

Remarks by Paschal Donohoe following the Eurogroup video conference of 3 November 2020



Today's virtual Eurogroup meeting comes at a time when governments across Europe face serious challenges on the health and economic front. Some are also dealing with emergencies on the security front – I am referring of course to the terrible attacks in France and in Austria in recent days.

At the outset of the meeting today, the Eurogroup offered our condolences to our Austrian and to our French colleagues.

Then of course, our first discussion focused on the latest health developments and their economic consequences, in view of the worrying surge in COVID-19 cases.

Across Europe, new containment measures are being taken. These are difficult times, especially for all those who fall ill, for their loved ones, and for the dedicated professionals who are caring for them. People are rightly worried about their job prospects and they rightly expect decision-makers to protect them from the economic fallout of this pandemic.

I am thankful therefore to Dr Andrea Ammon, Director of the European Centre for Disease Prevention and Control (ECDC) who joined our meeting today to inform us of the latest COVID-19 developments. We also welcomed Ms Irene Tinagli, Chair of the European Parliament's Economic and Monetary Affairs Committee – it was very valuable to have their contributions to our discussion today.

The pandemic has indeed brought much pain and suffering, but it has also reminded us of the value of the European Union. Governments moved fast, we then agreed a joint response, because economically we are stronger together. We are now better able to respond to this crisis and better able to build the recovery, using the resources of our single market and our combined economic strength.

We have issued a statement today, on behalf of the Eurogroup, that recalls the safety nets that we agreed in April and our commitment to continue to provide unprecedented budgetary support. All three safety nets are now in place. Allow me to go into a bit more detail:

– The SURE instrument aims to protect jobs, and I am glad to report that support has already been granted to 17 member states. We all congratulated the Commission and Paolo for its successful first issuance on the financial markets in relation to this instrument.

– The EIB Guarantee Fund supports businesses and has been in effect since the summer; the first operations worth of €1 billion have already been approved

by the EIB Board.

– The Pandemic Crisis Support instrument of the ESM remains in place and reinforces market confidence in euro area sovereigns.

I am convinced that the unity of purpose that we have seen since the start of the crisis will see us through these challenging times. This unity of purpose will also be important to finalise an agreement on the Recovery and Resilience Facility, which is an urgent priority for all of us because of its crucial importance in supporting economic recovery in the coming years.

Needless to say, the Eurogroup will continue to monitor the situation closely to ensure that our policies support and complement the public health measures in these difficult times.

The Eurogroup then moved on to a discussion on the ECB's report on a Digital Euro. The report looks at different ways a digital euro could be designed. Ministers see this as a top priority.

We all agree that a digital euro can bring benefits to European citizens, to businesses and to the European economy as a whole. But, at the same time, we are aware that the design and implementation of a digital euro pose challenges and deserve the most careful of consideration. A digital euro touches upon crucial issues, starting with monetary stability and financial stability. Implications for financial inclusion, data protection, enforcement of measures against money laundering and tax evasion, amongst other issues all need to be carefully examined. I am therefore glad that we were able to have our first strategic discussion and the potential economic, social and political consequences that such an innovation could entail.

It is absolutely clear that the design of and final decision upon issuing a digital euro is largely the responsibility of the ECB.

But, because the matter is of critical importance for finance ministers, we encourage the ECB to pursue its work in relation to models and options for the possible issuance of a digital euro.

In the meantime, I expect the Eurogroup to return to this topic on a regular basis. We will consider implications of the project on our monetary sovereignty, financial stability, bank funding, consumer protection and on the international role of the euro.

We also had our first meeting in Banking Union format today, this is a new grouping that is the consequence of Croatia and Bulgaria joining the Banking Union last July. We welcomed Minister Ananiev from Bulgaria and Minister Marić from Croatia to this meeting.

In this new composition, the Chair of Banking Supervision, Andrea Enria, and the Chair of the Single Resolution Board, Elke Koenig informed us about the latest activities of their institutions, with specific attention to their response to the pandemic. We welcomed that both institutions are applying the flexibility within their regulatory framework to soften the impact of the COVID-19 on the banking sector, with a view to supporting the recovery of the

economy.

We were informed that the financial sector appeared to be well prepared for potential turbulences associated with Brexit. That being said, the institutions confirmed that they will continue to encourage banks to continue their efforts to prepare.

After this short Eurogroup in Banking Union format, we invited the rest of our colleagues to the meeting in inclusive format.

In addition to a debriefing on the implementation of the three safety nets – a subject I mentioned earlier – we took stock of ongoing work on liquidity in resolution. This is technically complex but politically highly important: it is about making sure that a resolved bank has sufficient liquidity in the first days after resolution.

Some progress has been made at a technical level but some further work is needed before we can reach a political decision. Today was a very valuable stock take. We will come back to this issue in the first half of next year.

[Visit the meeting page](#)

[Eurogroup statement on COVID-19 developments this autumn](#)



At the outset of today's Eurogroup meeting, members of the Eurogroup offered condolences to Austrian and French colleagues on the recent horrific attacks and reiterated that Europe will always stand together.

