



Council of the
European Union

Brussels, 21 September 2020
(OR. en)

10508/20

LIMITE

CO EUR-PREP 18

NOTE

From: General Secretariat of the Council
To: Council

Subject: Special meeting of the European Council (24 and 25 September 2020)
– Draft conclusions

In accordance with Article 3(1) of the Rules of Procedure of the European Council, delegations will find attached the draft conclusions prepared by the President of the European Council, in close cooperation with the member of the European Council representing the Member State holding the six-monthly Presidency of the Council and with the President of the Commission.

I. SINGLE MARKET, INDUSTRIAL POLICY AND DIGITAL

1. The COVID-19 pandemic will have a lasting impact on the European and the global economy. It has highlighted both Europe's assets and its dependencies. A strong economic base is now more essential than ever for inclusive and sustainable growth, competitiveness, jobs, prosperity, and for Europe's role on the global stage.
2. In July, the European Council agreed an unprecedented recovery package to counter the effects of COVID-19 on our economies and societies, and to promote Europe's strong recovery and the transformation and reform of our economies. The two mutually reinforcing pillars of such a recovery, the green transition and the digital transformation, together with a strong and deep Single Market, will foster new forms of growth, promote cohesion and convergence, and strengthen the EU's resilience. Achieving strategic autonomy alongside an open economy is a key objective of the Union.

Single Market and industrial policy

3. The European Council underlines the need to return to the normal functioning of the Single Market as soon as possible. But this is not enough: we will draw the lessons from the COVID-19 crisis, address remaining fragmentation, barriers and weaknesses, and increase our ambition. The European Council [endorses the Council conclusions of 21 September 2020 and] calls more specifically for:
 - strictly implementing and enforcing the Single Market rules, in line with the Commission's Single Market Enforcement Action Plan;
 - removing remaining unjustified barriers, particularly in the area of services, and refraining from creating new ones;

- updating the European competition framework to ensure that it meets the challenges of the green transition, the digital transformation, and the evolving global context. This framework must provide clear rules for economic operators and support innovation, including in the digital sector. The possibility of adopting rules on the systemic role and responsibilities of online platforms with significant network effects should be explored. The European Council looks forward to the outcome of the Commission’s ongoing review of competition rules, the first results of which are scheduled for 2021. The effects of globalisation and the emergence of the digital economy have to be taken into account in this context;
 - shaping the new system of global economic governance based on an ambitious and balanced free trade agenda with the WTO at its core, while protecting ourselves from unfair and abusive practices and ensuring reciprocity. The Enforcement Regulation should be upgraded, work on the International Procurement Instrument proposal accelerated and further instruments to address the distortive effects of foreign subsidies in the Single Market developed;
 - investing in education, training and the effective use of skills with a view to increasing job retention and creation, supporting economic and social prosperity, and implementing the necessary social protection policies.
4. The EU must pursue an ambitious European industrial policy to make its industry more sustainable, more green, more competitive globally and more resilient. The European Council invites the Commission to identify strategic dependencies, particularly in the most sensitive industrial ecosystems such as for health, and to propose measures to reduce these dependencies, including by diversifying production and supply chains. It calls for:
- ensuring a level playing field, and a regulatory environment and state aid framework that are conducive to innovation and facilitate the full involvement of SMEs;

- developing new industrial alliances, including on raw materials, medical equipment, microprocessors, secure telecommunication networks, low-carbon industries, and Industrial Clouds and Platforms;
- stepping up the assistance to the existing Important Projects of Common European Interest on Batteries and micro-electronics, and to those being developed by Member States and industry in the context of various alliances (such as on the Internet of Things, Clean Hydrogen), so as to overcome market failures and enable breakthrough innovation. The European Council invites the Commission to help the Member States develop new Important Projects of Common European Interest. Furthermore, it calls for further strengthening synergies between the use of EU and national funds as regards key technological projects;
- developing EU autonomy in the space sector and a more integrated defence industrial base.

Digital

5. The COVID-19 pandemic has further underlined the need to accelerate the digital transition in Europe. Seizing the opportunities of this transition is crucial to strengthening our economic base, ensuring our technological sovereignty, reinforcing our global competitiveness, facilitating the green transition, creating jobs and improving the lives of citizens. Building a truly digital Single Market will provide a home-based framework allowing European companies to grow and scale up.

