



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2020) 2345 final

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

Brussels, 9 September 2020

TEXTE EN

MINUTES

of the 2345th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 8 July 2020

(morning)

PV(2020) 2345 final

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

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TABLE OF CONTENTS

Attendance list	4-6
1. AGENDAS (OJ(2020) 2345/FINAL; SEC(2020) 2345/FINAL)	7
2. WEEKLY MEETING OF CHEFS DE CABINET (RCC(2020) 2345)	7
3. APPROVAL OF THE MINUTES OF THE 2342 ND , 2343 RD AND 2344 TH MEETINGS OF THE COMMISSION (17 AND 24 JUNE, AND 1 JULY 2020) (PV(2020) 2342; PV(2020) 2342, 2 ND PART)	7
4. INTERINSTITUTIONAL RELATIONS (RCC(2020) 123)	7
4.1. LEGISLATIVE MATTERS	8
4.2. RELATIONS WITH PARLIAMENT	10
5. COORDINATION OF EXTERNAL ACTION (RCC(2020) 97).....	11
6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	11
6.1. WRITTEN PROCEDURES APPROVED (SEC(2020) 235 ET SEQ.)	11
6.2. EMPOWERMENT (SEC(2020) 236 ET SEQ.)	11
6.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2020) 237 ET SEQ.)	11
6.4. SIGNIFICANT WRITTEN PROCEDURES (SEC(2020) 238 AND /2)	12
7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2020) 239/2 AND /3)	12
7.1. DG COMPETITION – APPOINTMENT OF AD 15/16 DEPUTY DIRECTOR- GENERAL (PERS(2019) 10 TO /3)	13
7.2. DG ENERGY – APPOINTMENT OF AD 15/16 DEPUTY DIRECTOR-GENERAL (PERS(2020) 39 TO /3).....	13

7.3. DG HUMAN RESOURCES AND SECURITY – SPECIAL ADVISERS TO THE COMMISSION FROM 8 JULY 2020 TO 31 MARCH 2021 (PERS(2020) 54).....	14
7.4. DG TAXATION AND CUSTOMS UNION – APPOINTMENT OF AD14 DIRECTOR	14
7.5. COMMISSION DECISIONS ON POST TERM-OF-OFFICE ACTIVITIES OF THREE FORMER MEMBERS OF THE COMMISSION (C(2020) 9029; C(2020) 9030; C(2020) 9031)	15
8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – POWERING A CLIMATE-NEUTRAL ECONOMY – AN EU STRATEGY FOR ENERGY SYSTEM INTEGRATION (COM(2020) 299 AND /3; RCC(2020) 124).....	15
9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – A HYDROGEN STRATEGY FOR A CLIMATE-NEUTRAL EUROPE (COM(2020) 301 A /3; RCC(2020) 124).....	15
10. OTHER BUSINESS.....	24
10.1. SUMMER ECONOMIC FORECASTS.....	24
10.2. MULTIANNUAL FINANCIAL FRAMEWORK FOR 2021-2027 AND THE ‘NEXT GENERATION EU’ TEMPORARY EUROPEAN EMERGENCY RECOVERY INSTRUMENT	29
10.3. FRAMEWORK AGREEMENT FOR THE FINANCIAL PARTNERSHIP BETWEEN THE EUROPEAN COMMISSION AND THE WORLD BANK GROUP	29

Single sitting: Wednesday 8 July 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	Items 1 to 9
Mr DOMBROVSKIS	Executive 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	
Mr REYNDERS	Member	
Ms DALLI	Member	
Ms JOHANSSON	Member	
Mr LENARČIČ	Member	
Ms VÁLEAN	Member	
Mr VÁRHELYI	Member	
Ms URPILAINEN	Member	
Ms SIMSON	Member	
Mr SINKEVIČIUS	Member	

Absent:

Ms VESTAGER

Executive Vice-President

Mr BORRELL i FONTELLES

High Representative/
Vice-President

(8 July 2020)

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

Mr JØRGENSEN	Chef de cabinet to Ms VESTAGER
Mr BRIENS	Deputy Chef de cabinet to Mr BORRELL i FONTELLES

The following also sat in:

Mr SEIBERT	Chef de cabinet to the PRESIDENT	
Ms BANKS	Deputy 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	
Mr LEARDINI	Deputy Secretary-General	
Mr FLOSDORFF	Executive Adviser in the PRESIDENT's Office	Items 1 to 8/9 (in part)
Ms PETKOVA	Director of Coordination and Administration in the PRESIDENT's Office	
Mr VANDENBERGHE	Adviser in the PRESIDENT's Office	Items 8 and 9
Mr GRASSI	Chef de cabinet to Ms SIMSON	Items 8 and 9
Ms SPINANT	Commission Spokesperson's Service	

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

1. AGENDAS

(OJ(2020) 2345/FINAL; SEC(2020) 2345/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) 2345)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 6 July 2020.

