

Key takeaways of the European Council Summit -15/16 October

Summary

EU leaders met again in Brussels on 15-16 October 2020 to discuss [Brexit](#), the EU's [climate](#) targets, the long-term [budget](#) for the bloc and the ongoing [pandemic](#). The meeting was meant to be a decisive moment for the Brexit talks, but the timeline shifted to early November, amid continued brinkmanship from the UK and little willingness to move on red lines from the EU.

On the EU budget, heads of state sent a disappointing message to the European Parliament, which had hoped that member states would be prepared to increase the long-term financial planning for the bloc. Instead, the summit's message was that the Parliament should stop blocking the adoption of the new Multiannual Financial Framework, and allow funds to start flowing to member states in January.

Meanwhile, EU leaders made progress on the new EU greenhouse gas emission target of a 55 percent reduction compared to 1990 levels by 2030.

The agenda also included pressing foreign relations matters such as the relationship with [Africa](#) and the ongoing dispute over offshore drilling by [Turkey](#) in Cyprus waters. The meeting will therefore not be remembered as a decisive moment in EU history, but rather as an incremental step towards agreement on the most pressing issues the EU is facing.

Brexit

Until last week, the UK Prime Minister Boris Johnson had maintained that 15 October was the final deadline for concluding a Free Trade Agreement (FTA) with the EU. He said that without a deal, he would move on and get ready for a no-deal Brexit.

At the EU summit, there were no significant discussions on the substance of a future FTA, but rather a show of solidarity among the 27 heads of state in the face of UK brinkmanship. They reiterated their support for the EU chief negotiator Michel Barnier and made it clear to the UK that progress would depend on the UK turning its vague promises into concrete text on the three EU 'red lines': the level playing field on state aid, taxation, environment and worker rights; access to UK fishing waters; and a robust dispute-settlement system. They stated that it is only when the UK will have concrete suggestions on these issues that the talks can move into the final concluding phase.

The EU effectively decided to keep the door open for an agreement until November, even as the default to a no-deal Brexit looms at the end of December. Leaders made it clear that no final agreement will be signed by the EU until the UK amends its draft internal market bill to remove clauses that are in breach of the EU-UK Withdrawal Agreement.

In the meantime, the EU will accelerate preparations for a no-deal outcome, and put in place contingency measures to protect EU interests in areas like air and road transport.

The EU still wants a deal, but not at any price, and the atmosphere in the summit room made this clear. There was a remarkable closing of ranks against the UK threats to leave talks without a deal.

The initial reaction from Johnson was that the UK should get ready for a no-deal outcome unless the EU fundamentally changes its approach. A planned negotiation meeting between the chief negotiators on 19 October was cancelled, and the UK is now expected to reflect on the outcome before it decides its next steps.

Both sides have raised the stakes and it is not easy to see a way out of the impasse. Most Brussels observers, including heads of state, believe that a deal is still possible. But precious time has been lost and the final deal is likely to be less ambitious than what could have been the case if a more collaborative process had been pursued between the UK and EU in recent months.

Climate

The European Council had its first discussion about the 2030 climate targets. The discussion was based on the European Commission's proposal for at least 55 percent reduction of greenhouse gas emissions, from the current target of 40 percent, compared to the 1990 baseline. In the run-up to the meeting, 11 countries¹ had [shown their support](#) for the Commission's target. Six countries² pushed back against the new target, calling on the Commission to be 'realistic' and take into account national differences.

At the meeting itself, leaders were more supportive of the new target, also among the more sceptical group of countries such as Poland. While there is no agreement when it comes to the actual target for 2030, at least there is a consensus to increase the ambition level for 2030. Those with the greatest difficulties to mitigate emissions are no longer trying to combat the target but have focused on setting out their conditions. Their primary aim is for a target that applies to the EU as a whole and not to individual member states. They also stressed the need for financial support, and sought to maintain nuclear power as a clean energy source. The aim is to reach a decision among EU leaders at the 10-11 December Council meeting, to enable the EU to submit its target to the international climate process before the end of this year.

The Parliament had earlier, with a small majority, adopted a target of a 60 percent reduction for each member state. This target has not been subject to an impact assessment of the Commission and is, therefore, unlikely to get broader support. If the Council can reach an agreement, it will still face a political battle with the Parliament.

¹ Denmark, Estonia, Finland, France, Ireland, Latvia, Luxembourg, the Netherlands, Portugal, Spain and Sweden

² Poland, Czech Republic, Slovakia, Hungary, Bulgaria and Romania

Multiannual Financial Framework

Parliament President David Sassoli had expected support from heads of state on the Parliament's request for an increase in the EU's budget in the coming years, known as the Multiannual Financial Framework 2021-2027. Sassoli was disappointed by the response, as heads of state were unwilling to expand the budget envelope. Instead, they asked the Parliament to stop holding up agreement for money to start flowing to member states in early 2021.

COVID-19

EU leaders sought more pandemic coordination, notably on quarantine regulations, cross-border contact tracing, testing strategies and joint assessment of testing methods. The discussion revealed the difficulties in getting member states to follow the Commission's efforts to get a homogeneous response across the bloc, limited by the lack of a mandate in the EU treaties for the Commission to meddle in domestic healthcare policy. EU leaders also decided to hold videoconferences every fortnight to discuss COVID-19 issues, starting as of next week.

EU-Africa

EU leaders prepared for the upcoming meeting with the African Union in December. They want to deepen the EU's relationship with Africa. COVID-19 has increased the need for EU solidarity with Africa on issues like debt relief and procurement of vaccines, and African countries could also become interesting partners to diversify Europe's supply chains. The digital and knowledge economy, renewable energy, transport, health and agri-food sectors were also singled out for increased cooperation. They also discussed immigration, but suggestions to condition additional support on the return of illegal migrants did not make it into the final conclusions of the summit.

Turkey and Cyprus

A proposal for an EU arms embargo against Turkey in response to Turkish oil prospecting in Cypriot waters wasn't approved, and EU leaders reverted to the position taken two weeks ago, maintaining a threat of sanctions if Turkey doesn't back down and cease its hostile activities around Cyprus.