Commission proposal;
- to ask the Member of the Commission responsible, Mr HAHN, to communicate this decision to the Governing Board of the European High-Performance Computing Joint Undertaking.

These decisions would take effect immediately.

**8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE
COMMITTEE OF THE REGIONS – A NEW INDUSTRIAL STRATEGY FOR
EUROPE**

(COM(2020) 102 TO /3; RCC(2020) 39)

**9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND
SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS – AN
SME STRATEGY FOR A SUSTAINABLE AND DIGITAL EUROPE
(COM(2020) 103 TO /3; RCC(2020) 39)**

- 10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS – IDENTIFYING AND ADDRESSING BARRIERS TO THE SINGLE MARKET (COM(2020) 93 TO /3; SWD(2020) 54 AND /2; RCC(2020) 38)**
- 11. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS – LONG TERM ACTION PLAN FOR BETTER IMPLEMENTATION AND ENFORCEMENT OF SINGLE MARKET RULES (COM(2020) 94 TO /3; RCC(2020) 38)**

Ms VESTAGER presented to the College a series of communications submitted for approval, the aim of which was to devise a new strategy to help European industry successfully complete the twin climate and digital transitions while remaining competitive in a global sense. These communications consisted of an industrial strategy for Europe, a strategy for small and medium-sized enterprises (SMEs), a communication on the elimination of barriers to the single market and a long-term action plan for better implementation and enforcement of single market rules.

She differentiated the industrial strategy proposed that day from previous ones in that it incorporated the parameters of the climate and digital transitions and was based on an inclusive working method.

This twin transition opened up possibilities just as much as it presented challenges, for industry in general and SMEs in particular, for example because it meant that business models would have to be fundamentally overhauled. She noted that, in a changing world, international competition, trade disputes and the return of protectionism created a feeling of uncertainty and represented a challenge for European industry, which would have to transform in order to handle the ecological and digital transition. She noted, however, that Europe was starting from a strong position thanks to its solid industrial base.

Referring to another new feature of the proposed industrial strategy, she explained that the inclusive nature of the recommended method aimed to involve all players in the transition, whether they be small or large enterprises, Member States, the research community, universities, social partners or other EU institutions. To this end, the Commission would create a new tool – the ‘industrial forum’ – which would work together with all of these stakeholders in order to analyse industrial requirements and identify industrial ecosystems that called for a specific approach.

Ms VESTAGER recalled that industry needed a fully operational single market and a level playing field in order to reach its full potential. Seventy per cent of European enterprises considered that the single market was not sufficiently integrated and that a number of barriers to trade were still preventing young, innovative businesses from growing into true European enterprises. It was for this reason that the communication on the elimination of barriers to the single market precisely identified those barriers, for which the long-term action plan for better implementation and enforcement of single market rules suggested corrective measures.

She stressed the importance of ensuring a level playing field so that enterprises could reap the full benefits of the single market and remain competitive internationally. Although the EU’s competition rules had served the single market well, in view of the ecological and digital transition, a re-evaluation was called for to check that they were still suited to today’s needs. The Commission had been working for two years on a possible overhaul of those rules.

Ms VESTAGER also felt that Europe would have to join forces to achieve collectively what no Member State could manage alone. She gave the example of highly innovative research projects which involved a high degree of risk and therefore EU-wide investment combining public and private financing. This was precisely the formula, used in major projects of common European interest, which had already enabled two strategic projects to be brought to fruition in the fields of microelectronics and battery recycling.

She concluded by emphasising that the EU's industrial strategy must allow European enterprises to reap the full benefits of the ecological and digital transition, without setting Europe against its international partners but instead allowing it to act as a partner that was strong and confident in the future.

Mr DOMBROVKIS saw the single market as one of the EU's crowning achievements, which gave it real negotiating power to conclude trade agreements. In this context, he felt it was essential for the EU to continue to support the rules-based and multilateralism-based international system, while developing trade defence instruments and mechanisms such that it could protect itself against unfair competition from third countries and ensure a level playing field.

He also announced that, this year, the Commission would seek the best means of strengthening its procedures and anti-subsidy measures, as part of a white paper focusing on the distortions caused by foreign subsidies on the single market, and that it planned to adopt a proposal to create a legal instrument for this purpose in 2021.

The distortions observed often went hand-in-hand with a lack of reciprocal access for European enterprises to the domestic markets of foreign state-owned companies. Furthermore, the EU's public procurement markets were most often open to enterprises from countries in which European businesses were discriminated against or simply barred from market access. Accordingly, the next white paper would also cover these issues.