3. APPROVAL OF THE MINUTES OF THE 2342ND, 2343RD AND 2344TH MEETINGS OF THE COMMISSION (17 AND 24 JUNE, AND 1 JULY 2020)

(PV(2020) 2342; PV(2020) 2342, 2ND PART)

The Commission approved the minutes of its 2342nd meeting, and decided to hold over approval of the minutes of its 2343rd and 2344th meetings until a later meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2020) 123)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held by videoconference on Friday 3 July 2020 (RCC(2020) 123).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Trilogues

(point 3.1 of the IRG record)

- Prevention of the dissemination of terrorist content online (Regulation) – JAKI report – 2018/0331 (COD)

The Commission approved the line set out in SI(2020) 220.

- Amendment of Regulation (EC) No 1393/2007 of the European Parliament and of the Council on the service in the Member States of judicial and extrajudicial documents in civil or commercial matters (service of documents) (Regulation) – ROBERTI report – 2018/0204 (COD)
- Amendment of Council Regulation (EC) No 1206/2001 of 28 May 2001 on cooperation between the courts of the Member States in the taking of evidence in civil or commercial matters (Regulation) – RADEV report – 2018/0203 (COD)

The Commission approved the line set out in SI(2020) 222.

ii) European Parliament dossiers – July 2020 part-session

(point 3.2 of the IRG record)

Ordinary legislative procedure – Second reading

- Amendment of Directive 2006/22/EC as regards enforcement requirements and laying-down of specific rules with respect to Directive 96/71/EC and Directive 2014/67/EU for posting drivers in the road transport sector (Directive) – KONEČNÁ report – 2017/0121 (COD)

The Commission took note of the compromise text in SP(2020) 297, further to note COM(2020) 151, which it had already approved on 15 April 2020.

(8 July 2020)

- Amendment of Regulation (EC) No 561/2006 as regards minimum requirements on maximum daily and weekly driving times, minimum breaks and daily and weekly rest periods and Regulation (EU) No 165/2014 as regards positioning by means of tachographs (Regulation) – VIRKKUNEN report – 2017/0122 (COD)

The Commission took note of the compromise text in SP(2020) 298, further to note COM(2020) 151, which it had already approved on 15 April 2020.

- Amendment of Regulation (EC) No 1071/2009 and Regulation (EC) No 1072/2009 with a view to adapting them to developments in the road transport sector (Regulation) – ERTUG report – 2017/0123 (COD)

The Commission took note of the compromise text in SP(2020) 299, further to note COM(2020) 151, which it had already approved on 15 April 2020.

- Electronic freight transport information (Regulation) – DELI report – 2018/0140 (COD)

The Commission took note of the compromise text in SP(2020) 304, further to note COM(2020) 118, which it had already approved on 15 April 2020.

Ordinary legislative procedure – First reading

- Amendment of Regulation (EU) 2016/1628 as regards transitional provisions to address the impact of the COVID-19 crisis (Regulation) – 2020/0113 (COD)

The Commission took note of the compromise text in SP(2020) 305, further to notes SI(2020) 193 and SI(2020) 203, which it had already approved on 17 and 23 June 2020 respectively.

- Temporary measures concerning the time limits for the collection, verification and examination stages provided for in Regulation

(EU) 2019/788 on the European citizens' initiative in view of the COVID-19 outbreak (Regulation) – VINCZE report – 2020/0099 (COD)

The Commission approved the line set out in SP(2020) 310.

Special legislative procedure

- Guidelines for the employment policies of the Member States (Council Decision) – GUSMÃO report – 2020/0030 (NLE)

The Commission approved the line set out in SP(2020) 300/2.

Implementing acts and measures

- Certain uses of chromium trioxide (Commission Implementing Decision)
 - Objection pursuant to Rule 112(2) and (3) of the Rules of Procedure of the European Parliament

The Commission approved the line set out in SP(2020) 259/2.

- Extension of the approval periods of certain active substances, including flumioxazine (Commission Implementing Decision) – Objection pursuant to Rule 112(2) and (3) of the Rules of Procedure of the European Parliament

The Commission approved the line set out in SP(2020) 260.

