



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2020) 2338 final
- English language version of the French text which is authentic -

Brussels, 10 June 2020

TEXTE EN

MINUTES

of the 2338th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 20 May 2020
(morning)

PV(2020) 2338 final

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

EN

TABLE OF CONTENTS

Attendance list	5-7
1. AGENDAS (OJ(2020) 2338/FINAL; SEC(2020) 2338/FINAL).....	8
2. WEEKLY MEETING OF CHEFS DE CABINET (RCC(2020) 2338).....	8
3. APPROVAL OF THE 2334 TH , 2335 TH , 2336 TH AND 2337 TH MEETINGS OF THE COMMISSION (22 AND 29 APRIL, AND 6 AND 13 MAY 2020) (PV(2020) 2334; PV(2020) 2335; PV(2020) 2335, 2 ND PART)	8
4. INTERINSTITUTIONAL RELATIONS (RCC(2020) 62)	8
4.1. LEGISLATIVE MATTERS	9
4.2. RESPONSE TO THE COVID-19 PANDEMIC	9
4.3. RELATIONS WITH PARLIAMENT	10
4.4. RELATIONS WITH NATIONAL PARLIAMENTS, THE OTHER INSTITUTIONS AND BODIES, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS.....	10
5. COORDINATION OF EXTERNAL ACTION (RCC(2020) 65)	10
6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	11
6.1. WRITTEN PROCEDURES APPROVED (SEC(2020) 171 ET SEQ.).....	11
6.2. EMPOWERMENT (SEC(2020) 172 ET SEQ.)	11
6.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2020) 173 ET SEQ.)	11
6.4. SIGNIFICANT WRITTEN PROCEDURES (SEC(2020) 174 AND /2)	11
7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2020) 175 AND /2).....	12
7.1. DG MARITIME AFFAIRS AND FISHERIES – APPOINTMENT OF AD15/16 DIRECTOR-GENERAL (PERS(2019) 115 TO /4).....	12
7.2. DG STRUCTURAL REFORM SUPPORT – APPOINTMENT OF AD15/16 DIRECTOR-GENERAL (PERS(2019) 118 TO /4).....	13

PV(2020) 2338 final

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

EN

7.3. DG HEALTH AND FOOD SAFETY – APPOINTMENT OF AD15 DEPUTY DIRECTOR-GENERAL	13
7.4. EUROPEAN ANTI-FRAUD OFFICE – AMENDMENT OF THE ORGANISATION CHART (SEC(2020) 199)	14
7.5. DG ECONOMIC AND FINANCIAL AFFAIRS – SECONDMENT IN THE INTERESTS OF THE SERVICE, UNDER ARTICLES 37 AND 38 OF THE STAFF REGULATIONS, OF AN AD14 OFFICIAL.....	14
7.6. DG HUMAN RESOURCES AND SECURITY – COVID-19 CRISIS – TRIGGERING OF PHASE 1 OF THE ACTION PLAN FOR A GRADUAL RETURN TO THE OFFICE (SEC(2020) 200).....	15
8. EUROPEAN SEMESTER OF ECONOMIC AND BUDGETARY POLICY COORDINATION FOR 2020 – COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN CENTRAL BANK, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK – COUNTRY-SPECIFIC RECOMMENDATIONS (COM(2020) 500 TO /3; RCC(2020) 71)	15
9. EUROPEAN SEMESTER OF ECONOMIC AND BUDGETARY POLICY COORDINATION FOR 2020 – COMMISSION RECOMMENDATIONS FOR COUNCIL RECOMMENDATIONS ON THE NATIONAL REFORM PROGRAMMES AND STABILITY OR CONVERGENCE PROGRAMMES OF EACH MEMBER STATE FOR 2020 (COM(2020) 501 TO /3; (COM(2020) 502 TO /3; (COM(2020) 503 TO /3; (COM(2020) 504 TO /3; (COM(2020) 505 TO /3; (COM(2020) 506 TO /3; (COM(2020) 507 TO /3; (COM(2020) 508 TO /3; (COM(2020) 509 TO /3; (COM(2020) 510 TO /3; (COM(2020) 511 TO /3; (COM(2020) 512 TO /3; (COM(2020) 513 TO /3; (COM(2020) 514 TO /3; (COM(2020) 515 TO /3; (COM(2020) 516 TO /3; (COM(2020) 517 TO /3; (COM(2020) 518 TO /3; (COM(2020) 519 TO /3; (COM(2020) 520 TO /3; (COM(2020) 521 TO /3; (COM(2020) 522 TO /3; (COM(2020) 523 TO /3; (COM(2020) 524 TO /3; (COM(2020) 525 TO /3; (COM(2020) 526 TO /3; (COM(2020) 527 TO /3; (COM(2020) 528 TO /3; RCC(2020) 71)	15
10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS – EU BIODIVERSITY	

STRATEGY FOR 2030 – BRINGING NATURE BACK INTO OUR LIVES (COM(2020) 380 TO /4; RCC(2020) 70)	26
11. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS – A FARM TO FORK STRATEGY FOR A FAIR, HEALTHY AND ENVIRONMENTALLY-FRIENDLY FOOD SYSTEM (COM(2020) 381 TO /3; RCC(2020) 70).....	26
12. OTHER BUSINESS.....	34
<i>LATEST DEVELOPMENTS IN EXTERNAL RELATIONS</i>	34

Single sitting: Wednesday 20 May 2020 (morning)

