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The Letter in PDF format

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# Multi-annual financial framework and Next Generation EU, Review of an unprecedented, tumultuous European budgetary chapter

Authors: Anne Vitrey, Sébastien Lumet



Discussions between Council and Parliament on the next EU budget are stalling over issues such as the size of some flagship programmes and conditionality linked to the rule of law. Also linked to the budget, the recovery plan to deal with the consequences of the pandemic is also raising some questions, such as its governance and the role of the Parliament.

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### Front page!:

# Fear, the worst counsel



Fear is driving European societies to restrict freedoms and cause irreparable damage to their economies. Yet in the face of the virus, Europeans should come together and be the defenders of a free and open society, says Jean-Dominique Giuliani... Read more

#### Elections:

# The rightwing opposition wins the general elections in Lithuania



The Homeland Union-Christian Democrats (TS-LKD), the main opposition party, led by Gabrielius Landsbergis and Ingrida Simonyte, won the parliamentary elections in Lithuania in the second round on 25 October with 50 of the 141 seats in the Seimas, the only house of

parliament. The Farmers and Greens Party (LVZS) of outgoing Prime Minister Saulius Skvernelis won 32 seats. I. Simonyte said she wished to form a coalition government with the 2 liberal parties, the Liberal Movement and the Freedom and Justice Party... Read more

# Foundation:

### The Schuman Report on Europe, State of the Union 2020



The 2020 edition of the "Schuman Report on Europe, the State of the Union", a reference work for European decision-makers, is available in paper version in French, published by Marie B, and in electronic format in French and English with contributions from the highest personalities and the best experts. With original maps and annotated statistics, this book offers a comprehensive view of the European Union and analyses the challenges

facing Europe. You can order it on our website... Read more

#### Parliament in the time of coronavirus

The Foundation, in partnership with a European university research network initiated by the University of Lille in 2016 on the subject of "Parliament and Time", is launching a new series of reports aimed at reporting on "the impact of the health crisis on the functioning of national parliaments" in Europe. After France, the United Kingdom, Poland and Greece, the new publications focus on Spain and Portugal... Read more

### Table of health measures and conditions of travel in Europe



Faced with the reoccurrence of the Covid-19 pandemic in Europe, the 27 Member States of the European Union are taking new restrictive measures, such as a health emergency in Spain and France or partial lockdown in Ireland, Belgium and Italy. The Foundation offers you a

summary of the health measures in place and travel conditions across Europe. An indispensable, regularly updated resource for understanding the situation... Read more

# Belarus: chronology of a revolution in progress



More than 2 months after the "rigged" presidential election of 9 August, the Belarusian people continue to protest against the continued rule of Alexander Lukashenko. Its actions have received new political support with the award of the European Parliament's Sakharov Prize to the

opposition represented by the Coordination Council. To follow this crisis, the Foundation offers you a chronology of events and links to European reactions and initiatives... Read more

### Commission:

### Strategy for free software



On 21 October, the Commission presented its open source strategy 2020-2023, which aims to encourage innovation and collaboration between open source software. As part of Europe's goal of digital autonomy, the Commission has announced the creation of free software

innovation laboratories, the removal of administrative burdens related to their publication and the recruitment of talent within the Commission itself, which has announced that it will share its source code and wants the European administration to set an example in this area. Open source software is one that is free to use and duplicate, like Linux or Ubuntu... Read more

### 17 billion € in bonds to finance the SURE programme



On 21 October, the Commission announced that it had issued €17 billion of so-called social bonds to finance the European SURE programme to combat unemployment following the economic and health crisis. This issue included €10 billion of bonds redeemable in 2030 and €7 billion

redeemable in 2040. The six banks mandated for these issues recorded a request of €95 billion for 2030 and €55 billion for 2040. Social bonds meet precise criteria and must be used to finance social measures... Read more

# Golden Passports: infringement procedures against Cyprus and Malta



The Commission launched infringement procedures against Cyprus and Malta on 20 October over their citizenship by investment programmes, also known as "golden passports", a practice that would undermine the integrity of EU citizenship status. On 15 October, the Speaker of the