4.2. RELATIONS WITH PARLIAMENT

- iii) Action taken on the non-legislative resolutions adopted by Parliament at its May 2020 part-session**
(point 5.6.1 of the IRG record)

The Commission approved, for transmission to Parliament, document SP(2020) 309 on the action taken on the non-legislative resolutions adopted by Parliament at its May 2020 part-session.

5. COORDINATION OF EXTERNAL ACTION

(RCC(2020) 97)

The Commission took note of the operational conclusions in RCC(2020) 97 of the meeting of the Group for External Coordination (EXCO) held on Wednesday 1 July 2020.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2020) 235 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 29 June and 3 July 2020.

6.2. EMPOWERMENT

(SEC(2020) 236 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 29 June and 3 July 2020.

6.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2020) 237 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 29 and 3 July 2020 archived in Decide.

6.4. SIGNIFICANT WRITTEN PROCEDURES

(SEC(2020) 238 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 6 and 10 July 2020.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2020) 239/2 AND /3)

ADMINISTRATIVE MATTERS

(PERS(2020) 53 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 to appoint Ms Linsey McCALLUM to the post of Deputy Director-General in charge of antitrust activities in DG Competition, and Mr Massimo GARRIBBA to the post of Deputy Director-General in charge of coordinating Directorates D and E in DG Energy.

He highlighted the great skills, outstanding career and recognised expertise of Ms McCALLUM and Mr GARRIBBA, which would be valuable assets in their new posts.

Mr HAHN then turned to the other proposal before the Commission, which was to adopt the list of special advisers to Members of the Commission, which would be valid with immediate effect until March 2021. He explained that the budget allocated to the remuneration of special advisers had been divided up internally, although some of these advisers did not receive any remuneration. Lastly, he announced that in future particular attention would be paid to gender balance when appointing special advisers.

**7.1. DG COMPETITION – APPOINTMENT OF AD 15/16 DEPUTY
DIRECTOR-GENERAL
(PERS(2019) 10 TO /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General in charge of antitrust activities in DG Competition (PERS(2019) 10).

It took note of the opinions of the Consultative Committee on Appointments of 30 January and 11 September 2019 (PERS(2019) 10/2 and /3).

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 VESTAGER, it then decided to appoint Ms Linsey McCALLUM to the post.

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

**7.2. DG ENERGY – APPOINTMENT OF AD 15/16 DEPUTY
DIRECTOR-GENERAL
(PERS(2020) 39 TO /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General in charge of coordinating Directorates D and E in DG Energy (PERS(2020) 39).

It took note of the opinions of the Consultative Committee on Appointments of 20 April and 19 May 2020 (PERS(2020) 39/2 and /3).

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 SIMSON, it then decided to appoint Mr Massimo GARRIBBA to the post.

This decision would take effect on 16 July 2020.

**7.3. DG HUMAN RESOURCES AND SECURITY – SPECIAL ADVISERS TO THE COMMISSION FROM 8 JULY 2020 TO 31 MARCH 2021
(PERS(2020) 54)**

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

- to adopt the list of special advisers to Members of the Commission valid, unless stated otherwise, from 8 July 2020 to 31 March 2021, as set out in PERS(2020) 54;
- by way of derogation from the provisions under point 6, second paragraph, of Commission Decision C(2007) 6655 of 19 December 2007 on the rules on special advisers to the Commission, to authorise the Member of the Commission responsible for the budget and human resources, Mr HAHN, to conclude addenda to the existing contracts in the event of duly justified and urgent needs, subject to the availability of sufficient budgetary appropriations;
- to authorise the Director-General of DG Human Resources and Security to implement this decision by signing contracts of employment on behalf of the authority empowered to conclude contracts of employment.

These decisions would take effect immediately.

7.4. DG TAXATION AND CUSTOMS UNION – APPOINTMENT OF AD14 DIRECTOR

On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Mr GENTILONI, the Commission decided to transfer in the interest of the service, under Article 7 of the Staff Regulations, Mr Dominik SCHNICHEL, an AD14 official and currently Director responsible for the Anti-Fraud Knowledge Centre in the European Anti-Fraud Office, to the post of Director of the ‘Customs’ Directorate in DG Taxation and Customs Union.

This decision would take effect on 16 July 2020.

**7.5. COMMISSION DECISIONS ON POST TERM-OF-OFFICE ACTIVITIES
OF THREE FORMER MEMBERS OF THE COMMISSION
(C(2020) 9029; C(2020) 9030; C(2020) 9031)**

The Commission adopted the Decisions set out in C(2020) 9029, C(2020) 9030 and C(2020) 9031.