The sitting opened at 9.05 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	Items 1 to 11
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	
Mr SCHMIT	Member	Items 1 to 11
Mr GENTILONI	Member	Items 1 to 11
Mr WOJCIECHOWSKI	Member	
Mr BRETON	Member	
Ms FERREIRA	Member	
Ms KYRIAKIDES	Member	
Ms DALLI	Member	
Ms JOHANSSON	Member	
Mr LENARČIČ	Member	
Ms VÁLEAN	Member	Items 1 to 8/9 (in part), 10/11 (in part) and 12
Mr VÁRHELYI	Member	
Ms SIMSON	Member	
Mr SINKEVIČIUS	Member	

Absent:

Ms GABRIEL

Member

Mr REYNDERS

Member

Ms URPILAINEN

Member

The following sat in to represent absent Members of the Commission:

Ms KIRALY	Chef de cabinet to Ms GABRIEL
Ms TUTS	Chef de cabinet to Mr REYNDERS
Mr LAHTI	Chef de cabinet to Ms URPILAINEN

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	
Ms GAUER	Deputy Secretary-General	Items 1 to 11
Mr FLOSDORFF	Executive Adviser in the PRESIDENT's Office	
Ms PETKOVA	Director of Coordination and Administration in the PRESIDENT's Office	
Mr HAGER	Chef de cabinet to Mr DOMBROVSKIS	Item 12 (in part)
Ms ALLOUIS-LE LOSTEC	Secretariat-General	
Mr VALERO LADRÓN	Secretariat-General	

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

1. AGENDAS

(OJ(2020) 2338/FINAL; SEC(2020) 2338/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) 2338)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 18 May 2020 both in person and by videoconference and teleconference.

3. APPROVAL OF THE 2334TH, 2335TH, 2336TH AND 2337TH MEETINGS OF THE COMMISSION (22 AND 29 APRIL, AND 6 AND 13 MAY 2020) (PV(2020) 2334; PV(2020) 2335; PV(2020) 2335, 2ND PART)

The Commission held over approval of the minutes of its 2334th, 2335th, 2336th and 2337th meetings.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2020) 62)

The Commission took note of the record of the virtual meeting of the Interinstitutional Relations Group (IRG) held during the week of 11 to 15 May 2020 (RCC(2020) 62).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Trilogue

- Representative actions for the protection of the collective interests of consumers, and repeal of Directive 2009/22/EC (Directive) – DIDIER report – 2018/0089 (COD)

The Commission approved the line set out in SI(2020) 153.

4.2. RESPONSE TO THE COVID-19 PANDEMIC

ii) Establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak (Council Regulation) – 2020/0057 (NLE)

The Commission took note of the information in SI(2020) 156.

iii) Fourth Railway Package – Interoperability of the rail system within the EU and railway safety – Amendment of Directive (EU) 2016/797 and Directive (EU) 2016/798, as regards the extension of their transposition period (Directive) – 2020/0071 (COD)

The Commission approved the line set out in SI(2020) 160/2.

iv) Rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repeal of Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council (Regulation) – JAHR report – 2018/0216 (COD)

The Commission approved the line set out in SP(2020) 166.

4.3. RELATIONS WITH PARLIAMENT**v) Action to be taken on Parliament's legislative resolutions and other resolutions of a legal nature**

(SP(2020) 177/2)

The Commission decided to empower the Members of the Commission responsible for the sectors in question, in agreement with the PRESIDENT and, if necessary, with the other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council, as set out in SP(2020) 177/2, drawn up following the May I 2020 part-session of Parliament, the contents of which were noted.

4.4. RELATIONS WITH NATIONAL PARLIAMENTS, THE OTHER INSTITUTIONS AND BODIES, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS**vi) Action taken on opinions of the European Economic and Social Committee – December 2019 and January 2020 plenary sessions**

The Commission approved document SC(2020) 13/2 on the action taken by the Commission on the opinions adopted by the European Economic and Social Committee during the December 2019 and January 2020 sessions, for transmission to that Committee.

**5. COORDINATION OF EXTERNAL ACTION
(RCC(2020) 65)**

The Commission took note of the operational conclusions in RCC(2020) 65 of the meeting of the Group for External Coordination (EXCO) held by videoconference and teleconference on Wednesday 13 May 2020.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2020) 171 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 11 and 15 May 2020.

6.2. EMPOWERMENT

(SEC(2020) 172 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 11 and 15 May 2020.

6.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2020) 173 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 11 and 17 May 2020 archived in Decide.

6.4. SIGNIFICANT WRITTEN PROCEDURES

(SEC(2020) 174 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 18 and 20 May 2020.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2020) 175 AND /2)

ADMINISTRATIVE MATTERS
(PERS(2020) 41 AND /2)

At the PRESIDENT's invitation, Mr HAHN presented three additional proposals for administrative decisions which were tabled directly to the College for approval.

Mr HAHN explained that it was proposed, on the one part, to appoint Ms Charlina VITCHEVA to the post of Director-General of DG Maritime Affairs and Fisheries, and on the other, to appoint Mr Mario NAVA to the post of Director-General of the new DG Structural Reform Support.

He added that it was also proposed to transfer, in the interest of the service, under Article 7 of the Staff Regulations, Ms Claire BURY, currently Deputy Director-General in charge of Directorates B, D, F, G and I in DG Communication Networks, Content and Technology, to the post of Deputy Director-General responsible for food safety and in charge of Directorates D, E, F and G in DG Health and Food Safety.

Mr HAHN highlighted the great skills, outstanding career and recognised expertise of Ms Charlina VITCHEVA, Mr Mario NAVA and Ms Claire BURY, which would be valuable assets in their new posts.