He confirmed that, in the context of the transitions to climate neutrality and the digital economy, which would require massive investment in cutting-edge technology, the updating of skills and the mobilisation of all types of funding, both public and private, certain sectors would have to undertake a profound modernisation and 'decarbonisation'. In this regard, the reduction of greenhouse gas emissions throughout all of industry would depend on the implementation of the principle consisting of favouring the most energy-efficient products and the supply of low-carbon energy at a competitive price. He felt that this change would call for

rethinking the energy and mobility markets, particularly in terms of technology and infrastructure.

It was in this light that the recently-created European industrial alliances, such as in the field of hydrogen or those yet to be created in low-carbon industries, were to be seen.

Mr DOMBROSKIS added that innovation must lie at the heart of the Union's industrial strategy, which would thus have to accept the risks involved. He emphasised in particular the role of the European Innovation Council, which would reach cruising speed in 2021 to allow the EU to reap the full benefits of its solid research base. He also referred to the useful role that could be played by public-private partnerships in strategic markets, such as in sectors where the market did not want to bear all of the risks undertaken. This was the case in the batteries industry, in which a European alliance had created a dynamic, pooled expertise and diversified sources of funding. He also announced that in the autumn the Commission would present a new strategy for sustainable funding and an action plan for the Capital Markets Union.

He also stressed the importance of small and medium-sized enterprises, which had to be able to play a leading role in the green and digital transitions. For that to happen, the administrative burden on SMEs should be reduced further in order to give them easier access to the market, and implementation of the Late Payment Directive would have to be closely monitored.

He ended his presentation by declaring that only a strong and competitive European industry could guarantee the quality of life, high-quality jobs and high level of social protection that European citizens needed.

Mr BRETON pointed out that the proposed industrial strategy was being presented in the particular context of post-globalisation, not to mention the more immediate context of the COVID-19 crisis, which affected not only the health of citizens but

also Europe's industrial fabric and in particular SMEs, which should be given help to get through this difficult period.

He restated the three main reasons why this new industrial strategy was different from its predecessors.

Firstly, it was based on a clear strategic vision of industry's contribution to the green and digital transitions that were about to be embarked on, while also seeking to assert European sovereignty in a complex geopolitical context. The aim was to make Europe the first carbon-neutral continent and the first continent to have an industrial data strategy, while at the same time reviewing all supply chains in order to strengthen the Union's strategic autonomy and pursue a policy of industrial non-dependence. The strategy being presented that day was proposing to achieve this through practical measures such as (i) industrial alliances, (ii) the monitoring of subsidies in non-member countries, (iii) reciprocal access to public procurement, (iv) protection of intellectual property and (v) security of supply of raw materials and active pharmaceutical ingredients.

The second major difference lay in the system of governance or *modus operandi* of the industrial strategy, which was based on the concept of industrial ecosystems bringing together all the players in a particular industrial sector. He gave as an example the ecosystem of the automobile industry, which accounted for 2.6 million direct jobs in manufacturing, 13.8 million jobs across the entire value chain and up to 35 million jobs if all related services and employment were included.

He explained that the 'industrial forum' would define these ecosystems and that a system of collective, regular follow-up would be established, based on specific indicators that would make it possible to detect and anticipate the problems specific to each ecosystem – public financing, regulation, standardisation, industrial alliances, controls on foreign investment, trade defence measures, and access to energy, raw materials and critical technologies. An industrial toolbox would also be created to provide solutions to these problems.

Finally, Mr BRETON explained the third innovative feature of that day's proposals, which was to put the internal market and SMEs back at the core of European industrial strategy. He too emphasised that SMEs, which were drivers of innovation and employment, were vital to the industrial ecosystems in which they must be integrated.

He ended by highlighting the Union's assets, but also the challenges it had to face in order to redirect its industrial and production apparatus towards the green and digital transitions, while taking on board geostrategic issues, and without being either protectionist or naïve.

At the invitation of the PRESIDENT, Mr SINKEVIČIUS briefly outlined the communication entitled 'A New Circular Economy Action Plan for a Cleaner and More Competitive Europe', which was to be formally adopted by finalisation written procedure at 10.00 on Wednesday 11 March 2020 (PE/2020/1358).

Mr SINKEVIČIUS presented this new action plan for a circular economy, which was one of the main building blocks of the European Green Deal. The action plan provided for measures covering the full lifecycle of products, with the aim of making the European economy fit for a green future and boosting its competitiveness while protecting the environment and at the same time giving consumers new rights. On the basis of the work done since 2015, the plan focused on the design, production and marketing of products as part of a circular economy that sought to keep the resources used in the Union's economy for as long as possible.

He described the four main objectives of the plan: (i) to make sustainable products the norm in the Union, (ii) to empower consumers, in particular by providing access to reliable information on the reparability and sustainability of products, (iii) to focus on sectors that used the most resources and where the potential for circularity was high – electronics and information and communications technologies, batteries, packaging, plastics, textiles, construction and buildings, and food, and finally (iv) to reduce waste.

