



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2021) 2378 final

- English translation of the French version which is authentic -

Brussels, 23 June 2021

TEXTE EN

MINUTES

of the 2378th meeting of the Commission

held in Brussels

(Berlaymont)

on Tuesday 18 May 2021

(afternoon)

PV(2021) 2378 final

- English translation of the French version which is authentic -

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Single sitting: Tuesday 18 May 2021 (afternoon)

The sitting opened at 13.09 with Ms VESTAGER in the chair, in the absence of the PRESIDENT, Ms von der LEYEN.

Present:

Ms VESTAGER	Executive Vice-President	
Mr DOMBROVSKIS	Executive Vice-President	Items 1 to 10.3 (in part)
Ms JOUROVÁ	Vice-President	Items 8 to 10.3 (in part)
Ms ŠUICA	Vice-President	
Mr SCHINAS	Vice-President	
Mr HAHN	Member	
Ms GABRIEL	Member	Items 8 and 9
Mr SCHMIT	Member	
Mr GENTILONI	Member	Items 1 to 10.3 (in part)
Mr WOJCIECHOWSKI	Member	
Mr BRETON	Member	
Ms KYRIAKIDES	Member	
Mr REYNDERS	Member	Items 7 to 10.3
Ms DALLI	Member	
Ms JOHANSSON	Member	Items 8 to 10.3
Mr LENARČIČ	Member	
Ms VÁLEAN	Member	
Mr VÁRHELYI	Member	Items 1 to 8 (in part)
Ms SIMSON	Member	
Mr SINKEVIČIUS	Member	
Ms McGUINNESS	Member	

Absent:

Ms von der LEYEN	President
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Mr TIMMERMANS	Executive Vice-President
Mr BORRELL i FONTELLES	High Representative / Vice-President
Mr ŠEFČOVIČ	Vice-President
Ms FERREIRA	Member
Ms URPILAINEN	Member

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

Ms NELEN	Deputy Chef de cabinet to Mr TIMMERMANS
Mr BRIENS	Deputy Chef de cabinet to Mr BORRELL
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ
Ms MADSEN	Deputy Chef de cabinet to Ms FERREIRA
Mr LAHTI	Chef de cabinet to Ms URPILAINEN

The following also sat in:

Mr CALLEJA CRESPO	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 PETKOVA	Director of Coordination and Administration in the PRESIDENT's Office	
Ms TOVSAK-PLETESKI	Economic Adviser in the PRESIDENT's Office	Item 8
Ms SCHULTZ	Policy Coordinator in the PRESIDENT's Office	
Mr HULICIUS	A member of Ms JOUROVÁ's staff	Items 1 to 7
Ms KIRÁLY	Chef de cabinet to Ms GABRIEL	Item 10
Ms TUTS	Chef de cabinet to Mr REYNDEERS	Items 1 to 6
Ms WEBBER	Chef de Cabinet to Ms JOHANSSON	Items 1 to 7

Secretary: Ms JUHANSONE, Secretary-General, assisted by Ms ALLOUIS-LE LOSTEC, Head of Unit in the Secretariat-General.

1. AGENDAS

(OJ(2021) 2378/FINAL; SEC(2021) 2378/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(2021) 2378)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 17 May 2021.

3. APPROVAL OF THE MINUTES OF THE 2374TH, 2375TH, 2376TH AND 2377TH MEETINGS OF THE COMMISSION (21/22 AND 27 APRIL, 5 AND 12 MAY 2021)

The Commission held over approval of the minutes of its 2374th, 2375th, 2376th and 2377th meetings.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2021) 112)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held by videoconference on Friday 12 May 2021 (RCC(2021) 112).

The Commission approved the lines proposed for the following points:

- **Conditions of entry and residence of third-country nationals for the purposes of highly skilled employment (Directive) – MORENO SÁNCHEZ report – 2016/0176 (COD)**

Line set out in SI(2021) 134/2.

- **Amendment of Regulation (EC) 168/2007 establishing a European Union Agency for Fundamental Rights (Council Regulation) – MANDL report – 2020/0112 (APP)**

Line set out in SI(2021) 141.

- **Amendment of Directive (EU) 2017/2397 as regards the transitional measures for the recognition of third countries certificates (Directive) – AMERIKS report – 2021/0039 (COD)**

Line set out in SI(2021) 137.

