



European Council

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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: European Council meeting (10 and 11 December 2020)
– Conclusions

Delegations will find attached the conclusions adopted by the European Council at the above meeting.

The European Council paid homage to former French President Valéry Giscard d'Estaing, who passed away on 2 December 2020. He was a driving force behind the European project, and played a key role in creating the European Council.

I. MFF/NGEU

1. The European Council recalls that the European Union, its Member States and its institutions are all committed to promoting and respecting the values on which the Union is founded, including the rule of law, as laid down in the Treaties. It also recalls that Article 7 TEU establishes the procedure to address the breaches of the Union's values under Article 2 TEU.
2. With a view to finding a mutually satisfactory solution and addressing the concerns expressed with regard to the draft Regulation on a general regime of conditionality for the protection of the Union budget, more particularly with regard to the way in which this Regulation will be applied, the European Council underlines that the Regulation is to be applied in full respect of Article 4(2) TEU, notably the national identities of Member States inherent in their fundamental political and constitutional structures, of the principle of conferral, as well as of the principles of objectivity, non-discrimination and equal treatment of Member States.

The European Council agrees on the following:

- a) The objective of the Regulation on a general regime of conditionality for the protection of the Union budget is to protect the Union budget, including Next Generation EU, its sound financial management and the Union's financial interests. The Union budget, including Next Generation EU, must be protected against any kind of fraud, corruption and conflict of interest.
- b) The application of the conditionality mechanism under the Regulation will be objective, fair, impartial and fact-based, ensuring due process, non discrimination and equal treatment of Member States.

- c) With a view to ensuring that these principles will be respected, the Commission intends to develop and adopt guidelines on the way it will apply the Regulation, including a methodology for carrying out its assessment. Such guidelines will be developed in close consultation with the Member States. Should an action for annulment be introduced with regard to the Regulation, the guidelines will be finalised after the judgment of the Court of Justice so as to incorporate any relevant elements stemming from such judgment. The Commission President will fully inform the European Council. Until such guidelines are finalised, the Commission will not propose measures under the Regulation.
- d) The application of the mechanism will respect its subsidiary character. Measures under the mechanism will be considered only where other procedures set out in Union law, including under the Common Provisions Regulation, the Financial Regulation or infringement procedures under the Treaty, would not allow to protect the Union budget more effectively.
- e) The measures under the mechanism will have to be proportionate to the impact of the breaches of the rule of law on the sound financial management of the Union budget or on the Union's financial interests, and the causal link between such breaches and the negative consequences on the Union's financial interests will have to be sufficiently direct and be duly established. The mere finding that a breach of the rule of law has taken place does not suffice to trigger the mechanism.
- f) The triggering factors set out in the Regulation are to be read and applied as a closed list of homogenous elements and not be open to factors or events of a different nature. The Regulation does not relate to generalised deficiencies.
- g) Any formal opening of the procedure will be preceded by a thorough dialogue with the Member State concerned so as to give it the possibility to remedy the situation.

- h) The Commission will bear full responsibility for autonomously assessing whether the conditions for the adoption of measures exist, whether it relies on its own information or on that from third parties. It will bear full responsibility for the accuracy and relevance of the information and findings on which it bases its assessment. Where such information and findings, whichever their origin, are used for the purposes of the Regulation, the Commission will ensure that their relevance and use will be determined exclusively in light of the Regulation's aim to protect the Union's financial interests.
 - i) The measures adopted under the mechanism will be promptly reviewed at the initiative of the Member State concerned or by the Commission at the latest one year after their adoption by the Council. In case the Commission decides not to submit a proposal to lift the measures, it will state the reasons for its decision and will inform of them at a meeting of the Council.
 - j) In case the Member State concerned submits a request as set out in recital 26 of the Regulation, the President of the European Council will put the item on the European Council agenda. The European Council will strive to formulate a common position on the matter.
 - k) The Regulation has been negotiated as an integral part of the new budgetary cycle, and therefore, it will apply as from 1 January 2021 and the measures will apply only in relation to budgetary commitments starting under the new Multiannual Financial Framework, including Next Generation EU.
3. The European Council welcomes the Commission's intention to adopt a Declaration, to be entered in the minutes of the Council when deciding on the Regulation, expressing its commitment to apply the elements referred to in paragraph 2 above which fall within the remit of its responsibilities in the application of the Regulation.

4. The European Council agrees that the elements in paragraphs 1 to 3 above constitute an appropriate and lasting response to the concerns expressed, without prejudice to the rights of Member States under Article 263 TFEU. Against this background, it invites the European Parliament and the Council to immediately take the necessary steps for the adoption of the whole package of relevant instruments, including the Multiannual Financial Framework Regulation and the Own Resources Decision. Member States will do their utmost to approve the Own Resources Decision in accordance with their respective constitutional requirements with a view to its prompt entry into force.