In the course of the discussion that followed, the Commission raised the following key points:

- the high added value of the proposed new approach, which would enable European industry, against a background of intense international competition, to accomplish the twin green and digital transitions and seize the opportunities they offered, while remaining firmly anchored in European values and social market traditions, thereby contributing to the Union's sustainable competitiveness;
- the key importance of adopting an inclusive approach, also from a geographical point of view;
- in connection with the transition towards climate neutrality, the importance of strengthening the Union's technological and strategic autonomy, in particular by reducing its dependence on critical raw materials from non-member countries and guaranteeing their supply; hence the case for a possible European alliance for raw materials;
- in general, the utility of partnership-based governance, in order to take advantage of collaboration between investors, institutional and industrial partners, particularly for clean hydrogen;
- the need to take action to ensure effective fair competition both within and outside the Union;
- externally, encouraging the use of a wide array of trade defence mechanisms to counter the distortive effect of foreign subsidies within the single market, and to tackle the issue of access to public procurement markets and EU funding for businesses from non-member countries in which European businesses faced discrimination;
- internally, the call to address the issue of barriers to the single market resulting from non-harmonised taxation; moreover, encouragement to ensure that the

legal framework for State aid guaranteed a level playing field in Europe, in agreement with cohesion policy;

- a reminder that the envisaged carbon border adjustment mechanism to reduce the risk of carbon leakage should be in line with World Trade Organization rules to avoid being perceived as protectionist, and therefore that it was impossible to make this mechanism co-exist with the current system of free carbon emission trading allowances;
- a caution against the contrary interpretation that might be suggested by a comparison of the communication on the Green Pact for Europe and the new industrial strategy, because the latter envisaged accompanying this mechanism with tougher tools than at present for combatting the risk of carbon leakage; hence the importance of clear communication on this issue;
- a reminder that the prospect of a carbon border adjustment mechanism was in itself an incentive for non-member countries to pursue the EU's climate objectives;
- the need for the strategy for small and medium-sized enterprises, in order to unlock their considerable potential and enable them to play the pivotal role they had in achieving a successful economic and social transition towards climate neutrality and the digital transformation;
- a call, however, not to underestimate the role of banks in supporting SMEs;
- the importance, moreover, of establishing a circular economy, which would lead to competitive green shoots by prompting industries to design, produce and place on the Union market more sustainable products that would find favour with consumers thanks to clear information.

Ms VESTAGER welcomed the College's unanimity in favour of a visionary approach to the green and digital transitions. She reiterated the importance of a level playing field as a precondition for harnessing the full potential of the single market.

Equally, the target of climate neutrality by 2050 was now becoming a long-term objective for the Union, without, however, calling into question its values, chiefly cohesion, solidarity and consumer protection.

Moreover, the discussion demonstrated the importance of implementing a balanced and inclusive approach, involving every Member State and every business, whatever their size. She also welcomed the focus on small and medium-sized enterprises in the overall strategy and the numerous instruments proposed to support them in the future twin transition.

Mr DOMBROVSKIS stated that the overall strategy proposed for the industrial policy would now need to be implemented through specific initiatives covering all sectors of the Union's activities. In the short term, he recommended that the industrial forum be set up rapidly and that the strategy be discussed regularly in the various Council configurations so that the Member States could take ownership of it.

Mr BRETON pointed out that all the proposed measures within the framework of the EU industrial strategy were compatible with World Trade Organization rules. He concluded by stressing that European businesses needed to be understood so that the EU could ensure the conditions and create the environment conducive to their development in the context of the green and digital transitions.

The PRESIDENT ended the discussion by thanking the Members of the Commission handling this issue, their cabinets and departments, for their efforts in drawing up a European industrial strategy. At the beginning of its term of office, the Commission needed to define a vision, a strategy and a roadmap for the next five years. In her view, the Green Pact for Europe and the Digital Agenda now set a common framework for action and sent a clear signal to citizens and businesses in the EU.

Following these presentations, the Commission:

- approved the Communication in COM(2020) 102/3 for transmission to Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments;
- approved the Communications set out in COM(2020) 103/3 and COM(2020) 94/3, for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and, for information, to the national parliaments;
- approved the Communication in COM(2020) 93/3 for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments, together with the staff working document distributed as SWD(2020) 54/2, the contents of which were noted.

12. OTHER BUSINESS

12.1. RECENT DEVELOPMENTS IN EXTERNAL RELATIONS

(INFO(2019) 9)

The Commission discussed the latest developments concerning relations with Turkey following the opening of the Turkish-Greek border to refugees.

12.2. LATEST DEVELOPMENTS CONCERNING THE EUROPEAN UNION'S RESPONSE TO THE CORONAVIRUS (COVID-19) EPIDEMIC

The PRESIDENT invited Ms KYRIAKIDES and Mr LENARČIČ to give an update on the COVID-19 epidemic in the EU and around the world. She also invited Mr HAHN to present the measures taken with regard to Commission staff.