- **Establishment of the European High Performance Computing Joint Undertaking (Council Regulation) – CARVALHO report – 2020/0260 (NLE)**

Line set out in SI(2021) 136/2.

- **Proposed application of Article 22(5) of Regulation (EU) 2021/695 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 – NICA report – 2018/0224 (COD)**

Line set out in SPI(2021) 24.

The Commission approved the line set out for the following point, for transmission to the European Economic and Social Committee:

**– Follow-up to opinions of the European Economic and Social Committee –
Plenary session of December 2020**

Line set out in SC(2021) 15/2.

**5. COORDINATION OF EXTERNAL ACTION
(RCC(2021) 27 AND /2)**

The Commission took note of the operational conclusions in RCC(2021) 27/2 of the meeting of the Group for External Coordination (EXCO) held by videoconference on Wednesday 12 May 2021.

**6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF
POWERS**

**6.1. WRITTEN PROCEDURES APPROVED
(SEC(2021) 195 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 10 and 12 May 2021.

**6.2. EMPOWERMENT
(SEC(2021) 196 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 10 and 13 May 2021.

**6.3. DELEGATION / SUBDELEGATION OF POWERS
(SEC(2021) 197 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 10 and 17 May 2021 archived in Decide.

6.4. SIGNIFICANT WRITTEN PROCEDURES (SEC(2021) 198 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 17 and 21 May 2021.

7. OTHER BUSINESS

ORGANISATION OF WORK DURING THE COVID-19 PANDEMIC

Ms VESTAGER asked Mr HAHN to clarify the conditions for a gradual return of Commission staff to physical presence at the Commission's premises once the health situation allowed it.

Mr HAHN pointed out that these conditions would be governed by the rules set by the host country for management of the COVID-19 pandemic.

In Belgium, from 9 June teleworking would remain compulsory, but up to 20% of staff would be able to go in to the Commission's premises to work. From 1 July, teleworking would no longer be compulsory but would be strongly recommended; up to 30% of staff would be able to work on site. There would thus be a phased approach in line with the necessary protection and hygiene measures.

At the request of several Members of the College, Mr HAHN also referred to the applicable rules in Belgium as regards the quarantine and test measures to be complied with on return from essential missions abroad for diplomatic missions and international organisations established in the country. The COVID-19 tracing centres took decisions on quarantine on the basis of the answers given in passenger

locator forms.

Should quarantine be required, it could be lifted in cases where there was an essential function to perform or an essential need to travel, provided that this activity could not be postponed. Social distancing rules and other precautionary measures had to be respected.

Except in cases of an essential function or an essential need to travel, the person must comply with the 10-day quarantine, with obligatory tests on the first and seventh day for all Belgian residents on return from more than 48 hours in a red zone (and sometimes even an orange one), unless the stay in Belgium was less than 48 hours. The length of the quarantine could be reduced to 7 days if the test results were negative.

Mr HAHN stressed that if the quarantine rules were applied to those returning from abroad, only the need to perform a critical or essential function could justify stopping quarantine or coming in to the Commission's premises, and quarantine must be strictly respected in private life.

The Commission took note of this information.

**8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – BUSINESS TAXATION FOR THE 21ST CENTURY
(COM(2021) 251 TO /3; RCC(2021) 116)**

Ms VESTAGER asked Mr DOMBROVSKIS and Mr GENTILONI to present to the College the communication entitled 'Business taxation for the 21st Century' which was submitted for its approval that day.

Mr DOMBROVSKIS began by saying that the current international corporate tax system had been designed more than a century ago and was based on outdated

principles of tax residence and source. Globalisation and digitalisation had gradually left these principles more and more out of sync with today's economy and had made tax rules increasingly difficult to apply to modern business realities.

In addition, from the EU's standpoint, the current tax systems did not properly reflect its long-term policy objectives and priorities, starting with the ongoing green and digital transitions.

He went on to say that while corporate income was still taxed at the national level, companies and their business models were becoming increasingly complex, digital and international. This involved growing compliance costs for business, creating risks of double taxation which, in turn, required new tax rules adapted to the ways the economy worked in the 21st century.