Cypriot Lower House Demetris Syllouris resigned following revelations about the practice, from which at least 2,855 people are reported to have benefited since 2012. The commission also sent a letter to Bulgaria about a similar programme... Read more

#### Parliament:

# Parliament's position on the Common Agricultural Policy



On 23 October, MEPs adopted a position on the Common Agricultural Policy for the period 2021-2027. They voted in favour of strengthening mandatory environmental practices and increasing the budget for measures to protect the environment and the climate. Aid for large farms is reduced to help small farms and young farmers. New measures to help farmers cope with crises and tougher penalties for violating EU

requirements on environmental and animal welfare standards were also approved... Read more

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### Draft regulation for AI and online platforms



On 20 October, MEPs adopted six resolutions calling for measures to regulate online platforms and artificial intelligence. They call for a gradual ban on targeted advertising, the fight against algorithms, fraudulent businesses and hate speech. They propose a dispute settlement body and a European body to impose fines. As for Artificial

Intelligence, they call for more guarantees for intellectual property, data protection and citizens' rights, a first as this sector is still poorly regulated. The Commission is expected to present a legislative package on the first subject in December and on the second in early 2021... Read more

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### The Sakharov Prize awarded to the Belarusian opposition



On 22 October, the European Parliament awarded the 2020 Sakharov Prize for Freedom of Thought to the democratic opposition in Belarus represented by the Coordination Council. "Stay strong and don't give up your fight. Know that we are at your side", said Parliament President

David Sassoli. The award ceremony will take place on 16 December. The day before, MEPs adopted a resolution in which they refused to recognise Alexander Lukashenko as president, reiterated their support for former candidate Svetlana Tikhanovskaya and called for free elections. They call on the Union to swiftly implement the sanctions against those responsible for the regime, including A. Lukashenko, to review its relations with Belarus and to develop actions of economic and financial support for Belarusian civil society... Read more

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### Council:

## Results of the Agriculture and Fisheries Ministers Meeting



Meeting on 19 and 20 October, the European Ministers of Agriculture and Fisheries adopted a position on the post-2020 Common Agricultural Policy. The environmental standards to be respected by farmers would be strengthened and States would have more room for manoeuvre to achieve environmental objectives in agriculture. The conclusions

adopted on the sustainable food strategy call for sufficient guarantees of access to food and financial support for farmers. An agreement was reached on fishing quotas in the Baltic Sea for 2021... Read more

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# Results of the Environment Ministers Meeting



On 23 October, the environment ministers agreed on certain aspects of the law for the Union's climate neutrality in 2050. They also adopted their political guidelines on the Union's biodiversity strategy and their position on the revision of the drinking water directive... Read more

#### Informal meeting of Competitiveness Ministers



On 23 October, the ministers responsible for competitiveness discussed the reform of competition policy, the Union's industrial strategy and the competitiveness of European industry through the targeted promotion and increased use of innovative technologies... Read more

# Capital Market Recovery Package



On 21 October, the Council adopted a position on the capital markets recovery package by amending the Commission's initial proposal. It wishes to exempt bonds sold to professional and retail investors from certain governance-related disclosures of conditional products. It calls

for the information that can be disclosed by companies with a public market track record to be reduced and capped in order to protect investors and avoid capital dilution. Finally, it calls for the current regulation to be extended to synthetic securitisation as it applies to banks... Read more

### Updating of the list of third countries without travel restrictions



On 22 October, the Council updated the list of third countries for which restrictions may be lifted. The countries concerned are Australia, Japan, New Zealand, Rwanda, Singapore, South Korea, Thailand, Uruguay and China if it takes a reciprocal measure. Canada, Tunisia and Georgia

have been removed from the list... Read more

# Diplomacy:

### EU-Western Balkans Forum on internal affairs and justice



Representatives of the Council and the Commission for Justice and Home Affairs met with the ministers of the Western Balkans on 22 October. They exchanged views on the creation of a system for exchanging information on migrants' data, on improving their reception conditions, on the continuation of their joint action plan to combat terrorism and on the fight against organised crime and cybercrime.