The Commission specifically decided that the professional activities envisaged by Mr Günther OETTINGER, Mr Neven MIMICA and Mr Karmenu VELLA after leaving office as Members of the Commission were compatible with Article 245(2) of the Treaty on the Functioning of the European Union (TFEU) and with the Code of Conduct for Commissioners, subject to certain specific conditions and obligations.

**8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND
SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS –
POWERING A CLIMATE-NEUTRAL ECONOMY – AN EU STRATEGY
FOR ENERGY SYSTEM INTEGRATION
(COM(2020) 299 TO /3; RCC(2020) 124)**

**9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND
SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – A
HYDROGEN STRATEGY FOR A CLIMATE-NEUTRAL EUROPE
(COM(2020) 301 TO /3; RCC(2020) 124)**

At the invitation of the PRESIDENT, Mr TIMMERMANS presented to the College two communications submitted for its approval, entitled respectively ‘Powering a climate-neutral economy: an EU strategy for energy system integration’ and ‘A hydrogen strategy for a climate-neutral Europe’.

Mr TIMMERMANS said that with those two strategies, the EU was writing a new chapter in the implementation of the European Green Deal and their adoption, one week before the meeting of the European Council of 17 and 18 July, placed energy policy at the heart of the green transition and of the recovery plan for growth.

He first presented the strategy for energy system integration, explaining that the system accounted for 75% of greenhouse gas emissions in the EU and therefore featured prominently in climate action, which was why it now needed to be reinvented. Energy system integration was indeed a cornerstone of the European Green Deal, without which the EU would be unable to achieve its objective of climate neutrality by 2050.

To those who might still be asking why a complete overhaul of the energy system was necessary, he answered that the current model was a legacy of the past and had become too rigid and inefficient to allow the transition towards a sustainable future.

He gave the example of the combustion engines of motor vehicles, which transformed only 16% of the energy produced into locomotion, with the remainder being wasted as heat, whereas electric vehicles transformed 100% of the energy consumed into movement.

He also gave the example of heating systems with boilers that were gas-fired, or even worse coal-fired, whereas it was possible to circulate the hot water emanating from industrial processes in district heating networks or to use the heat generated by data centres.

Mr TIMMERMANS therefore considered that the current system was a poor vector of energy to the end user and that there was a need to transform it in order to eliminate waste and make the system less linear and less rigid so that it could accommodate new sources of energy.

A more flexible energy system would allow, in particular, electricity to be converted into gas and would offer various options for storing surplus energy to cover needs at night or when there was no wind. He added that in the future the energy system

would also have to offer the possibility of transporting energy over greater distances so as to transfer it from the sunny south to the less sunny north, or from coastal areas inland.

The strategy for energy system integration must therefore permit circular use of energy through electrification based on renewables and new fuels such as hydrogen.

Mr TIMMERMANS then spoke about the strategy specifically for hydrogen, which aimed at establishing Europe's industrial leadership in that field and making a crucial contribution to climate neutrality, provided that Europe acted swiftly to make the strategy an engine of green growth and job creation.

He said that although a number of Member States were currently preparing their own national hydrogen strategies, he expected the EU too to define a common framework allowing a pooling of resources, which could make it a European project capable of competing internationally.

He added that no Member State could take up that challenge in isolation and that only common action could create a true European hydrogen market, the scale of which would surpass the individual initiatives of any given country.

Mr TIMMERMANS also mentioned the safety aspect of electricity produced from renewable energy sources, which is why he advocated continuing the efforts made to support those energy sources, in particular offshore wind power, in the months and years to come. In this connection, he noted that some applications that were more difficult to decarbonise would require an energy vector that could be transported more easily and stored for longer as part of a more flexible system. He added that hydrogen had a key role to play in the decarbonisation strategy since it could serve as a source of energy in basic sectors such as steel, chemicals and fertilisers, and it could be used as a fuel for heavy goods vehicles and maritime transport, as well as for controllable electricity production.

He noted that that vision, which was far from being a distant dream, was currently achievable thanks to technological progress, economic development and the

existence of policy instruments suited to supporting the global transformation of energy production. He saw the enthusiasm created by the development of hydrogen applications and was delighted that the EU was driving that movement by making bold choices today for real change tomorrow.

Mr TIMMERMANS highlighted the ambition of the strategy, which set tangible objectives for the end of the current Commission's mandate in 2024, and then in 2030, and in which the EU provided itself with the means of achieving those objectives through three major strands.