He noted that at the same time some companies exploited existing loopholes between tax systems through aggressive tax-planning strategies. This made it difficult to know how much tax companies were actually paying, which risked undermining citizens' trust in the tax system as a whole. However, for the system to be efficient, it was essential for citizens to have trust in it.

Lastly, he pointed out that the ongoing global negotiations in the OECD and the G20 could lead to an agreement in the coming weeks, which the EU intended to implement as soon as possible.

All these reasons therefore justified a reform of corporate taxation in the EU.

Mr DOMBROVSKIS explained that that day's communication was built around short-term initiatives, such as legislative proposals to address aggressive tax planning and the abusive use of shell companies and to remedy the fact that the current corporate tax system favoured debt financing over equity financing. These proposals would ensure the continuity of the work on a fair taxation agenda that had started under the previous Commission's term of office.

The College was also adopting that day, by written procedure, a recommendation to the Member States on the tax treatment of losses during the COVID-19 crisis (C(2021) 3484), which would authorise businesses to carry losses back to the previous tax year. This would benefit in particular SMEs that were profitable before the pandemic, by allowing them to deduct the losses incurred in 2020 and 2021 from tax paid before 2020.

He stressed that the communication also looked at longer-term initiatives and reflections that could make it possible to create a common rulebook for groups of companies operating across the single market, reduce barriers to cross-border investment, cut compliance costs for businesses and ensure reliable and predictable corporate tax revenues.

Lastly, he mentioned a longer term project, namely to launch a reflection on the ‘EU tax mix on the road to 2050’ which would look at how tax systems could evolve with a view to supporting the transformation of the economy and demographic trends in European society.

In conclusion, Mr DOMBROVSKIS highlighted the balance of the communication presented, which addressed all the important aspects of corporate taxation for the 21st century.

Mr GENTILONI saw the communication as a multi-stage corporate taxation strategy in which the Commission clearly set out its intentions while expressing its views on the current international debate in this field.

He felt that the political context was conducive to such a strategy. To begin with, the Member States were more inclined to tax income that would be useful for their economic recovery, by combating tax evasion, optimisation and fraud more resolutely. Next, behavioural or environmental taxes could contribute to the widely shared desire to ‘build back the economy better’ after the pandemic by directing it towards climate neutrality, digital competitiveness, improving public health and reducing inequalities. Finally, the underlying trends – the ageing European

population and a labour market undergoing transformation – called for a paradigm shift that moved the main burden of taxation away from labour, as was the case today.

He ran through the three key strands of that day's communication. First, it explained how the EU would implement a global deal in the OECD and G20. Second, it proposed new measures that the EU would adopt in the short term, i.e. this year and in 2022. Third, it mentioned the measures planned in the second half of the Commission's term.

As regards the debate launched by the G20, the discussions that had been under way for several years at the OECD on a reform of the international corporate tax framework focused on two broad pillars: (i) a partial re-allocation of taxing rights to reflect the globalisation and digitalisation of the economy (pillar 1), and (ii) a minimum effective taxation of multinationals' profits (pillar 2).

The EU had always been and was still in favour of a global agreement on tax reform. He welcomed the fact that the new US administration was committed to this process, while acknowledging that there was still a lot of work to be done in order to reach a global consensus on this particularly complex matter. In any event, the EU was ready to implement the future agreement, which could be concluded by mid-2021.

The Commission was playing an active part in the international talks, working together with the Member States to ensure that issues of common concern for the EU were taken into account, such as the compatibility of this reform with the single market and the idea of minimising administrative complexity. Once agreed and translated into a multilateral convention, the application of pillar 1 would be mandatory for participating countries. The Commission would then propose a Directive to ensure that it was implemented consistently across the EU. It would also propose a Directive to implement pillar 2 on minimum effective taxation.

Mr GENTILONI stressed that the Commission was doing everything it could to seize this opportunity and to help secure a global agreement.

Additional measures would be adopted in the short term, in 2021 and 2022; these measures would be consistent with, but in some cases would go beyond, the provisions of the international agreement. Thus, by the end of this year, the Commission would set out new anti-tax avoidance measures to tackle the abusive use of shell companies - i.e. companies that had little or no physical presence and real economic activity. These companies would be subject to new tax monitoring and reporting requirements.