**7.1. DG MARITIME AFFAIRS AND FISHERIES – APPOINTMENT OF
AD15/16 DIRECTOR-GENERAL**
(PERS(2019) 115 TO /4)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director-General of DG Maritime Affairs and Fisheries (PERS(2019) 115 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 11 and 17 February 2020 (PERS(2019) 115/3 and /4).

(20 May 2020)

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Mr SINKEVIČIUS, it then decided to appoint Ms Charlina VITCHEVA to the post.

This decision would take effect on 1 June 2020.

**7.2. DG STRUCTURAL REFORM SUPPORT – APPOINTMENT OF AD15/16
DIRECTOR-GENERAL
(PERS(2019) 118 TO /4)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director-General of DG Structural Reform Support (PERS(2019) 118 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 3 March and 3 April 2020 (PERS(2019) 118/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Ms FERREIRA, it then decided to appoint Mr Mario NAVA to the post.

This decision would take effect on 1 June 2020.

**7.3. DG HEALTH AND FOOD SAFETY – APPOINTMENT OF AD15
DEPUTY DIRECTOR-GENERAL**

On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Ms KYRIAKIDES and Mr BRETON, the Commission decided to transfer, in the interest of the service, under Article 7 of the Staff Regulations, Ms Claire BURY, currently Deputy Director-General in charge of Directorates B, D, F, G and I in DG Communication Networks, Content and Technology, to the post of Deputy Director-General responsible for food

safety and in charge of Directorates D, E, F and G in DG Health and Food Safety.

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

**7.4. EUROPEAN ANTI-FRAUD OFFICE – AMENDMENT OF THE ORGANISATION CHART
(SEC(2020) 199)**

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

- to create a new post of Deputy Director-General in charge of ‘Operations and Investigations’;
- to abolish the vacant post of Principal Adviser (OLAF.PA);
- to approve the new organisation chart set out in SEC(2020) 199.

These decisions would take effect on 16 June 2020.

Following the reorganisation, the total number of directorates and units in the European Anti-Fraud Office would remain unchanged (respectively 4 and 19).

7.5. DG ECONOMIC AND FINANCIAL AFFAIRS – SECONDMENT IN THE INTERESTS OF THE SERVICE, UNDER ARTICLES 37 AND 38 OF THE STAFF REGULATIONS, OF AN AD14 OFFICIAL

On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Mr DOMBROVSKIS, and also Mr GENTILONI, the Commission decided to second in the interests of the service, under Articles 37 and 38 of the Staff Regulations, Mr José LEANDRO, an AD15 official, to the European Bank for Reconstruction and Development (EBRD) in London, as Director representing the European Union, for a three-year term which may be extended.

(20 May 2020)

It confirmed moreover that, during his secondment, Mr José LEANDRO would enjoy the conditions set out in Annex X to the Staff Regulations.

This decision would take effect on 1 July 2020.

**7.6. DG HUMAN RESOURCES AND SECURITY – COVID-19 CRISIS –
TRIGGERING OF PHASE 1 OF THE ACTION PLAN FOR A GRADUAL
RETURN TO THE OFFICE
(SEC(2020) 200)**

The Commission took note of SEC(2020) 200.

**8. EUROPEAN SEMESTER OF ECONOMIC AND BUDGETARY POLICY
COORDINATION FOR 2020 – COMMUNICATION FROM THE
COMMISSION TO THE EUROPEAN PARLIAMENT, THE
EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN CENTRAL
BANK, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE
COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT
BANK – COUNTRY-SPECIFIC RECOMMENDATIONS
(COM(2020) 500 TO /3; RCC(2020) 71)**

**9. EUROPEAN SEMESTER OF ECONOMIC AND BUDGETARY POLICY
COORDINATION FOR 2020 – COMMISSION RECOMMENDATIONS FOR
COUNCIL RECOMMENDATIONS ON THE NATIONAL REFORM
PROGRAMMES AND STABILITY OR CONVERGENCE PROGRAMMES
OF EACH MEMBER STATE FOR 2020**

**(COM(2020) 501 TO /3; (COM(2020) 502 TO /3; (COM(2020) 503 TO /3;
(COM(2020) 504 TO /3; (COM(2020) 505 TO /3; (COM(2020) 506 TO /3;
(COM(2020) 507 TO /3; (COM(2020) 508 TO /3; (COM(2020) 509 TO /3;
(COM(2020) 510 TO /3; (COM(2020) 511 TO /3; (COM(2020) 512 TO /3;
(COM(2020) 513 TO /3; (COM(2020) 514 TO /3; (COM(2020) 515 TO /3;
(COM(2020) 516 TO /3; (COM(2020) 517 TO /3; (COM(2020) 518 TO /3;**

**(COM(2020) 519 TO /3; (COM(2020) 520 TO /3; (COM(2020) 521 TO /3;
(COM(2020) 522 TO /3; (COM(2020) 523 TO /3; (COM(2020) 524 TO /3;
(COM(2020) 525 TO /3; (COM(2020) 526 TO /3; (COM(2020) 527 TO /3;
(COM(2020) 528 TO /3; RCC(2020) 71)**

The PRESIDENT asked Mr DOMBROVSKIS, Mr GENTILONI and Mr SCHMIT to present the European Semester of Economic and Budgetary Policy Coordination 2020 ‘Spring Package’, in particular the country-specific recommendations on the National Reform Programmes and Stability or Convergence Programmes.

As an introduction, she stressed the high esteem in which these recommendations had rightly come to be held over time in the Member States and said that these recommendations would become even more important since, as part of the EU’s future recovery strategy, the Member States would be asked to present national recovery plans, to be monitored under the European Semester.