II. COVID-19

5. The European Council welcomes the recent positive announcements on the development of effective vaccines against COVID-19 and the conclusion of advance purchase agreements by the Commission.
6. However, the arrival of vaccines does not mean that the pandemic is over. The epidemiological situation in Europe remains worrying, even though the considerable efforts made by all are starting to yield results. We must therefore sustain our efforts to counter the spread of the virus with a view to preventing further waves of infections.
7. The European Council welcomes the coordination of efforts at EU level so far and commits to strengthening this coordination, in particular in preparing for a gradual lifting of restrictions and a return to normal travel, including for cross-border tourism, when the sanitary situation allows. It agrees on the need to enhance the sharing of experiences and of plans for the future. Building on the work done over the past weeks, it invites the Commission to present a proposal for a Council recommendation on a common framework for rapid antigen tests and for the mutual recognition of test results. A coordinated approach to vaccination certificates should also be developed.

8. The European Council underlines the importance of preparations for the timely deployment and distribution of vaccines, including the development of national vaccination strategies, to ensure that vaccines are made available to people in the EU in good time and in a coordinated manner. It is important to provide clear factual information on vaccines and to counter disinformation.
9. Vaccination should be treated as a global public good. The EU will continue its efforts to contribute to the international response to the pandemic, including via the COVAX facility for guaranteeing affordable and fair access to vaccines for all.
10. The European Council highlights the need to pursue work to increase resilience in the area of health, including by taking forward the proposals for a Health Union and making full use of the potential of health data in Europe.
11. With a view to better anticipating and managing potential future pandemics, taking into account ongoing evaluations, including of the International Health regulations, the EU will promote ways to reinforce international cooperation, including through a possible international treaty on pandemics within the framework of the World Health Organization, which is at the centre of international cooperation on health matters.

III. CLIMATE CHANGE

12. To meet the objective of a climate-neutral EU by 2050 in line with the objectives of the Paris Agreement, the EU needs to increase its ambition for the coming decade and update its climate and energy policy framework. To that end, the European Council endorses a binding EU target of a net domestic reduction of at least 55% in greenhouse gas emissions by 2030 compared to 1990. It calls on the co-legislators to reflect this new target in the European Climate Law proposal and to adopt the latter swiftly.

13. We will raise our climate ambition in a manner that will spur sustainable economic growth, create jobs, deliver health and environmental benefits for EU citizens, and contribute to the long-term global competitiveness of the EU economy by promoting innovation in green technologies.
14. The target will be delivered collectively by the EU in the most cost-effective manner possible. All Member States will participate in this effort, taking into account considerations of fairness and solidarity, while leaving no one behind. The new 2030 target needs to be achieved in a way that preserves the EU's competitiveness and takes account of Member States' different starting points and specific national circumstances and emission reduction potential, including those of island Member States and islands, as well as efforts made. The European Council acknowledges the need to ensure interconnections, energy security for all Member States, energy at a price that is affordable for households and companies, and to respect the right of the Member States to decide on their energy mix and to choose the most appropriate technologies to achieve collectively the 2030 climate target, including transitional technologies such as gas.
15. Public finance and private capital must be mobilised to address the significant investment needs stemming from this increased ambition. The economic response to the coronavirus crisis offers the opportunity to accelerate the sustainable transformation and modernisation of our economies and to gain a competitive advantage. Best use must be made of the MFF/NGEU package, including the Just Transition Mechanism, to achieve our climate ambition. As agreed in July 2020, climate action will be mainstreamed in policies and programmes financed under the MFF and NGEU. An overall climate target of at least 30% will apply to the total amount of expenditure from the MFF and NGEU and be reflected in appropriate targets in sectoral legislation.

16. The EU should promote the development of common, global standards for green finance. The European Council invites the Commission to put forward a legislative proposal for an EU green bond standard by June 2021 at the latest. It also welcomes the EIB Group Climate Bank Roadmap 2021-2025, which will contribute to meeting the EIB Group's commitment to support EUR 1 trillion of climate and environmental investments by 2030.
17. The European Council invites the Commission to assess how all economic sectors can best contribute to the 2030 target and to make the necessary proposals, accompanied by an in-depth examination of the environmental, economic and social impact at Member State level, taking into account national energy and climate plans and reviewing existing flexibilities. The Commission is invited to consider, taking into account the principles set out in paragraph 14, in particular:
 - exploring ways to strengthen the ETS system, in particular carbon pricing policies, while preserving its integrity and taking into account the need to address distributional concerns and energy poverty.
 - proposing measures that enable energy-intensive industries to develop and deploy innovative climate-neutral technologies while maintaining their industrial competitiveness;
 - proposing a carbon border adjustment mechanism to ensure the environmental integrity of EU policies and avoid carbon leakage in a WTO-compatible way;
 - addressing concerns raised in relation to the distribution of efforts, fairness and cost-effectiveness, forestry and land use and rising emissions and decreasing sinks from these sectors caused by the adverse effects of climate change.
18. The problem of imbalances for beneficiaries of the Modernisation Fund in not receiving revenues that are equivalent to the costs paid by the ETS installations in those Member States will be addressed as part of the upcoming legislation.