By 2022, the Commission would also issue a proposal requiring certain large companies operating in the EU to publish their effective tax rates. This measure would give citizens an overview of the tax contribution made by multinationals, highlight areas where certain multinationals used aggressive tax-planning strategies and hold them to account when they failed to contribute their fair share of tax.

The Commission also wanted to promote investment and innovation by addressing, through an allowance system, the current debt-equity bias that encouraged borrowing and thus pushed businesses to accumulate this type of debt rather than use equity financing. This issue was becoming more pressing as companies' debt stocks had increased significantly during the pandemic. The Commission's proposal would contribute to the re-equitisation of companies that were financially vulnerable as a result of the COVID-19 crisis.

Lastly, looking to the longer term, he referred to the initiative called BEFIT (Business in Europe: Framework for Income Taxation) that the Commission would launch by 2023 to replace the proposal for a Common Consolidated Corporate Tax Base, which had been pending before the co-legislators for several years and would be withdrawn.

This initiative would make it possible to cut red tape, reduce compliance costs for businesses, minimise tax avoidance opportunities and support EU jobs and

investment. It would also allow taxing rights to be allocated more fairly between Member States.

BEFIT would build on progress made in the global discussions on corporate tax reform, taking into consideration the principles of partial reallocation of taxing rights and minimum effective taxation of multinationals' profits in order to design a corporate tax framework that was suitable for the EU single market.

In conclusion, he stressed that the ambitious tax agenda presented that day was designed to support the recovery, create an environment conducive to sustainable growth and investment and meet Member States' public financing needs.

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

- the timeliness of the communication presented that day, as the EU was beginning to emerge from the crisis and the issue of over-indebtedness would arise;
- the welcome fact that the EU was the first to tackle the issue of adapting corporate taxation to the new realities of the changing global economy, as well as the green and digital transitions that the EU itself was undertaking;
- support for the idea that the EU would be the first to address the issue of taxing large platforms;
- the fact that the EU had remained constant in its approach to corporate taxation;
- support for the new provisions proposed for small and medium-sized enterprises that sought to put solutions in place to reduce SMEs' compliance costs and to address the debt-equity bias which favoured borrowing over equity financing;
- support for the announcement of ambitious legislative proposals, while acknowledging the difficulties that would need to be overcome for the proposals

to be finally adopted, given the requirement for unanimity on taxation matters in the EU; a reference, therefore, to the potential possibility of using Article 116 of the Treaty on the Functioning of the European Union;

- the crucial financial contribution that the digital tax, which would be proposed at the request of the European Council, would make to the *NextGenerationEU* recovery plan, and the advisability of bringing the matter of such a tax before the OECD for debate;
- the importance of the domestic tax treatment of businesses' losses from the point of view of the economic recovery;
- citizens' desire to know how multinationals were taxed, as they had made significant profits during the COVID-19 crisis;
- a question about how the future BEFIT proposal would differ from the proposal for a Common Consolidated Corporate Tax Base, which had not been successful;
- the further question of how the EU would implement the content of the agreement negotiated in the OECD if that agreement was not concluded.

Ms VESTAGER confirmed the timeliness of the communication and the importance of a shared ambition on corporate taxation. She stressed the importance of applying common rules, as had been the case for the State aid authorised in response to the pandemic, and reminded the College that the Member States had decided to refuse to grant aid to companies that did not pay tax in the EU. She welcomed the signal that this sent and noted the need for rules to be complied with on the ground in order to ensure that taxation was fair, as citizens wanted it to be. With that in mind, she particularly supported the proposals to tackle aggressive tax-planning measures by large companies, which would make it possible to bring in the tax revenue that was needed, in particular to fund public services in the EU.

Following on from the discussion, Mr GENTILONI began by noting that, if concluded, the future OECD international agreement would facilitate the ‘Business in Europe: Framework for Income Taxation’ initiative planned for 2023.

He said that the communication presented that day did not cover the EU initiatives on own resources that would be put forward by the Commission in July, though it did make reference to them. Developments in the international discussions on the partial reallocation of taxing rights would however have an influence on the EU’s decisions. Furthermore, the proposals put forward by the new US administration would facilitate the adoption of the EU’s future digital tax. The EU would need to explain that the tax was not a unilateral measure, but rather a decision taken to simplify fragmented legislation and generate own resources to be used for the EU recovery plan.