The European Council looks forward to the Commission's proposal for a Digital Services Act by the end of this year and invites the Commission to present, by March 2021, a comprehensive Digital Compass which sets out the EU's concrete digital ambitions for 2030. Such a Compass should establish a monitoring system for European strategic digital capacities and capabilities, and outline the means and key milestones to achieve our ambitions.

6. To be digitally sovereign, the EU must reinforce its ability to define its own rules, to make autonomous technological choices, and to develop and deploy strategic digital capacities and infrastructure. At the international level, the EU will leverage its tools and regulatory powers to help shape global rules and standards. The EU will remain open to all companies complying with European rules and standards. Digital development must safeguard our values, fundamental rights and security, and be socially balanced. Such a human-centred approach will increase the attractiveness of the European model.
7. At least 20% of the funds under the Recovery and Resilience Facility will be made available for the digital transition, including for SMEs. Together with the amounts under the MFF, these funds should help advance objectives such as:
 - fostering the European development of the next generation of digital technologies, including supercomputers and quantum computing, blockchain, and human-centred Artificial Intelligence;
 - developing capacities in strategic digital value chains, especially microprocessors;
 - accelerating the deployment of very high capacity and secure network infrastructures – including fibre and 5G – all over the European Union;
 - enhancing the EU’s ability to protect itself against cyber threats, to provide for a secure communication environment, especially through quantum encryption, and to ensure access to data for judicial and law enforcement purposes;
 - unleashing the full potential of digital technologies to reach the ambitious environmental and climate action objectives included in the July package;
 - upgrading digital capacities in education systems.

8. The European Council welcomes the European strategy for data, which supports the EU's global digital ambitions to build a true European competitive data economy, while ensuring European values and a high level of data security, data protection, and privacy. It stresses the need to make high-quality data more readily available and to promote and enable better sharing and pooling of data, as well as interoperability. The European Council welcomes the creation of common European data spaces in strategic sectors, and in particular invites the Commission to give priority to the health data space, which should be set up by the end of 2021.
9. The European Council underlines the need to establish trusted, safe and secure European cloud services in order to ensure that European data can be stored and processed in Europe, in compliance with European rules and standards. It therefore welcomes the concept of an EU federated cloud infrastructure and invites the Commission to take this work forward swiftly. Greater European cloud capacity, together with an empowering interoperability framework, should also enable the deployment of safe and secure cloud-based public and private digital solutions, including ensuring faster and more efficient, convenient and transparent access to e-government services.
10. The European Council endorses the Council conclusions of 9 June 2020 on shaping Europe's digital future. It calls on the EU and the Member States to make full use of the 5G cybersecurity toolbox adopted on 29 January 2020, and in particular to apply the relevant restrictions on high-risk suppliers for key assets defined as critical and sensitive in the EU coordinated risk assessments. The European Council underlines that potential 5G suppliers need to be assessed on the basis of common objective criteria.
11. To ensure the rapid deployment of 5G across the EU, the European Council also urges all Member States to submit their national plans on the roll-out of 5G to the Commission by the end of this year, as set out in the 5G Action Plan.

12. The EU needs to be a global leader in the development of secure, trustworthy and ethical Artificial Intelligence. The European Council invites the Commission to:
- propose ways to increase European and national public and private investments in Artificial Intelligence research, innovation and deployment;
 - ensure better coordination, and more networks and synergies between European research centres based on excellence;
 - provide a clear, objective definition of high-risk Artificial Intelligence systems.
13. The European Council calls for the development of an EU-wide framework for secure public electronic identification (e-ID) to provide people with control over their online identity and data as well as to enable access to public, private and cross-border digital services. It invites the Commission to come forward with a proposal for a ‘European Digital Identification’ initiative by mid-2021.

Next steps

14. The European Council will return to the topics of the Single Market, industrial policy and digital at its meeting in March 2021. In this context it will also assess the situation regarding the work on the important issue of digital taxation.

II. EXTERNAL RELATIONS

15. The European Council will hold a strategic discussion on Turkey.
16. Following the EU-China Summit on 22 June and the meeting with President Xi on 14 September, both by video conference, the European Council will discuss EU-China relations.
17. In the light of events, the European Council may address other specific foreign policy issues.]