First, the EU was planning an investment programme linked to the 'Next Generation EU' recovery plan. On the model of the Batteries Alliance, the EU would encourage collaboration between companies on implementing specific projects in the field, thanks to a Clean Hydrogen Alliance that was due to be launched that same day.

Secondly, the EU would rely on the sound work done by the Commission in order to continue promoting technological development, and the European hydrogen industry had already made such remarkable progress that it was ready for large-scale engagement.

Thirdly, the EU would boost demand and encourage production through a framework of action and support, with benchmarks for low-carbon hydrogen and certification work. He explained that the approach followed would be flexible, through the financing of a grant to encourage renewable hydrogen – which was an absolute priority – but also through appropriate support during the transition phase for low-carbon hydrogen, which remained essential for supplying the market and, in the long term, getting rid of the dirty hydrogen that was still being used.

Mr TIMMERMANS stressed, finally, that the hydrogen strategy also encouraged international collaboration because the EU would never be able to resolve the global warming problem on its own. He called for the involvement of the Neighbourhood countries, Africa and, more widely, of global partners in implementing the strategy

under the Paris Agreement in order to build a sustainable future together while creating a win-win situation.

He concluded that, beyond the reduction in greenhouse gas emissions, the two strategies presented that day would play a central role in bringing clean, safe and competitive energy to the European economy and to consumers. He reminded the meeting that the two strategies were fully integrated in the EU's industrial strategy so that the EU could retain global leadership in the field of clean technologies, which would be one of the engines of global growth in the following decade.

Ms SIMSON confirmed that the two strategies were very closely linked and would make a fundamental contribution to the overall strategy implemented under the European Green Deal, and in particular to the objective of reducing the energy sector's greenhouse gas emissions from the current level of 75% to 50% or 55% by 2030, which would put the EU on track for carbon neutrality in 2050.

To achieve that objective, the EU's energy system must be profoundly transformed on three fronts. First, it must permit much more efficient use of energy and consume less resources by prioritising, for example, the use of energy wasted in industrial processes or the heat produced by data centres in order to heat homes. Secondly, it was important to encourage the electrification of buildings, transport and industrial processes while substantially increasing the proportion of renewable energies. Thirdly, when electrification was not possible or was too expensive, it was necessary to promote the use of clean fuels such as biofuels, biogas and hydrogen in order to progressively replace natural gas, which would nevertheless continue to play an important role in the transition.

In her view, the strategy for integrating the current energy systems was the main entry point for each of those changes, and it had to create the synergies between the various sectors that were necessary for the emergence of an environment conducive to the development of new methods of energy production, transport and distribution. The EU therefore had to be able to speed up decarbonisation of the economy, while offering consumers the fairest and most cost-effective solutions. While energy

prices were relatively low at present, affordable prices were essential for competitiveness, but also for public support for the European Green Deal.

The two strategies also set out the means to overcome the regulatory, practical and technological barriers to the development of the future energy system, through a series of measures and a precise timetable for legislative initiatives to be launched from this year.

As regards the specific hydrogen strategy, Ms SIMSON reiterated that its key aim was to make hydrogen a viable part of the energy transition, on the basis of clear targets for 2024 and 2030, giving priority to renewable hydrogen, which was the only source of hydrogen without greenhouse gas emissions throughout its life cycle. That energy would also enable increased use of electricity from renewable energy sources and would confirm the EU's global leadership of the industry, since European manufacturers played a leading role in building electrolyzers.

However, she advocated a pragmatic approach, given that two factors were delaying the development of hydrogen – its cost and the lack of economies of scale. During the transition phase, the objective was thus to rapidly reduce pollutant emissions and achieve the required scale, while continuing to rely on other forms of hydrogen with low greenhouse gas emissions and responding to industrial demand. In the interim, clean hydrogen would benefit from enhanced and tailored support in the longer term.

With regard to fully exploiting the potential of hydrogen, Ms SIMSON referred to the four types of measure proposed by the Commission, which aimed to (i) increase the production of electrolyzers in the coming years, with the help of EU funding and the growing contribution of renewable energy, (ii) stimulate demand by replacing hydrogen produced from natural gas in the chemical industry and subsequently promoting increased use of hydrogen in the steel industry and transport, (iii) create an EU-wide rules-based market supported by tailored infrastructure, and (iv) develop the international dimension of hydrogen use and the diversification of sources of clean hydrogen.

Ms SIMSON noted that close cooperation with the EU's partners was essential to establishing a global market for hydrogen trading, exchanging best practices and agreeing on common rules and standards to promote cross-border trade.