Mr DOMBROVSKIS began by referring to the general context of the country-specific recommendations, namely the abrupt change in the economic climate in Europe in just a few months due to the effects of the crisis caused by the COVID-19 pandemic. The EU economy, which had still been in a fairly favourable situation in February 2020, was now facing the serious economic and social consequences of this crisis, the precise extent of which was not yet known.

In these exceptional circumstances, it had been necessary to adjust the spring stage of the European Semester in order to facilitate determined and coordinated economic action to put the EU on the road to recovery through measures tailored to the sectors and regions hardest hit by the pandemic, while taking account of the interdependence of economies. The recommendations addressed to each Member State were therefore designed to make their economies more resilient.

This year, they had two objectives. They highlighted, first, the measures that would mitigate the serious socio-economic consequences of the pandemic in the short term, and, second, the measures intended in the short and medium term to ensure sustainable and inclusive growth in order to support the green and digital

transformations.

To achieve this second objective, he stressed that the main focus would remain the annual sustainable growth strategy, based on economic stability, social equity, environmental sustainability and productivity, and that the country-specific recommendations adopted in previous years remained valid and would continue to be monitored.

Mr DOMBROVSKIS went on to explain that the Commission was also presenting reports under Article 126(3) of the Treaty on the Functioning of the European Union, for all the Member States except Romania, which was already under an excessive deficit procedure.

He pointed out that, to enable an adequate response to be provided in view of the scale of the crisis, the Commission had used the general escape clause of the Stability and Growth Pact. This clause allowed Member States to depart temporarily from the budgetary obligations that would normally apply, and gave them the flexibility required in order to take all the necessary measures to mitigate the economic and social consequences of the pandemic.

As was to be expected, these reports indicated that all the Member States concerned, except Bulgaria, had a deficit above the ceiling of 3% of GDP. However, the current circumstances, characterised by great uncertainty, did not lend themselves to the launching of excessive deficit procedures. He therefore proposed returning to this issue in the autumn.

He reminded the meeting that, in any case, the Stability and Growth Pact remained applicable and, as soon as economic conditions allowed, the Member States would have to take the necessary steps to comply with their medium-term fiscal objectives.

Lastly, Mr DOMBROVSKIS confirmed that the link between the recommendations made at this stage of the European Semester and the recovery strategy to be proposed by the Commission on 27 May was the right approach.

Mr GENTILONI added some remarks to what had just been said.

First, he too emphasised the highly unusual nature of this stage of the European Semester and of the country-specific recommendations, in a difficult economic context whose consequences were evident. Some Member States had even asked the Commission to postpone the exercise until later. He felt that the Commission had been wise to decide to continue calling for close economic coordination of the Member States; they were all affected by the crisis and, if they moved in a common direction, they would all benefit from a clear pathway both for exiting the crisis and for embarking on the green and digital transitions, while making the European economy more resilient.

He explained that the recommendations, the main lessons of which were set out in the general communication, had had to be recalibrated at short notice to take account of an exceptional situation.

Second, he drew attention to the risk, noted in the general argument linked to the set of recommendations, that the crisis would have a different impact on different Member States, and that the EU would have to face up to the reality of increased economic and social divergences and therefore a fragmentation of the internal market. This was the backdrop for the proposal to be made by the Commission the following week not just with the 2021-2027 Multiannual Financial Framework but also with the accompanying recovery instrument.

Third, he stressed the clear message that the Commission had chosen to send concerning fiscal policy by supporting the measures that all the Member States had deemed necessary and had taken to effectively manage the pandemic and support the economy and the ensuing recovery. At procedural level, he said that although the Commission, in the detailed and objective reports it had drawn up under Article 126(3) of the Treaty on the Functioning of the European Union, had noted the existence of excessive deficits in all the Member States except one, it had opted not to subject the Member States to an excessive deficit procedure. He also pointed out that the Member States had been able to use the general escape clause of the Stability and Growth Pact since the start of the crisis. He added that the Commission

confirmed once again that public investment was important for initiating the green and digital transitions, thereby tying in with the Union's strategic objectives.

Lastly, he pointed out that the country-specific recommendations also concerned one of the EU's founding values, namely respect for the rule of law, given its importance for the economy, even if it was not their main aim.

To conclude, Mr GENTILONI mentioned the other points in the set of documents presented that day. He referred to the much-awaited updated enhanced surveillance report for Greece, whose recovery measures were welcomed. This report, on the basis of which the decision to grant debt relief to Greece would have to be taken, would be examined by the Eurogroup at its meeting in June. In addition, post-assistance programme surveillance reports had been drawn up on Spain and Cyprus, whose efforts were recognised.

Mr SCHMIT said that the scale of the current economic, financial and social shock had, in a few weeks, damaged the good employment figures recorded only three months ago in the EU. In some Member States the unemployment rate was even reaching two figures, with staggering speed. This was compounded by an uneven distribution of unemployment in different sectors of activity and different Member States, in some of which there was rapidly rising youth unemployment.

These factors were resulting in income inequality and an increase in poverty, despite the use of short-time work schemes. The people hardest hit were the most vulnerable, such as migrants, who had a lot of difficulty finding their place in the labour market, and also temporary workers. The EU's future recovery plan must seek solutions for all these painful situations.

He reminded the meeting that the objective of the country-specific recommendations was, more than ever, to preserve employment in the EU. He therefore welcomed the adoption by the Council on 19 May of the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) proposed by the Commission, which should be implemented as quickly as possible.

A parallel requirement was to ensure safety at the workplace, which now had to be organised in a new way owing to the health crisis. From this standpoint, it was essential for companies to fight on a level playing field, as this was the only way to prevent a second wave of infection.

He added that companies must involve the social partners in managing the crisis, something the Commission was strongly urging them to do.