Ms VESTAGER thanked Mr DOMBROVSKIS and Mr GENTILONI for their presentations and proposed that they should keep the College regularly updated on the discussions in the OECD.

Following these presentations, the Commission approved the communication in COM(2021) 251/3 for transmission to Parliament and the Council, and, for information, to the European Economic and Social Committee, the Committee of the Regions and national parliaments.

**9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS ON THE GLOBAL APPROACH TO RESEARCH AND INNOVATION – EUROPE’S STRATEGY FOR INTERNATIONAL COOPERATION IN A CHANGING WORLD
(COM(2021) 252 TO /3; RCC(2021) 117)**

Ms VESTAGER briefly presented the communication on the global approach to research and innovation, entitled ‘Europe’s strategy for international cooperation in a changing world’. She explained that the EU was taking this initiative with the aim of playing a leading role in supporting international research and innovation partnerships and putting forward innovative solutions to foster a green, digital, healthy society.

She noted that international cooperation in research and innovation was taking place in a transformed global environment, where geopolitical tensions were rising and human rights and fundamental values were being challenged. The EU’s response was to lead by example, promoting multilateralism, openness and reciprocity in its cooperation with the rest of the world. However, there could be no openness without fairness and reciprocity, which was why one of the communication’s aims was to ensure a level playing field, in close cooperation with EU research bodies.

Ms GABRIEL presented the four pillars of the communication in greater detail. The first of these was a reaffirmation of the EU’s commitment to openness and international cooperation and to its fundamental values.

She observed that Horizon Europe was the world’s most open research and innovation programme and that this openness was the driving force behind international excellence. In the past, the fact that the EU’s neighbours were able to participate in this programme had helped to prepare some of them for accession. Now, Horizon Europe was open to more distant non-EU countries.

However, as well as reasserting its commitment to openness and cooperation, the EU needed to reaffirm its values. This was why the communication emphasised academic freedom, research ethics and integrity, gender equality, diversity and inclusiveness.

Scientific diplomacy had played a major role in the handling of the COVID-19 pandemic and the Commission intended to develop and promote principles for international cooperation in research and innovation, coordinating its efforts with

the Member States, in particular within the European Research Area Forum for Transition.

Ms GABRIEL then turned to the second pillar of the EU's international cooperation strategy, which aimed to rebalance the EU's approach by placing greater emphasis on reciprocity to create a level playing field. The situation in the world had changed since the EU unveiled its last strategy for international cooperation in research and innovation in 2012. New geopolitical tensions had emerged and unfair competition for technological leadership had grown more intense, particularly through the adoption of discriminatory measures.

The Commission therefore intended to negotiate targeted roadmaps for research and innovation cooperation with non-EU countries with a strong research base. These roadmaps should clearly set out the framework conditions that both sides would be expected to fulfil and identify milestones and deadlines for implementation.

Furthermore, a new tool – Article 22(5) of the Horizon Europe Regulation – provided that participation in the actions set out in the work programme could be limited in order to safeguard the EU's assets, strategic interests, autonomy or security.

Two key measures would be put forward in this connection: (i) guidelines on dealing with foreign interference targeting EU research organisations and higher education institutions, and (ii) a code of practice on smart use of intellectual property.

Ms GABRIEL explained that the strategy's third pillar consisted of pooling international efforts to tackle global challenges and ensuring that the EU's programme and the EU's openness could also be a means of advancing its political priorities. To this end, the EU wished to support existing multilateral research and innovation partnerships to address its priorities for sustainable development, digitalisation, health and innovation.

With regard to sustainable development and the fight against climate change, its intention was to bolster partnerships such as the All-Atlantic Ocean Research Alliance and Mission Innovation. Where digitalisation was concerned, collaboration in research and innovation would be used as a tool to foster partnerships with the whole world. With regard to health, the pandemic had shown that the EU and the world needed to substantially strengthen their preparedness and their resilience to shocks.

As for innovation, which could provide solutions in all areas to tackle global challenges, the aim was to establish win-win international partnerships, consisting of networks of incubators and accelerators, with countries and regions that offered reciprocal openness to entrepreneurship and investment. To achieve this, the Commission would use two of its key instruments: the European Innovation Council and the European Institute of Innovation and Technology.