Ms KYRIAKIDES explained that there seemed to be a downward trend in the number of cases of infection in China and South Korea, but the number was increasing exponentially in the European Union, and all Member States had now reported cases. Italy was currently the hardest hit, but the available projections suggested that France, Germany and Spain could soon be in a comparable situation.

In view of the circumstances, strict measures were warranted to halt the spread of the virus and prevent a large-scale and simultaneous influx of hospital patients which would risk overloading healthcare systems.

She therefore stressed how urgent it was for Member States to be ready to take these measures and to communicate their needs in this particularly difficult situation. She explained that she would henceforth hold a thrice-weekly videoconference with the European Centre for Disease Prevention and Control and the Member States' healthcare agencies in order to further increase the vital coordination of the measures taken at EU level and to better address any needs that they might have.

Ms KYRIAKIDES also referred to the detrimental impact that a shortage of medical supplies could have on healthcare provision, with a potential knock-on effect on the spread of the virus. The Commission had launched, with a vast majority of Member States, a joint public tender procedure to purchase personal protective equipment, the results of which were currently being assessed. She was particularly concerned about the mask situation, given that few tenders had been received. She announced that a similar procedure could be launched for respiratory equipment and testing kits. While there was currently no shortage of medical supplies, she nevertheless called for the situation to be monitored closely, as it was an extremely important issue in terms of the EU's strategic autonomy.

Mr LENARČIČ expressed his regret that certain Member States were reluctant to send their available stocks of personal protective equipment to

other Member States facing extreme and urgent shortages. He felt that this attitude, which was motivated by their anticipating a sharp rise in the number of cases, was counterproductive, since it reduced the effectiveness of the EU's civil protection mechanism and undermined the efforts being made to limit the spread of the virus. He recommended that the EU contribute to the efforts to find a solution to this problem, but did not deny the complexity of the task given its limited powers in terms of health policy.

Aside from the substantial human costs, Ms KYRIAKIDES and Mr LENARČIČ concluded by stressing that the COVID-19 epidemic could also have a significant impact on the global and European economy.

With regard to the measures taken by the Commission in its capacity as an employer, Mr HAHN referred to the recommendations for staff that were regularly updated and made available on an intranet page created specifically for that purpose. The first recommendation was to avoid all non-essential activities that could expose staff to the virus, by cancelling or postponing trips and meetings with external visitors. Secondly, measures had been taken so that staff could continue working without risk or worry; these measures included videoconferencing tools and a substantial increase in IT system capacity to support a significant increase in teleworking.

He pointed out that these recommendations had been drawn up in close coordination with DG Health and Consumers, the European Centre for Disease Prevention and Control and the national authorities in the Member States where Commission staff worked, i.e. Belgium, Luxembourg and Italy in the main.

He explained that, as things stood, only one case of the virus had been confirmed among Commission staff and he also reminded the College that the Commission Medical Service had been designated as the first point of contact.

In the course of the brief discussion that followed, the Commission raised the following main points:

- the health checks being carried out by certain Member States at the EU's external borders;
- the consultations undertaken with suppliers of protective equipment based in the EU, and the potential options to explore in order to address what appeared to be an emerging risk of shortages in certain Member States;
- of these potential options, firstly, the possibility for some of these suppliers, after a period of adjustment, to boost their capacity and increase supplies in several Member States, provided that the internal market was working without barriers;
- the possibility, secondly, of calling on suppliers in the United Kingdom;
- similarly, the possibility, thirdly, of considering placing on the European market, on an exceptional and temporary basis, protective equipment that met standards different to those used in the EU;
- in addition, a call to make the EU's economic governance rules more flexible, in view of the impact of the epidemic;
- the scale of the funding mobilised for research into a vaccine;
- some clarifications regarding the implementation on the ground of the recommendations for staff.

The PRESIDENT thanked Ms KYRIAKIDES, Mr LENARČIČ and Mr HAHN for their tireless efforts and confirmed that the most immediate priority was to slow the spread of the virus to avoid a situation where health systems were stretched to maximum capacity.

(10 March 2020)

She referred again to the worrying risk of a shortage of medical supplies. While recognising the need to set aside the existing stock for medical staff, she again stressed the added value of a properly functioning internal market, noting that the United Kingdom was still in that market during the transition period provided for in the agreement on the withdrawal of the United Kingdom from the Union.

She confirmed that measures to lessen the epidemic's macroeconomic impact were being drawn up and decisions would be taken immediately.

Against this backdrop, she announced that a videoconference on the COVID-19 crisis would be held that day with the heads of State or government. The College would be kept informed of the evolving situation.

The Commission took note of this information.

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The Commission's other discussions on certain agenda items are recorded in the special minutes.

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The meeting closed at 14.37.