He also stressed that the pandemic had highlighted the central role of social protection and social policies in mitigating the crisis in the EU, which was why the Member States were being called upon to make these more resilient.

Lastly, he noted that education, training and skills would be key to helping workers emerge from the economic and social downturn and embark on the green and digital transitions. He invited the Member States to address their shortcomings in these fields.

To conclude his presentation, Mr SCHMIT welcomed the fact that the Commission was resolutely maintaining its strategic goal of building a resilient European economy and society by implementing the European Pillar of Social Rights. He stressed that the health and economic crisis did not diminish the need for compliance with the rule of law, and that it was not possible to unilaterally disregard EU values and legislation.

Before opening the discussion, the PRESIDENT highlighted the quality, precision and maturity of the European Semester exercise presented that day. Although the Member States were not always happy with it, the advantage of the exercise was that it brought the macroeconomic debate to a higher level twice a year. In addition, the European Semester would from now on link in with the recovery plan that the Commission would propose on 27 May, meaning that the Member States would take greater ownership of the exercise. She also noted that the SURE instrument, which had been proposed by the Commission in March and adopted by the Council the previous day, illustrated what could be achieved through well-functioning social dialogue in which all the Member States could be involved.

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

- confirmation that the spring phase of the European Semester would be very different from usual owing to the current crisis;
- a reminder that the Commission's findings and assessments issued as part of the exercise received a great deal of attention and were highly respected;
- the fear that the introductory communication was a little optimistic, given that levels of debt and unemployment were expected to increase significantly in the coming months;
- the need for careful communication of the Commission's recommendations given their sensitivity for certain Member States;
- the welcome fact that the country-specific recommendations were being published at almost the same time as the presentation by the Commission of its revised draft multiannual financial framework for 2021-2027 and the recovery instrument; the need to tie in the EU's forthcoming recovery plan with the European Semester exercise; the importance of the European Semester, to which the Member States' national recovery plans, to be drawn up as part of this new framework for recovery, would contribute even more;
- the need to ensure that the set of recovery measures that the EU was preparing to roll out would have a rapid impact, particularly with regard to safeguarding jobs, given that the economic and social crisis could be long-lasting and profound;
- regret that management of public finances focused too strictly on spending and did not give the Member States enough room for manoeuvre, without however rejecting the methodology and objectives of the European Semester; a suggestion to review macroeconomic conditionality;
- the advisability of examining how the Member States presented companies' taxable income;

- a call to ensure that financing the recovery did not rely exclusively on labour taxation and did not disadvantage small- and medium-sized companies;
- a call to seize every opportunity to reaffirm the need to complete Economic and Monetary Union;
- the considerable importance of skills in the recovery and the fact that Member States with a low-skilled workforce would fall further behind in the new post-crisis economy; hence the importance of the upcoming review of the New Skills Agenda;
- the need to refer clearly to the increasing distortions that would be created in the internal market by easing State aid rules, on the one hand; a reminder of the fact that a level playing field came at a price, as evidenced by large-scale recapitalisation plans, on the other hand;
- the need to ensure fairness in supply chains in view of the fact that a number of industries were at a total standstill in the EU;
- a call to respond rapidly to companies' liquidity requirements, as many would see their competitiveness weakened over the coming months;
- the positive observation that the country-specific recommendations emphasised public healthcare systems and the strengthening of those systems as a component of the future recovery and of sustainable change; support for the fact that this aspect was now being monitored in the 27 Member States;
- the role that demographic change would have in the future economic recovery;
- the importance of including in these recommendations considerations relating to the rule of law, even though this was not their primary subject matter, and of truthfully flagging up any shortcomings, based on documented evidence, in order to issue a clear reminder that the current exceptional circumstances did not justify any deviation from EU legislation and that, incidentally, failing to abide by the law did not make economic sense; support from several members of the

Commission for this remark and a desire for this issue to be monitored very carefully;

- hence the support for issuing a reminder regarding the principles to be observed with respect to the state of emergency regimes introduced in a great many Member States at the peak of the health crisis, such as the proportionality and the time-limited nature of such regimes;
- concern regarding the need to ensure that the recommendations relating to the rule of law were based on objective facts, were subject to a detailed examination and were addressed in the same way to all the Member States that had introduced states of emergency;
- a comment on two recent cases calling into question judgments handed down by the European Court of Justice;
- regret that the protection of human life was not one of the aspects examined in this exercise.

The PRESIDENT responded to a number of the points raised.

Firstly, she acknowledged that the relaxation of State aid rules had enabled Member States with fiscal space to give more support to their businesses than was the case for those that did not have this space. However, she emphasised that it was precisely for that reason that the Commission had made provision for an insolvency support instrument in its forthcoming recovery plan, which would also be presented on 27 May.

With regard to the ruling by the German Constitutional Court, she reiterated the point that she had already made clear, namely that once the Legal Service had issued its assessment, the matter would be brought before the College for follow-up. Furthermore, she had confirmed in an unambiguous public statement that the European Central Bank and the European Court of Justice were independent institutions. As regards the second case referred to, in which a Hungarian

Constitutional Court judge was challenging a judgment handed down by the European Court of Justice, she explained that a structured dialogue would be held making use of the instruments at the EU's disposal.

On the issue of demographic change, the New Skills Agenda would propose approaches designed to provide new responses to the challenges for all generations.

The PRESIDENT ended the discussion by inviting the College to convene on 27 May, when the Commission's much-awaited proposal on the 2021-2027 multiannual financial framework and the accompanying recovery plan would be presented.