In concluding, she welcomed the fact that the hydrogen strategy had arrived right on cue in terms of planning the investment needed to implement it under the future recovery fund and to support growth, innovation and jobs.

Mr BRETON emphasised the key role that hydrogen could play in decarbonising the most energy-intensive sectors and the opportunity offered by the two strategies presented that day to clarify the EU's long-term energy policy.

He stressed the strategic importance of hydrogen in efforts to reduce the EU's energy dependency and strengthen its resilience. However, during the transition, it was necessary to take into account each Member State's energy mix and the various energy sources used to produce hydrogen. In this context, he regretted that the Communication did not recognise the contribution that decarbonised transition energies such as nuclear could bring, beyond 2024, to the achievement of the objectives identified in the hydrogen strategy.

The necessary investment should be planned precisely so that the industry could benefit from it at the right time in order to achieve the objectives set for 2024.

Finally, Mr BRETON pointed out the expected multiplier effects of the European Clean Hydrogen Alliance, which would be launched that very day and which, thanks to its inclusive approach, would bring together all value chains and offer a forum for discussion with key stakeholders and civil society.

Ms GABRIEL highlighted the crucial role of research and innovation in implementing both strategies, which would require technological developments that the Joint Research Centre would be closely involved in.

Secondly, she underlined the role that the European Clean Hydrogen Alliance would be called on to play as a catalyst to capitalise on the experience already acquired in

Europe in this innovative field and swiftly bring the technologies developed to market.

Finally, she suggested that synergies between different sectors and programmes should be prioritised at all times, while also highlighting skills acquisition, which she considered to be one of the main drivers of the transformation of energy systems and in which she saw an investment intended to benefit citizens directly.

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

- the need to take into account in the EU strategy for energy system integration the groups most vulnerable to energy poverty;
- the advisability of putting consumers at the heart of the proposed strategies, which should be inclusive, but should also allow the demand for clean energy to be influenced, given that domestic consumption accounted for 54% of the EU's gross domestic product, much of which was in energy products;
- the importance of energy system integration encompassing the EU's peripheral and outermost regions, particularly in terms of infrastructure development;
- the key role of cohesion policy in that integration, including in supporting the rise of ecosystems in the hydrogen sector;
- the wide range of hydrogen-based applications that existed in the transport field, in particular with regard to heavy goods vehicles, the aviation sector and maritime transport;
- the significant quantities of hydrogen that would be needed for the energy transition and which would require supply from multiple sources beyond 2030;
- the need to further highlight the contribution that hydrogen could make to air quality, in line with the EU's objectives in this area;

- the usefulness of considering reusing ‘carbon stranded assets’ as basic infrastructure for hydrogen transport and to help transform the EU’s energy system;
- the prominent international dimension of the vision of the future presented by the EU in both its strategies, with the negotiations on combating climate change and the achievement of the United Nations Sustainable Development Goals;
- the close involvement of neighbouring countries, and in particular the Western Balkans, in the EU’s overall energy strategy;
- the need, however, to protect the EU’s technological advances in the energy field, in particular to ensure that the considerable investment made in research and innovation could be translated into job creation and economic growth for the benefit of European citizens.

Ms SIMSON explained that, while the objectives set by the EU appeared extremely ambitious, in particular installing 6 gigawatts of electrolyser capacity for renewable hydrogen production in Europe by 2024, with a view to producing up to one million tonnes of renewable hydrogen, they were nonetheless achievable given the work already under way and their incorporation in the ‘Next Generation EU’ recovery plan.

She also pointed out that the implementation of the two strategies should not lead to an increase in energy prices, and emphasised that the Commission was mindful of the vulnerability of part of the EU population exposed to the risk of energy poverty, an area in which it would shortly be proposing targeted measures.

Lastly, she welcomed the approach taken to involve all sectors of industry and civil society in what should be seen as a cornerstone of the major project to transform the Union’s economy and society represented by the green and digital transformation.

The PRESIDENT wound up the debate by highlighting the vision of the future reflected in both strategies proposed that day, which were however firmly rooted in

reality and focused on the implementation of the climate neutrality objective. She supported the inclusive approach set out, which was justified by the fact that all economic and social players were directly affected by the transformation of the EU's energy system.

In the process under way, the EU would not forget the most vulnerable and would take specific measures, in particular with regard to building renovation, to directly influence the phenomenon of energy poverty. She also hoped that no region would be left behind in the transformation of the energy system, which had to help achieve the EU's political priorities.