Today, the Eurogroup had a thorough discussion on the economic outlook in view of current COVID-19 developments. The Eurogroup was briefed by the Director of the European Centre for Disease Control (ECDC), Dr. Andrea Ammon, on the ECDC's analysis of the pandemic. The Chair of the European Parliament's Committee on Economic and Monetary Affairs, Irene Tinagli, also participated in the discussion.

The recent acceleration in the spread of the COVID-19 virus and the new containment measures have further increased uncertainty and are likely to weigh on the recovery. The Eurogroup is closely following health developments and monitoring the economic impacts and prospects. We will continue to coordinate and vigorously implement, at all levels, ambitious economic policies that complement the health response, protect jobs and bring forward the economic recovery, right across the continent.

We took stock of the measures adopted so far and concurred that Europe has

reacted forcefully to the pandemic. Coordinated responses have cushioned the economic impact of containment measures on citizens and companies. With the second wave of COVID-19 unfurling, Europe is now better equipped to weather the economic fallout. Back in April, the Eurogroup, together with non-euro area Members, had reached an agreement on three safety nets to be implemented by the European Commission, the European Investment Bank and the European Stability Mechanism for an overall amount of €540 billion. These are now in place, bolstering Member States' crisis responses, providing much needed support to citizens and companies to help weather the crisis, and providing an additional line of defence for sovereigns.

These safety nets at the European level complement the unprecedented levels of fiscal support put in place by national governments. The fiscal measures implemented at the national level in 2020 amount to 4% of GDP. These measures are in addition to liquidity support initiatives and the operation of automatic stabilisers. These fiscal supports have been enabled by the temporarily allowed departure from the budgetary requirements that would normally apply and the temporary State aid framework. The Eurogroup considers it vital that fiscal support in each Member State continues into 2021, given the heightened risk of a delayed recovery, and adjusts to the situation as it evolves.

Moreover, the European Council agreed in July upon the Next Generation EU plan to support the regions and sectors most impacted by the COVID-19 crisis with a €750 billion fund. This sits at the heart of the EU recovery strategy and represents a unique opportunity for reforms and investment needed at the Member State level, including those that support the green and digital transitions.

We are committed to continue working together to facilitate the Next Generation EU plan and, in particular, the Recovery and Resilience Facility. These are to be agreed and implemented as a matter of priority, allowing for a swift disbursement of funds in 2021. This is needed to support appropriate reforms and investments and thereby sustain an inclusive recovery. We are confident that the Council and Parliament will reach an agreement before the end of 2020.

Today, we also underlined the importance of rapidly submitting ambitious Recovery and Resilience Plans, charting a consistent set of reform and investment strategies that add up to more than the sum of individual Member State actions. These plans will increase confidence, alleviate uncertainty and support growth in employment and incomes to help make the euro area as a whole stronger and more resilient. The Eurogroup commits to support prioritised and coordinated reforms and investments that enhance the proper functioning of the euro area as a whole.

A strong financial sector is needed to finance the economy more efficiently, support the economic rebound and create job opportunities for European citizens. The Eurogroup continues to follow the situation in the financial sector and will continue its work on completing the Banking Union as a matter of priority. The further development of the Capital Markets Union will also strengthen the international role of the euro.

The Eurogroup stands united in its response to this crisis. We will continue to ensure that our policies support and complement the public health measures so as to protect our citizens at this challenging time. We owe this to those most affected by the pandemic.

[Visit the meeting page](#)

[FRA condemns the terrorist attack in Vienna](#)



*"I am deeply shocked by the heinous attack in Vienna. My thoughts are with the families of the victims, those injured and their loved ones," said FRA Director **Michael O'Flaherty**, on behalf of the Agency and its staff. "We need to become ever more united in our diversity against fear and hate. They have no place in Europe. Heightened respect for fundamental rights will remain a critical element in the fight against hatred and intolerance."*

The Agency stands in solidarity with Vienna, its host city.

Hatred is a serious societal problem that affects us all. It spreads fear and exclusion and destroys communities. In its extreme forms it leads to atrocious terrorist attacks as in Vienna, Nice and Conflans-Sainte-Honorine in North France.

[EMCDDA initial report on the new psychoactive substance MDMB-4en-PINACA](#)

EMCDDA, Lisbon, November 2020

Summary

Methyl 3,3-dimethyl-2-(1-(pent-4-en-1-yl)-1H-indazole-3-carboxamido)butanoate (MDMB-4en-PINACA) is a synthetic cannabinoid receptor agonist. Similar to other synthetic cannabinoids, it is sold as a 'legal' replacement for cannabis and controlled synthetic cannabinoids. Because of their high potency, synthetic cannabinoids can pose a high risk of severe poisoning, which in some cases can be fatal.

Based on potential public health risks, an initial report has been prepared and submitted to the Commission and the Member States, in accordance with Article 5b of Regulation (EC) No 1920/2006 (as amended). Its purpose is to provide scientific evidence to the Commission to allow it to make an informed decision regarding whether or not there is a need to request a risk assessment on a new psychoactive substance.

Please note: this is an advance copy of the report which has not yet been edited.

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psychoactive substance 4F-MDMB-BICA

EMCDDA, Lisbon, November 2020

Summary

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