They discussed the continuity of judicial cases during the pandemic, the development of digital tools for justice, progress to be made on the protection of the rule of law and a framework for cooperation with the European Public Prosecutor's Office... Read more

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### 1.7 billion \$ in aid pledged to the Central Sahel



At a virtual conference organised on 20 October by Denmark, Germany, the European Union and the United Nations, 24 governments and institutional donors pledged more than \$1.7 billion to increase humanitarian aid to the Central Sahel. These funds will help some 10

million people with nutrition and food, health services, water and sanitation, shelter, education, protection and support for victims of gender-based violence. The aim is to help stem what could otherwise become one of the world's largest humanitarian crises.

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### Response made to the Turkish President



The French Minister for Foreign Affairs Jean-Yves le Drian denounced on 25 October the remarks made by Turkish President Recep Tayyip Erdogan against French President Emmanuel Macron and recalled the French Ambassador to Turkey. The High Representative of the Union, Josep Borrell, also condemned the Turkish President's remarks as

"unacceptable", as did the President of the European Council, Charles Michel... Read more

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### Spain:

# Meeting with the President of the Italian Council



The President of the Spanish Government Pedro Sanchez met his Italian counterpart Giuseppe Conte in Rome on 20 October. The two leaders discussed the European budget and the European recovery plan that they would like to see implemented as soon as possible to deal with the economic effects of the pandemic. They also proposed that the EU

should ease the closure of external borders and adopt a European protocol on tourism to support this hard-hit sector... Read more  $\frac{1}{2} \int_{\mathbb{R}^{n}} \frac{1}{2} \int_{\mathbb{R}^{n}} \frac{$ 

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### Suspension of a judicial reform deemed to be a threat to the independence of judges



On 22 October, the Spanish government suspended its controversial reform proposal of the General Council of the Judiciary, the body responsible for appointing judges and ensuring their independence and that of the courts. The European Commission considered that the

proposal risked undermining the independence of the judiciary by drastically changing the way appointments are made to the Council... Read more

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### France:

## The Prime Minister in Brussels

French Prime Minister Jean Castex travelled to Brussels on 23 October to meet the President of the European Commission Ursula Von der Leyen, the Vice-President in



charge of Competition, Margrethe Vestager, and the Commissioner for the Internal Market, Thierry Breton. He presented the French recovery plan and discussed current issues such as the health situation, the reform of competition law and future relations between the European

Union and the United Kingdom... Read more

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### Poland:

### The Constitutional Court restricts the right to abortion



On 22 October, the Polish Constitutional Court invalidated a legal provision allowing voluntary termination of pregnancy (abortion) in cases of severe foetal malformation. After this decision, the right to abortion will only be reserved for cases of life-threatening pregnancy and pregnancy resulting from rape or incest. The decision led to a

nationwide protest movement... Read more

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### Czech Republic:

# Dispatch of ventilators as part of the European RescEU programme



On 23 October, the Commission announced that at least 30 respirators will be sent to the Czech Republic, the European country currently most affected by the Covid-19 epidemic, as part of the RescEU programme. Austria and the Netherlands have subsequently provided the Czech

authorities with 15 and 105 devices respectively. RescEU was launched at the beginning of the year to help countries in need of medical equipment, whose European reserves are currently hosted by 6 countries... Read more

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### Results of the Senatorial Elections



On 9 and 10 October the second round of senatorial elections in the Czech Republic was held to renew one-third of the 27 seats. The Coalition of Mayors and Independents (STAN) won 11 seats, followed by the ODS party with 5 seats. Prime Minister Andrej Babiš's ANO

movement won only 1 seat and the Social Democratic Party (ČSSD) lost the 10 seats it was defending... Read more

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### UK:

# The Lords are against the internal market bill



On 20 October, the House of Lords approved by 395 votes to 169 a motion declaring that the Internal Market Bill "would undermine the rule of law and the reputation of the United Kingdom". The internal market

bill, which violates the withdrawal agreement signed with the Union in October 2019, could be amended before a new reading in the House of Commons... Read more

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# Report on the cost of a hard Brexit



On 20 October, the Euler Hermès group published a report on the cost of Brexit according to two scenarios. The United Kingdom would be the main loser with a 5% contraction in GDP and a 15% drop in exports.