Following these presentations, the Commission:

- approved the communication on country-specific recommendations in COM(2020) 500/3 for transmission to Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions, the European Investment Bank and, for information, to the national parliaments;
- adopted the recommendations for Council recommendations in
 COM(2020) 501/3 – Belgium, COM(2020) 502/3 – Bulgaria,
 COM(2020) 503/3 – Czech Republic, COM(2020) 504/3 – Denmark,
 COM(2020) 505/3 – Germany, COM(2020) 506/3 – Estonia,
 COM(2020) 507/3 – Ireland, COM(2020) 508/3 – Greece, COM(2020) 509/3 –
 Spain, COM(2020) 510/3 – France, COM(2020) 511/3 – Croatia,
 COM(2020) 512/3 – Italy, COM(2020) 513/3 – Cyprus, COM(2020) 514/3 –
 Latvia, COM(2020) 515/3 – Lithuania, COM(2020) 516/3 – Grand-Duchy
 of Luxembourg, COM(2020) 517/3 – Hungary, COM(2020) 518/3 – Malta,
 COM(2020) 519/3 – Netherlands, COM(2020) 520/3 – Austria,
 COM(2020) 521/3 – Poland, COM(2020) 522/3 – Portugal, COM(2020) 523/3 –
 Romania, COM(2020) 524/3 – Slovenia, COM(2020) 525/3 – Slovakia,
 COM(2020) 526/3 – Finland, COM(2020) 527/3 – Sweden, and
 COM(2020) 528/3 – United Kingdom, for transmission to the Council and, for

(20 May 2020)

information, to Parliament, the European Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions, the European Investment Bank and the national parliaments.

In addition, in the same ‘spring package’ of the European Semester for the coordination of economic and budgetary policies for 2020, the Commission took note of the following acts that were adopted by written procedure under Article 12(5) of the Commission’s Rules of Procedure, the deadline for which was Wednesday 20 May at 11.00:

- the updated report under the Enhanced Surveillance Framework for Greece – May 2020 (COM(2020) 529 – PE/2020/3307);
- the Council reports drawn up under Article 126(3) of the Treaty on the Functioning of the European Union concerning Germany (COM(2020) 532 – PE/2020/3410), Austria (COM(2020) 533 – PE/2020/3374), Belgium (COM(2020) 534 – PE/2020/3386), Bulgaria (COM(2020) 542 – PE/2020/3385), Cyprus (COM(2020) 548 – PE/2020/3384), Croatia (COM(2020) 547 – PE/2020/3373), Denmark (COM(2020) 544 – PE/2020/3382), Spain (COM(2020) 536 – PE/2020/3379), Estonia (COM(2020) 545 – PE/2020/3381), Finland (COM(2020) 540 – PE/2020/3376), France (COM(2020) 538 – PE/2020/3375), Greece (COM(2020) 546 – PE/2020/3380), Hungary (COM(2020) 552 – PE/2020/3369), Ireland (COM(2020) 541 – PE/2020/3357), Italy (COM(2020) 535 – PE/2020/3368), Latvia (COM(2020) 549 – PE/2020/3365), Lithuania (COM(2020) 551 – PE/2020/3367), Luxembourg (COM(2020) 531 – PE/2020/3366), Malta (COM(2020) 553 – PE/2020/3364), Netherlands (COM(2020) 530 – PE/2020/3411), Poland (COM(2020) 554 – PE/2020/3363), Portugal (COM(2020) 537 – PE/2020/3362), United Kingdom (COM(2020) 557 – PE/2020/3358), Slovakia (COM(2020) 556 – PE/2020/3359), Slovenia (COM(2020) 555 – PE/2020/3360), Sweden (COM(2020) 539 – PE/2020/3361) and the Czech Republic (COM(2020) 543 – PE/2020/3383).

10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS – EU BIODIVERSITY STRATEGY FOR 2030 – BRINGING NATURE BACK INTO OUR LIVES

(COM(2020) 380 TO /4; RCC(2020) 70)

11. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS – A FARM TO FORK STRATEGY FOR A FAIR, HEALTHY AND ENVIRONMENTALLY-FRIENDLY FOOD SYSTEM

(COM(2020) 381 TO /3; RCC(2020) 70)

At the PRESIDENT's invitation, Mr TIMMERMANS, Ms KYRIAKIDES and Mr SINKEVIČIUS presented the new EU biodiversity strategy for 2030 and the 'Farm to Fork' strategy for a fair, healthy and environmentally friendly food system, which were submitted that day for the College's approval as part of the implementation of the European Green Deal.

Mr TIMMERMANS felt that the EU's biodiversity strategy for 2030 was one of the key elements of the European Green Deal. It came at an extraordinary and particularly difficult time, which did not render it any the less relevant and appropriate. Although the focus was naturally now on the fight against the COVID-19 pandemic, he felt it was essential that the EU should keep an overview of all the factors that would continue to adversely affect the climate and biodiversity and which called for urgent mobilisation.

He pointed out that by destroying nature at an unprecedented rate, as shown by the million species threatened with extinction in just a few decades, humanity was endangering people's life, health and well-being and jeopardising the future of the

young even though humans were totally dependent on nature, in particular for their food security.

He added that since the climate and biodiversity crises were completely interconnected, halting the destruction of biodiversity was also a precondition for achieving the climate neutrality to which the EU had committed itself for 2050. He also noted that this strategy, like the Farm to Fork strategy, was all the more appropriate in the current context since the COVID-19 pandemic had shown starkly the urgent need to protect and restore nature.

He pointed out that the pandemic had also shown that human health was dependent on the health of the environment, as proven by scientific studies which established an increasingly clear link between the destruction of the natural world and the increase in the emergence of dangerous diseases. That was why he saw the strategy presented as being a fundamental element in making the EU more resilient and preventing both the emergence and the spread of new epidemics.