In concluding, she suggested paying particular attention to the issue of transporting and storing renewable energy, and argued that if it could be resolved, a decisive step would have been taken towards achieving the Commission's major ambitions in the energy policy field revealed that day.

The Commission approved the communications in COM(2020) 299/3 and COM(2020) 301/3, 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.

10. OTHER BUSINESS

10.1. SUMMER ECONOMIC FORECASTS

Mr DOMBROVSKIS presented the summer economic forecasts which, at this interim stage, simply consisted of GDP and inflation projections for the current and following year.

In a context of great economic uncertainty, the lockdown measures brought about by the COVID -19 pandemic were weighing more heavily than expected on European economies. The economic contraction was projected to reach -8.3% in the EU as a whole and -8.7% in the euro area, while the

Commission's spring economic forecasts pointed to -7.4% and -7.7% respectively. However, a recovery was forecast to take shape at the end of 2020, reaching +5.8% in the EU and +6.1% in the euro area.

In these difficult circumstances, he recommended continued protection of workers and businesses and close coordination of the measures taken in this regard at EU level. These measures allowed Europe to contain unemployment better than other regions and countries. He also noted that, unlike during the 2008 crisis, business bank loans had not collapsed, and had even increased in May.

Mr DOMBROVSKIS concluded by emphasising that these interim forecasts clearly illustrated the reasons why the Union needed rapid agreement on the recovery plan proposed by the Commission to support its economy. The next full economic forecasts would be published in the autumn, and he hoped that they would bring better news.

While Mr GENTILONI observed some signs of recovery and cautious early indications of an upturn, he also noted that the EU's GDP had been affected more severely than the Commission had foreseen in the spring, with the worst recession since the Second World War, of -13.5%, recorded in the second quarter. Compared with 2019, the euro area had seen a cumulative fall in GDP of nearly 17% in six months.

Although the rapid and decisive measures taken, in particular the short-time working schemes (such as the 'SURE' European support instrument), had for the time being avoided a crisis on Europe's job markets, the schemes were temporary and would not indefinitely preserve workers' jobs and incomes; they were also expensive. For this reason, he felt that the pace and strength of the recovery would be crucial to avoid business bankruptcies and redundancies. He pointed out that the G20 countries, except the European Union, had 160 million unemployed people as a result of the pandemic, of

which a possible second wave in the autumn remained the great unknown quantity.

Alongside these worrying trends, Mr GENTILONI highlighted the increasingly tangible risk of a deepening divide between the Union's economies, which varied according to the seriousness of the health crisis, the length and severity of lockdown measures, the proportion in the economy of certain particularly hard-hit sectors such as tourism, and Member States' capacity to support their economies. In any case, in 2021, the GDP of the Member States most severely affected by the pandemic was forecast to remain between 3 and 5% below the pre-crisis level, while in other countries it was projected to return to that level. He felt these trends were an additional argument in favour of the recovery plan, the idea of which was also to avoid fragmentation of the EU.

However, he stressed the numerous uncertainties liable to affect the trajectories presented, starting with the behaviour of the virus itself, the evolution of the employment situation, business solvency issues, possible turbulence on the financial markets, and the potential disorderly withdrawal of the United Kingdom from the EU.

Mr GENTILONI concluded by proposing that an assessment be made of the impact of the recovery plan on the economic scenario he had just described, in order to give the PRESIDENT additional arguments to encourage EU leaders to reach an agreement on the plan at the European Council meeting on 17 and 18 July.

The PRESIDENT approved this suggestion.

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

- the hope that the bleak picture that had just been painted of the economic situation in the EU would inspire its leaders and make them aware of their

responsibility to reach agreement as soon as possible on the 2021-2027 Multiannual Financial Framework and on the European recovery plan;

- the very poor signal that would be sent by a failure to reach agreement in the current circumstances;
- the mitigating effect that the measures taken by the Commission in response to the crisis had had so far on what could have been a dramatic increase in unemployment;
- support for the idea of assessing the potential impact of the recovery plan on the current economic scenario in order to demonstrate its positive contribution, and the suggestion of doing the same for the measures already taken by the Commission, such as the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE), presenting its tangible benefits for each Member State;
- the comment that the modest recovery in activity as we emerged from the lockdown period was a relief; nonetheless, at the same time, an observation of the uncertainties and complexity of the situation facing businesses in the EU, which were preparing for many months during which they might be required to reintroduce partial lockdown measures of limited duration;
- the role of psychology in the current situation, given the complete uncertainty facing all economic operators as a result of the persistence of the virus, which was causing hesitant consumer behaviour and a wait-and-see approach on the part of businesses, thus keeping demand low, and which – with a slight delay – could lead to surges in unemployment in the coming months;
- a reference to redundancy programmes being drawn up in key sectors such as the automotive industry and aviation;