19. The European Council will return to the matter and adopt additional guidance in time before the Commission puts forward its proposals. The future of the Effort Sharing Regulation will be tackled on this occasion.
20. The EU's nationally determined contribution will be updated according to the new binding target and submitted to the UNFCCC secretariat by the end of the year. Ahead of COP 26, the European Council reiterates that international engagement is crucial to success in addressing climate change. It calls upon all other Parties, in particular major economies, to come forward with their own ambitious targets and policies. It underlines the importance of strong coordinated action through active European climate diplomacy.
21. The EU will ensure that its trade policy and its trade agreements are consistent with its climate ambition.
22. The European Council looks forward to the stepping up of international efforts to protect biodiversity ahead of the 15th Conference of the Parties to the Convention on Biological Diversity which will be organised in China next year.

IV. SECURITY

23. The European Council firmly condemns the recent terrorist attacks across Europe. It extends its deepest condolences to the families and friends of the victims and stands in solidarity with the people of Austria, Germany and France. It underlines the importance of providing support to the victims of terror acts and of the full implementation of the relevant EU Directives. We are united in the fight against radicalisation, terrorism and violent extremism. In the face of these attacks on fundamental rights and freedoms, the EU will uphold the common values that underpin our pluralist societies and continue to pursue with determination its joint efforts to defend them. In that context, it is important to fully implement existing decisions. The European Council also welcomes the Commission's presentation of a new EU agenda on counter-terrorism and calls for work on this to be taken forward. It reaffirms the role of the EU Counter Terrorism Coordinator.

24. The European Council condemns all forms of attacks on the freedoms of expression and religion or belief, including antisemitism, racism and xenophobia, and underlines the importance of combating incitement to hatred and violence, as well as intolerance. It welcomes the adoption of the Council Declaration on mainstreaming the fight against antisemitism across policy areas.
25. It is essential to prevent radicalisation and address the ideologies behind terrorism and violent extremism, including online. The European Council calls for the following:
- stepping up the fight against illegal content online. In that regard it looks forward to an ambitious Commission proposal to reinforce the responsibilities of online platforms under the Digital Services Act;
 - swiftly adopting the proposal on addressing the dissemination of terrorist content online;
 - ensuring that religious education and training are in line with European fundamental rights and values, and addressing foreign influencing of national civil and religious organisations through non-transparent financing;
 - supporting initiatives to better understand the spread of extremist ideologies. Europe-wide comprehensive exchanges of scientific knowledge, research and expertise must be enhanced.
26. It is essential that law enforcement and judicial authorities are able to exercise their lawful powers both online and offline to combat serious crime. The European Council stresses the need to advance work on the retention of data necessary to combat serious crime, in the light of the latest case law of the European Court of Justice and in full respect of fundamental rights and freedoms.
27. To further support law enforcement across the EU and the proper functioning of the Schengen area, the implementation of agreed measures should be stepped up substantially, and police and judicial cooperation and coordination should be strengthened.

28. The European Council:

- calls on Member States to step up their efforts to make full use of European databases and information systems, in particular as regards entering in the databases relevant data on persons who are assessed by individual Member States as posing a serious terrorist or violent extremist threat, including foreign terrorist fighters;
- stresses the importance of ensuring that all persons crossing the Union's external borders are checked against the relevant databases as required by the relevant EU legislation;
- invites the co-legislators to examine the proposal on the strengthening of Europol's mandate with a view to its rapid adoption;
- underlines the overall importance of police and judicial cooperation in all its aspects.

V. EXTERNAL RELATIONS

EU-US relations

29. Following elections in the United States, the European Council held a discussion on EU-US relations. It highlighted the importance of a strong strategic transatlantic partnership based on common interests and shared values. This is especially important in light of the need to tackle pressing global challenges. The EU looks forward to working together with the United States, in particular to reinforce the global response to fight the COVID-19 pandemic, tackle climate change, enhance the economic recovery, cooperate on digital and technological matters, strengthen mutual trade, address trade disputes, reform the WTO, and promote multilateralism as well as peace and security. We stand ready to discuss shared priorities with the new President of the United States.