Moving on to the fourth pillar of the communication, Ms GABRIEL noted that the EU intended to modulate its cooperation with priority countries and regions. This would entail adjusting its approach depending on whether it was dealing with China, the United States or South Korea, for instance, as it could not adopt the same approach in every case.

As far as China was concerned, the EU would seek to promote an agreement on a joint roadmap for cooperation in science, technology and innovation with a view to ensuring a level playing field between the parties and making reciprocity a prerequisite for future cooperation.

Finally, Ms GABRIEL pointed out that the communication placed particular emphasis on Africa. The continent was one of the Commission's geopolitical priorities, as evidenced by its 2020 strategy on Africa, which called in particular for the development of a 'knowledge society and economy' based on education, research and innovation. This was reflected in the implementation of an 'Africa initiative' under Horizon Europe.

She wrapped up her presentation by stressing that the communication brought to the fore the EU's values and priorities: openness, multilateralism, partnership as a means of addressing shared challenges, and defence of the EU's principles in cooperating with partners who share these values and principles.

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

- it was important for the EU to give its partners a clear reminder of its values and the conditions for participation in its programmes;
- it was vital to ensure a level playing field and apply the principle of reciprocity within the framework of the EU strategy for international cooperation in research and innovation;
- an approach rooted in openness, especially towards Africa, had to be promoted in order to take full advantage of all the opportunities for mutually beneficial cooperation in research;
- the EU's international cooperation strategy had a geopolitical dimension in order to preserve the EU's autonomy;
- in this connection, it was crucial to strike the right balance between openness and security and make appropriate use of the option to exclude certain partners from EU research and innovation programmes;
- it was especially important to establish guidelines on foreign interference in the field of cybersecurity;
- there was a clear need to step up international cooperation on health, given the lessons learned from the COVID-19 pandemic.

Ms VESTAGER thanked Ms GABRIEL for her presentation and the Members of the Commission for their support of the strategy.

Following these presentations, the Commission approved the communication in COM(2021) 252/3 for transmission to the European 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 (CONTINUED)

10.1. PREPARATION OF IMPLEMENTATION OF THE RECOVERY AND RESILIENCE FACILITY – STATE OF PLAY

Mr DOMBROVSKIS informed the College that, by 18 May, the Commission had received 18 national recovery and resilience plans. Of these, 14 had been received by 30 April or shortly afterwards – from Belgium, Denmark, Germany, Greece, Spain, France, Italy, Latvia, Luxembourg, Austria, Poland, Portugal, Slovenia and Slovakia – and four others – from Hungary, Croatia, Lithuania and Cyprus – had been officially submitted over the last few days.

The Commission had begun to assess these plans and noted that, in general, the plans already submitted at the last meeting of the Steering Board contained broadly ambitious reforms and largely covered the country-specific recommendations adopted by the Council. The plans included a strong contribution to the green and digital transition and good coverage of the social dimension. He added that a number of national plans had cross-border elements, although to a lesser extent than initially hoped.

However, Mr DOMBROVSKIS felt that there was still work to be done, in particular to rationalise the number of milestones and targets linked to the disbursement of the financial contribution under the Recovery and Resilience Facility, to devise new ones, to better justify the cost estimates, to ensure that the proposed measures were compatible with the applicable State aid rules and, finally, to make progress towards satisfactory audit and control systems.

The Commission was working on the proposals for the Council implementing decisions which would be submitted to the College for adoption in the second half of June. Those proposals would be subject to written procedures and would be submitted by groups of two national plans for those Member States which had submitted them before 30 April and which had not asked for a deadline extension. He noted that to date Poland and Slovenia had already asked for such an extension and that other Member States might follow.

Most of the plans still awaited by the Commission should arrive towards the end of May or early June.

Mr DOMBROVSKIS also said that he had taken part, with Mr GENTILONI, in the first dialogue on recovery and resilience with the European Parliament on 10 May, and in a debate in Parliament's plenary session on 18 May on Parliament's right to information on the Commission's assessment of the national plans.

He added that on 20 May the European Parliament was to vote on a resolution calling on the Commission to ensure the transparency of the process and the sharing of information and, on this point, he confirmed that the Commission would continue to engage with the European Parliament and together find the right balance on this matter.