- an appeal not to interpret unemployment figures, which were being kept in check for now, in a way that gave a false sense of security, given that many workers were not registered with employment services and many businesses were biding their time before closing their doors permanently;
- the urgent need to roll out the Recovery Plan to prevent this bubble from bursting and causing a major crisis beyond the summer, and also to have an impact on investment and to stimulate consumption;
- in terms of the recovery and combatting unemployment, recommendation of the use of the more reliable criterion of hours worked rather than jobseekers, a proportion of whom remained dormant; in this regard, the case for including teleworking;
- regarding the Multiannual Financial Framework, a reminder of the possible use of existing instruments to make pay-outs from the Recovery and Resilience Facility from 2021, which would enable the Union to strengthen its defences in the event of a new crisis; similarly, the liquidity which could be used in the short term in the context of ‘React-EU’ and the Solvency Support Instrument, subject to the absorption capacity of the Member States;
- the case for raising the issue of addressing COVID-19 with EU leaders in order to avoid a further widespread lockdown at all costs; reference in this regard to the Commission’s support for neighbouring countries, particularly in the Western Balkans;
- in terms of health, the announcement of increased collaboration with the Member States to minimise the future impact of seasonal influenza;
- satisfaction that the Member States were now better equipped to withstand specific lockdowns designed to stop the virus from spreading locally.

The PRESIDENT addressed the uncertainty linked to COVID-19 and pointed out that whereas the EU was preparing for a possible second wave of the outbreak, many parts of the world were still in the middle of the first wave. Moreover, at the beginning of this health crisis, the idea had been to try to eradicate the virus by means of strict lockdown measures; today, however, it was more a matter of seeking to avoid its presence notably by means of physical distancing and partial local lockdowns, where necessary. She felt that this period would last, without there necessarily being a second wave in Europe. She therefore informed the meeting that Ms KYRIAKIDES would present a set of initiatives next week to prepare the Member States for this situation. She reminded the meeting that the development of a vaccine in normal times took 10 years and that, if one became available in 2021, this would be a great achievement, although it would take time for it to enter large-scale production.

The Commission took note of this information.

10.2. MULTIANNUAL FINANCIAL FRAMEWORK FOR 2021-2027 AND THE ‘NEXT GENERATION EU’ TEMPORARY EUROPEAN EMERGENCY RECOVERY INSTRUMENT

The Commission took stock of the state of play of the ongoing negotiations on the Multiannual Financial Framework for 2021-2027 and the ‘Next Generation EU’ European Recovery Plan.

The Commission took note of this information.

10.3. FRAMEWORK AGREEMENT FOR THE FINANCIAL PARTNERSHIP BETWEEN THE EUROPEAN COMMISSION AND THE WORLD BANK GROUP

The President gave the floor to Mr HAHN, who drew attention to the adoption, by written procedure, of a Commission decision approving the revision of its framework partnership agreement with the World Bank Group

(PE/2020/4709 – C(2020) 4712).

Mr HAHN reported that it had been necessary to review all the framework agreements in force in the light of the revision of the Financial Regulation in 2018. The Union had also introduced a system of penalties in the *acquis* based on Article 215 of the Treaty on the Functioning of the European Union. In 2018, the Commission had therefore opened negotiations with the World Bank Group, a very important international partner for the Union, with a view to the adaptation of their framework agreement. These negotiations had recently ended.

The new agreement therefore provided for a cooperation framework between the Commission and the World Bank Group in line with the Financial Regulation in force and its extension to financial instruments and budgetary guarantees. Thus, as regards the Union's restrictive measures in relation to money laundering and tax good governance, the World Bank's operations and policies would provide the Union's financial interests with guarantees equivalent to those for the direct management of funds by the Union itself. For example, if an entity receiving EU funding were included on the consolidated EU sanctions list, the World Bank Group would be obliged to ensure that this entity did not benefit from those funds.

Because of the negotiations in question, the Directorate-General for International Cooperation and Development and the Directorate-General for Neighbourhood and Enlargement Negotiations had suspended the signing of new projects in cooperation with the World Bank since the end of 2019. This should therefore now take place in 2020. He noted that some of the projects in question now also aimed to combat the effects of the COVID-19 pandemic.

For all these reasons, Mr HAHN stressed the importance of the aforementioned decision in order to resume cooperation with the World Bank without delay.

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 11.35.