Failure to reach an agreement would cost the European Union €33 billion less in exports in 2021 and would mainly affect Germany by €8.2 billion, the Netherlands by €4.8 billion and France by €3.6 billion. A "soft-brexit" agreement would be less costly for European exports with an estimated loss of €18 billion in 2021... Read more

# Trade agreement with Japan



On 23 October, the United Kingdom and Japan signed a free trade agreement, the first for the UK since Brexit. This treaty provides that 99% of the products traded between the two countries are free of customs duties. The agreement is expected to increase trade with Japan and the UK by an estimated £15.2 billion. In 2019, trade

between the two countries was worth £30 billion... Read more

# NATO:

# Increase in military spending



On 21 October, NATO published a report on the military spending of its 30 members, 21 of which are members of the European Union, between 2013 and 2020. Total expenditure is rising sharply, having been on a steady rise since 2015 with a peak increase of 6% between 2016 and

2017. The United States (3.9%) and Greece (2.6%) are the countries that spend the most in relation to their GDP; Luxembourg (0.6%), Belgium (1.1%) and Spain (1.2%) the least. In 2020, 10 countries will exceed the 2% GDP threshold, a demand made by the United States, compared with only 3 in 2014... Read more

#### **Defence Ministers Meeting**



On 22 and 23 October in a video conference, NATO defence ministers agreed to an expansion of NATO's mission in Iraq and announced the creation of a NATO space centre at the Ramstein base in Germany to

protect its satellites against enemy attacks. They also discussed the peace process in Afghanistan, Russia, national resilience and the state of critical infrastructure... Read more

### IMF:

# Economic outlook for Europe



On 21 October, the IMF unveiled its regional economic outlook for Europe and takes stock of how the EU and its Member States are managing the pandemic. The study predicts a 7% contraction in the EU's GDP in 2020 and a 4.7% rebound in 2021. The report stresses that the response of European States has been massive, with up to 54 million jobs supported by employment maintenance measures. The report also

welcomes the response of the EU and the ECB and states that without their action, an additional 3-4 percentage points of GDP would have been lost in 2020. The report encourages European countries to maintain strong employment support policies to accompany economic recovery... Read more

#### Eurostat:

# Increase in public debt and deficits



The ratio of public debt to GDP in the second quarter of 2020 stood at 95.1% in the euro zone, against 86.3% in the previous quarter, Eurostat announced on 22 October. In the Union, the ratio was 87.8%. The public deficit also rose sharply, to 11.6% of GDP in the euro zone and 11.4% in the EU, compared with 2.5% and 2.6% in the first

quarter... Read more

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# Eurobarometer:

### The economic situation is the main concern of European citizens



According to the latest Eurobarometer survey, published on 22 October, the majority of Europeans are satisfied with the EU and the decisions taken by the institutions during the pandemic. The economic situation, health and unemployment are their main concerns. Renewable energy and the fight against plastic waste are the priorities of the green deal for Europe. The majority of Europeans surveyed feel they are European

citizens... Read more

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# Studies/Reports:

### The Union is not yet using its agencies to their full potential



On 22 October the European Court of Auditors published its annual report on the activities of 41 EU agencies and bodies for the year 2019. It recommends a "more rational" assessment of the coherence of the agencies, the evaluation of efficiency losses in the area of governance and improved communication on performance, in particular to facilitate the agencies' cooperation efforts. In the area of recruitment, the Court

points to shortcomings in respecting the principle of equal treatment and combating conflicts of interest... Read more  $\frac{1}{2}$ 