Mr DOMBROVSKIS further explained that Mr HAHN had informed the Steering Board about the state of play on the ratification of the Council Decision on new EU own resources and the various pre-financing scenarios under the Recovery and Resilience Facility, depending on the timetable for ratification.

On 18 May, following Finland's ratification that day, five Member States still had to ratify the Decision in question. Under the preferred scenario, all Member States would ratify the Decision by the end of May, which should allow the Commission to start raising funds from June onwards. However, if

the Decision were to be ratified by all Member States only in June, financing operations could only start from July, which would limit the amount of capital that could be raised over the summer.

Finally, he said that, at the same time, it should be possible for pre-financing to be paid to the first group of Member States in mid-July, and that it was likely that the pro rata payments would be disbursed during the summer, on the understanding that the amounts would be significantly reduced if the Decision on the Union's own resources was not ratified by all Member States before the end of May.

He concluded his presentation by stressing the importance of controlled and coherent communication at this crucial time for the implementation of the Recovery and Resilience Facility. In his view, it was a matter of continuing to work on all fronts in order to be able to approve the first national plans in the second half of June and to start payments already in July.

The Commission took note of this information.

10.2. SITUATION IN THE MEDITERRANEAN

Mr SCHINAS informed the College of the arrival of more than 6 000 migrants, including around 1 000 minors, in Ceuta, which was part of Spanish territory, during the day and overnight on Monday 17 May. The migrants had swum to Ceuta from Morocco.

He began by pointing out that there had been no control by the Moroccan authorities, contrary to the commitments made. He also noted that this influx of migrants was more generally linked to the negative effects of the COVID-19 pandemic in Africa. He had contacted the Spanish authorities, who had confirmed that the situation in Ceuta remained very sensitive.

He expressed regret that certain third countries neighbouring the EU were exploiting migration; he felt that the Commission should send out a firm

message, particularly as regards compliance with the bilateral agreements that had been concluded, and that it was important to show immediate solidarity with Spain in this matter.

He stressed that, if any further proof was needed, the example of the last few days demonstrated the urgency of finally adopting the new Pact on Migration and Asylum, and noted that the Member States were increasingly aware of the need to change the current system. He added that the Commission must continue work on the external dimension of its migration policy.

Ms JOHANSSON reminded the meeting of the dramatic circumstances in which 24 vessels, which had left Tunisia and Libya simultaneously, with some 2 000 migrants on board, including almost 600 minors, had recently crossed the Mediterranean Sea and finally landed, with few survivors, on the Italian island of Lampedusa. She stressed the urgent need for decisive action to fight against organised crime and trafficking in human beings.

She also reported that a political agreement, which she welcomed, had been reached on 17 May between the European Parliament and the Council on the revision of the Blue Card Directive on the conditions of entry and residence of highly qualified foreign nationals.

Ms VESTAGER thanked Mr SCHINAS and Ms JOHANSSON and said that Mr BORRELL would visit Morocco very soon. She stressed the importance of the Pact on Migration and Asylum proposed by the Commission – which struck a balance between the principle of solidarity and fair sharing of responsibility – and the need to continue work on regular migration.

The Commission took note of this information.

10.3. DIGITAL GREEN CERTIFICATE

Ms VESTAGER asked Mr REYNDEERS to report to the College on the latest developments in the interinstitutional negotiations on the Commission

proposal on the Digital Green Certificate.

Mr REYNDERS pointed out that trilogues were continuing and that significant technical progress had been made with regard to the Digital Green Certificate, which would facilitate the safe free movement of citizens within the EU during the summer, despite the continuing COVID-19 pandemic.

Taking a reasonably optimistic view, he referred to the outstanding issues, in particular the restrictions on free movement that Member States would be able to impose if necessary, the accessibility of tests, and the transitional period.

Mr REYNDERS said that the European Parliament and the Council should be able to reach an agreement quickly, possibly already that week, ensuring that the text was adopted before the summer. He said he was ready to be of assistance in this matter.

Ms VESTAGER thanked Mr REYNDERS for his presentation and stressed the importance of a swift adoption of the proposal, which, through its positive effects, would visibly demonstrate the added value of the EU to European citizens.

The Commission took note of this information.

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The meeting closed at 14.58.