Mr TIMMERMANS also explained that putting an end to the destruction of biodiversity was also an economic imperative considering that almost half of the world's gross domestic product was related to nature.

This was why investing in the protection and restoration of nature would offer enormous potential for economic recovery in the EU in the wake of the pandemic. As shown by various data set out in the strategy, the economic arguments in favour of protecting biodiversity were unequivocal. For example, industry and businesses depended on genes, species and ecosystem services for production, in particular in the pharmaceutical sector.

Investments in natural capital, including the restoration of carbon-rich habitats and climate-friendly agriculture, had recently been recognised as part of the five most important fiscal adjustment measures thanks to their multiplier effects on gross domestic product together with their positive impact on the climate.

He also explained that if the EU had met the investment needs of the Natura 2000 network, it could now have had around half a million additional jobs. He added that at global level, conservation of marine species could increase the annual profits of the seafood industry by more than EUR 49 billion.

Mr TIMMERMANS concluded that this strategy, adopted in the middle of the pandemic, would be a central link in the EU's recovery plan, which would make it possible to prevent new outbreaks of zoonotic diseases and to strengthen resistance to these threats, while at the same time providing opportunities for growth and investment for the benefit of the Union's economy.

Finally, he highlighted that Friday 22 May would be the International Day for Biological Diversity and that thanks to the strategy presented that day, the EU would demonstrate its readiness to engage with vision and to play an exemplary role in the world by working towards an ambitious post-2020 global biodiversity framework. The adoption of this framework should be confirmed by the UN Biodiversity Conference in 2021.

To close, Mr TIMMERMANS referred briefly to the 'farm to fork' strategy, which he saw as a major opportunity for the agricultural world to embrace the future and embark on a profound transformation of European agriculture towards a more sustainable and resilient model. In his opinion, it was important that this transformation should first benefit the farmers themselves as well as consumers, who must be able to choose a healthy and balanced diet.

Mr SINKEVIČIUS said he was convinced that with this biodiversity strategy, the EU was turning a key page in its history with a clear commitment to sustainable development. He noted that, as was the case for climate change in the past, biodiversity was still often considered to be a subject primarily linked to environmental protection, whereas it was closely linked to global health and economic well-being. Far from being a romantic idea, he felt that biodiversity was crucial for building a more resilient Europe from the point of view of the economy,

health and food supply, as well as playing a leading role, at the same time, in the fight against climate change.

He stressed that European societies were highly dependent on nature and biodiversity for clean water, pollinating crops, purifying the air, absorbing carbon, preserving soil fertility, protecting health and providing the basis for many economic activities. However, he remarked that nature was now in a disastrous state and that damaged, more fragile ecosystems were less resilient to extreme events, natural disasters, droughts, forest fires, floods and landslides. He added that infectious diseases, and in particular zoonoses, could spread more easily in a damaged environment.

He therefore welcomed the fact that the strategy had been proposed during the current circumstances, which had raised awareness of the vulnerability of societies and the need to adopt more sustainable lifestyles. He felt that the proposed strategy represented an important step for the necessary restoration of ecosystems and for the protection of nature in general as well as for increased mainstreaming of the issue of biodiversity.

Mr SINKEVIČIUS listed the main reasons why, in his view, the biodiversity strategy was particularly timely.

Firstly, he said that it would contribute to building resilience and to avoiding the emergence and limiting the spread of future diseases.

Secondly, he remarked that the climate and biodiversity crises were interdependent, as without restoring biodiversity, it would not be possible to achieve climate neutrality, which was one of the EU's major challenges for the coming decades.

Thirdly, he confirmed that the strategy should be at the heart of the Union's efforts to ensure the recovery of the EU economy. He explained that the restoration of nature and the deployment of nature-based solutions would not only contribute to biodiversity and adaptation to climate change but would also contribute to the creation of new jobs and new business opportunities. The EU would thus be able to

contribute to reducing the risk of disaster and to protect its economy from all the costs associated with repairing the disastrous consequences of global warming and other natural disasters.

Moreover, Mr SINKEVIČIUS stressed that the biodiversity strategy did not run counter to the interests of European farmers, fishermen or foresters and was in everyone's best interests. Supplemented by the strategy to achieve a fair, healthy and environmentally friendly food system – from farm to fork – it would enable farmers to produce safe, sustainable, nutritious and affordable food, while providing them with the income they needed in order to develop.

The safeguarding of biodiversity also played a major role in the food security of the Union and globally, since over 75% of the varieties of global food crops depended on animal pollination. Biodiversity therefore directly contributed to agricultural productivity, of which it was the strategic ally.

He also emphasised the inclusiveness of the biodiversity strategy, which brought together the whole society and involved close cooperation between the Member States, local authorities, businesses and other stakeholders.

He called for the Union to cooperate with the agricultural community and enable it to make the transition to green practices by using all the support instruments provided under the common agricultural policy and other policies, in order to help it achieve the established goals of preserving landscape features, promoting organic farming and cutting pesticide use.

Foresters should also be supported in order to increase the quantity, quality and resilience of forests by encouraging afforestation. Similarly, fishermen should receive support, primarily through the Maritime and Fisheries Fund, so as to encourage the restoration of marine ecosystems and maintain fish resources.

Lastly, collaboration with scientists, researchers, the business community and the public sector was necessary in order to develop tools to enhance the value of natural

capital, promote innovative business models and adopt effective solutions to protect biodiversity.