# Report on justice in Europe



On 22 October, the Council of Europe published a report on the efficiency and quality of the judicial system in 45 European countries. The report assesses individually the budget dedicated to justice, the composition of the courts, communication with the public, the use of information and communication technologies and the performance of the judicial systems in each State. In general, the number of women judges

and prosecutors has continued to increase despite the strong male presence in these professions, the number of courts decreased by 10% between 2010 and 2018 and the

pandemic has not prevented courts from continuing their activities thanks to recent technological advances... Read more

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### International Migration Outlook 2020



On 19 October, the OECD published a report on the effects of the Covid-19 pandemic on international migration. The issuance of new visas by OECD member countries fell by 46% in the first quarter and 72% in the second quarter compared to the same periods in 2019. The OECD warns of the importance of maintaining ambitious integration

programmes as immigrant workers represent a significant share of the workforce in many sectors, particularly in health care where 1 in 4 doctors and 1 in 6 nurses are immigrants... Read more

### Culture:

### Matisse in Beaubourg



Until 22 February 2021, the Centre Pompidou in Paris presents the exhibition "Matisse, comme un roman". It brings together must-see works that explore the text/image relationship within the works of Henri Matisse through a chronological journey. From his beginnings in 1890 to the 1950s, each period of his life is intersected by a literary interlude,

reminding us of the origin of certain works and his links with great authors such as Stéphane Mallarmé or Louis Aragon... Read more

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### Gerhard Richter landscapes



Until 14 February 2021, the Vienna Kunstforum is dedicating an exhibition to the landscapes of the German painter Gerhard Richter. 150 works, some of which have never been exhibited before, are divided into 5 thematic sections that chart the artist's career since 1960... Read

more

#### Grand names of Modernism in Basel



Until 28 March 2021, the Fondation Beyeler in Riehen is hosting the exhibition "The Hungry Lion", a selection of paintings and sculptures emblematic of classical modernism and contemporary art. The

exhibition is spread over 8 rooms and honours great artists such as Henri Rousseau, Alberto Giacometti or Louise Bourgeois... Read more

# The Genius of Polish Baroque



Until 21 February 2021, the National Museum in Cracow is presenting the first retrospective of Szymon Czechowicz, a master of Polish Baroque who spent more than 20 years in Rome. More than 200 paintings and drawings are on show from all over the world... Read more

## German Expressionism at the Thyssen-Bornemisza Museum



Until March 14, 2021, the Thyssen-Bornemisza Museum in Madrid will house works of German Expressionism from the Thyssen collection. The exhibition is structured around three concepts: the process of the paintings' creation, their success with the public and critics, and the

exhibition projects organised to promote the collection around the world... Read more

### The 2000's in Montpellier



Until 7 February 2021, the Mo.Co, Montpellier's museum of contemporary art, is offering a hundred or so works from the Cranford collection, retracing creation in the 2000s, from Tracey Emin to Damian

Hirst, including Louise Bourgeois and Olafur Eliasson... Read more

# Jazz in Barcelona



The Voll Damm Festival Jazz de Barcelona is taking place until the 29th of January 2021, both in venues around the city and online. Spectators will have the opportunity to listen to great artists such as Sílvia Pérez

Cruz or María José Llergo, one of the voices of the new flamenco... Read more

#### Online cinema



The 28th edition of the Raindance Film Festival, the UK's leading independent film festival, is taking place from 28 October to 7 November. It is being held mainly online, with previews and screenings

with directors and producers from all over the world on the programme... Read more

### Cannes 2020 Special



From 27 to 29 October, the Cannes Film Festival is organising three days of screenings at the Théâtre Lumière in the Palais des Festivals.

Spectators will be able to attend screenings of the short films in the 2020 Competition and 4 previews of the Official Selection 2020... Read more

# Agenda:



29 October 2020

Videoconference

Meeting of Heads of State and government Passau

Informal meeting of Transport Ministers



30 October 2020

Videoconference

Meeting of Healthcare Ministers

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