Eastern Mediterranean

30. The European Council reverted to its conclusions of 1-2 October 2020 on the European Union's relations with Turkey in light of the situation in the Eastern Mediterranean. Regrettably, Turkey has engaged in unilateral actions and provocations and escalated its rhetoric against the EU, EU Member States and European leaders. Turkish unilateral and provocative activities in the Eastern Mediterranean are still taking place, including in Cyprus' Exclusive Economic Zone. The European Council notes Turkey's withdrawal of the vessel Oruç Reis and insists on sustained de-escalation so as to allow for the early resumption and smooth continuation of direct exploratory talks between Greece and Turkey.
31. The European Council reaffirms the EU's strategic interest in the development of a cooperative and mutually beneficial relationship with Turkey. The offer of a positive EU-Turkey agenda remains on the table, provided Turkey shows readiness to promote a genuine partnership with the Union and its Member States and to resolve differences through dialogue and in accordance with international law. Such an agenda could cover the areas of the economy and trade, people to people contacts, High level dialogues and continued cooperation on migration issues. The European Council stresses the importance of keeping channels of communication between the EU and Turkey open. The EU will also be prepared to continue providing financial assistance to Syrian refugees and host communities in Turkey and to cooperate on the responsible management of migration flows towards all Member States and on stepping up efforts in the fight against migrant smuggler networks.
32. Recalling the European Council conclusions of 1-2 October 2020, the EU remains committed to defending its interests and those of its Member States as well as to upholding regional stability. In this respect, the European Council:
 - invites the Council to adopt additional listings based on its Decision of 11 November 2019 concerning restrictive measures in view of Turkey's unauthorised drilling activities in the Eastern Mediterranean;

- invites the High Representative and the Commission, to submit a report on the state of play concerning the EU-Turkey political, economic and trade relations and on instruments and options on how to proceed, including on the extension of the scope of the above-mentioned decision for consideration at the latest at the March 2021 European Council.
33. The European Council condemns Turkey's unilateral steps in Varosha and calls for full respect of UN Security Council Resolutions 550 and 789. The European Council supports the speedy resumption of negotiations, under the auspices of the UN, and remains fully committed to a comprehensive settlement of the Cyprus problem, within the UN framework and in accordance with the relevant UN Security Council Resolutions and in line with the principles on which the EU is founded. It expects the same of Turkey. The European Council agrees that, upon resumption of the negotiations under the UN Secretary General's auspices, the EU will appoint a representative to the UN Good Offices Mission.
34. The European Council asks the High Representative to take forward the proposal of a multilateral conference on the Eastern Mediterranean.
35. The EU will seek to coordinate on matters relating to Turkey and the situation in the Eastern Mediterranean with the United States.

Southern Neighbourhood

36. A democratic, more stable, greener and more prosperous Southern Neighbourhood is a strategic priority for the EU. Twenty-five years after the launching of the Barcelona Process, we are determined to relaunch, reinforce and further develop this strategic partnership built on a shared geography and history.
37. We want to jointly fight the COVID-19 pandemic, strengthen the resilience of our economies and societies, preserve our collective security, address the challenge of mobility and migration and offer prospects to young people on both shores of the Mediterranean.

38. Work will be guided by the Strategic Agenda 2019-2024 and the key principles of our Neighbourhood policy, and supported by effective use of all our instruments. We will develop a new Agenda for the Mediterranean based on shared priorities and a focus on specific Mediterranean responses and close cooperation in areas such as environment, connectivity, education and culture, and natural resources. In this respect, it is essential to strengthen the role of civil society.
39. The European Council looks forward to the upcoming Joint Communication of the Commission and the High Representative on a renewed partnership with the Southern Neighbourhood. The latter should be based on an upgraded and intensified political dialogue across the Mediterranean and lead to reinforced cooperation in order to tackle common challenges and take advantage of shared opportunities.
40. Specifically as regards Libya, the European Council calls on all actors to act in accordance with the principles of the Berlin process. The EU recalls the offer to support the Libyan Coast Guard through training and monitoring as well as the provision of equipment and vessels, in accordance with international law, including international humanitarian law. The EU calls for the immediate release of the Italian fishermen taken under custody since the beginning of September without any legal procedure.

Ostrovets

41. The European Council underlines the importance of ensuring nuclear safety of the Belarusian nuclear power plant Ostrovets and invites the Commission to investigate possible measures preventing commercial electricity imports from third countries' nuclear facilities that do not fulfil EU recognised safety levels.

EU global human rights sanctions regime

42. The European Council welcomes the adoption by the Council of an EU global human rights sanctions regime.