Mr SINKEVIČIUS ended by stressing that the loss of biodiversity, like climate change, was a global challenge that had to be addressed at the global level, and that the Union was called on and ready to play a leading role in the upcoming international negotiations on this issue.

Ms KYRIAKIDES underlined that the ‘farm to fork’ strategy presented a transition to sustainable food systems that guaranteed food security and access to healthy diets produced by a healthy planet.

Firstly, the COVID-19 pandemic had exposed the need to develop the resilience of the food system and safeguard food security, two priorities already included in the Commission’s political guidelines and in the European Green Deal.

Secondly, the proposals showed a high level of ambition. The mere fact of approving this strategy, at the same time as the biodiversity strategy, with the COVID-19 pandemic was ongoing, demonstrated the Commission’s political will on these fundamental issues.

She also highlighted the innovative elements of the ‘farm to fork’ strategy, which for the first time covered all stages of food production, as part of an ambitious global approach aimed at making sustainable development a growth strategy that would contribute to the Union’s economic recovery.

Furthermore, this strategy would offer new commercial opportunities for European farmers, fishermen and aquaculture producers who, thanks chiefly to the common agricultural policy and the common fisheries policy, stood to gain an international advantage by being the first to offer healthy and environmentally friendly products in response to the expectations of consumers.

Ms KYRIAKIDES specified that these ambitious proposals were divided into 27 concrete measures to transform the Union’s food system, including the aim of drastically cutting pesticide use, and measures to curb food fraud and waste. Among

PV(2020) 2338 final

these measures, the Commission would propose a legislative framework for sustainable food systems in the course of this Commission's mandate.

Above all, the strategy should focus on citizens by giving them the means to make informed food choices, chiefly through harmonised mandatory nutritional labelling.

Ms KYRIAKIDES ended by saying that the Union's ambition went beyond its own borders, since it aspired to ensuring that the European standards promoted by the strategy would become international standards for sustainable development.

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

- the relevance of the two strategies proposed that day, which directly responded to citizens' expectations of a healthier environment and more sustainable lifestyles;
- the advisability of continuing to support the share of renewable energy in the Member States' energy mix, in particular biomass for energy purposes, on the basis of sustainability criteria;
- the importance of taking account of the differences that would appear between the Member States in implementing the two strategies and providing them with appropriate support allowing them to converge on common goals;
- the need to reduce the agri-food sector's dependence on the transport of goods in order to reduce its environmental footprint and favour short supply chains;
- the importance nevertheless of taking into account the costs of the transition to more sustainable agriculture, particularly in light of the goals established for organic farming;
- the need to define sustainability criteria for investments in different sectors of the economy;
- the focus needed on rural areas in the digital transition so that they could reap all

the expected benefits and fully exploit the potential to achieve the goals of biodiversity and sustainable agricultural production;

- the need for these strategies to propose ambitious measures and commitments to stem the loss of biodiversity in Europe and around the world, and to turn the Union's food systems into global reference standards that contributed to competitive sustainability and protected the health of the planet and its inhabitants, while safeguarding the livelihoods of all players in the food value chain;
- the usefulness of actively communicating the Union's overall strategy to the players involved and citizens so that they could claim ownership of it and help bring it about.

The PRESIDENT expressed her conviction that citizens would naturally identify themselves with the two proposed strategies, in that they were all directly concerned by the loss of biodiversity and shared the feeling that humanity should now adopt more sustainable ways of living in order to benefit from healthy, equitable and environmentally friendly food.

In her view, the two strategies would reinforce each other by forging the necessary links between nature, farmers, fishermen, businesses and consumers to jointly build a sustainable future.

Following these presentations, the Commission approved the communications in COM (2020) 380/4 and COM (2020) 381/3, 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.

12. OTHER BUSINESS

LATEST DEVELOPMENTS IN EXTERNAL RELATIONS

Mr BORRELL reported to the College on the latest developments in the field of EU external action.

He referred very briefly to the meeting of the Foreign Affairs Council held by videoconference on 15 May last and the meeting of defence ministers held on 12 May, which had been attended by the Secretary General of the North Atlantic Treaty Organization and the Deputy Secretary-General of the United Nations. Both meetings had been dominated by discussions on the consequences of the COVID-19 pandemic.

Preparations for the EU-China summit were underway and he had published an article in the European press on relations with China. Members had received a copy. The Commissioners' Group on a Stronger Europe in the World would meet the following week to discuss EU-China relations and the group on the Defence Union would do likewise to consider the consequences of the pandemic for defence and security.

He mentioned that a new Israeli Government had taken office and had confirmed its intention to annex parts of the occupied territories in the West Bank. He reported that the Union's foreign affairs ministers had failed, in the absence of unanimity, to adopt a common position denouncing such annexation, which would be contrary to international law. That was why he had himself made a statement as High Representative, inviting Israel to work constructively with the EU, while calling for compliance with international law.

With respect to the situation in Libya, he expressed concern about the rise in violence against the backdrop of Turkish intervention in the country and reported on the contacts he had had with stakeholders. Despite the offers of good offices from a number of Member States, Malta's position was blocking financing and the appointment of a commander for Operation *Irini*, tasked with enforcing the arms

embargo in Libya.

Lastly, he mentioned the preparations for the Donors Conference for Venezuela, which the United States would attend, and drew the College's attention to the possibility of Iranian oil tankers being intercepted by the U.S. army in the Caribbean Sea, which could trigger a serious international crisis.

The PRESIDENT thanked Mr BORRELL and asked him to organise as soon as possible a meeting with the Maltese authorities to unblock the situation with respect to Operation *Irinì*.

The Commission took note of this information.

*

* *

The meeting closed at 10.59.