



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2014) 2103 final

- English language version of the French text which is authentic -

Brussels, 30 October 2014

EN TEXT

MINUTES

of the 2103rd meeting of the Commission

held in Brussels

(Berlaymont building)

on Wednesday 29 October 2014

(morning)

PV(2014) 2103 final

- English language version of the French text which is authentic -

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Single sitting: Wednesday 29 October 2014 (morning)

The sitting opened at 10.05 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	
Ms KROES	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr BARNIER	Vice-President	
Mr OETTINGER	Vice-President	
Mr KATAINEN	Vice-President	
Mr POTOČNIK	Member	
Mr PIEBALGS	Member	
Ms VASSILIOU	Member	
Mr ŠEMETA	Member	
Mr DE GUCHT	Member	
Ms GEOGHEGAN-QUINN	Member	
Ms DAMANAKI	Member	
Ms GEORGIEVA	Member	
Mr HAHN	Member	
Ms HEDEGAARD	Member	
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	Items 1 to 7 (in part)
Mr CIOLOŞ	Member	
Mr BORG	Member	
Mr MIMICA	Member	
Mr NELLI FEROCI	Member	
Ms REICHERTS	Member	
Mr DOMINIK	Member	

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Absent:

Baroness ASHTON

High Representative/
Vice-President

The following sat in to represent absent Member of the Commission:

Mr CEBALLOS BARÓN	A member of Baroness ASHTON's staff
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The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT
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Mr ROMERO REQUENA	Director-General, Legal Service
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Mr PAULGER	Director-General, DG Communication
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Mr DOENS	Head of the Commission Spokesperson Service
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Ms AHRENKILDE HANSEN	Commission Spokeswoman
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Mr THEBAULT	Director-General, Bureau of European Policy Advisers
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Mr SOBRAL	Deputy Chef de cabinet to the PRESIDENT
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Mr CABRAL	Adviser hors classe in the PRESIDENT's office	Items 1 to 7 (in part)
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Mr KONIECKI	A member of the PRESIDENT's staff
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Mr LAHTI	Chef de cabinet to Mr KATAINEN	Items 7 (in part) and 8
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Secretary: Ms DAY, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

1. ARRANGEMENTS FOR MINUTES OF THIS MEETING

The Commission took note of the arrangements made for the approval of the minutes of this meeting on account of the end of its term of office. The minutes would be approved on Thursday 30 October before expiry of the time limit for the urgent written procedure to be initiated the same day to that end. Any requests for amendments should reach the Registry of the Secretariat-General no later than one hour before expiry of the time limit for the urgent written procedure.

2. AGENDA

(OJ(2014) 2103/FINAL)

The Commission took note of that day's agenda. It also took note of the addition of item 8 to the agenda.

3. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2014) 2103)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 27 October.

**4. APPROVAL OF THE MINUTES OF THE 2101ST MEETING OF THE COMMISSION (15 OCTOBER) AND THE MINUTES OF THE 2102ND MEETING (21 OCTOBER)
(PV(2014) 2102)**

The Commission approved the minutes of its 2102nd meeting.

The minutes of the 2101st meeting would be approved on Thursday 30 October before expiry of the time limit for the urgent written procedure to be initiated that day to this end. Any requests for amendments should reach the Registry of the Secretariat-General no later than one hour before expiry of the time limit for the urgent written procedure.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2014) 548 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 20 and 24 October.

5.2. EMPOWERMENT

(SEC(2014) 549 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 20 and 24 October.

5.3. DELEGATION AND SUBDELEGATION OF POWERS*(SEC(2014) 550 ET SEQ.)*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 20 and 24 October, as archived in e-Greffe.

5.4. SENSITIVE WRITTEN PROCEDURES*(SEC(2014) 551 TO /3)*

The Commission took note of the sensitive written procedures for which the time limit expired between 27 and 31 October.

6. ACTIVITIES OF TWO COMMISSIONERS AFTER CEASING TO HOLD OFFICE*(C(2014) 8230; C(2014) 8231)*

The Commission adopted the decision in C(2014) 8230. The Commission concluded that the activities planned by Ms REDING after ceasing to hold office, as a member of the *Kuratorium* (Board of Trustees/supervisory board) of the *Bertelsmann Foundation* and as a member of the Board of Directors of the enterprise *Nyrstar* were compatible with the second paragraph of Article 245 of the Treaty on the Functioning of the European Union, in view of the nature of these activities and of the opinion of 27 October 2014 of the ad hoc ethical committee on the above activities, subject to the following conditions:

- Ms REDING's participation in the *Kuratorium* of the *Bertelsmann Foundation* was compatible with the second paragraph of Article 245 of the Treaty on the Functioning of the European Union, provided that Ms REDING avoided any conflicts of interest incompatible with the Code of Conduct for Commissioners,

in particular when projects of the *Bertelsmann Foundation* involved requesting and/or obtaining Community cofinancing and that, within the 18 months after ceasing to hold office, she abstained from lobbying and defending the Foundation's interests to the Commission;

- Ms REDING's participation in the Board of Directors of the enterprise *Nyrstar* was compatible with the second paragraph of Article 245 of the Treaty on the Functioning of the European Union, provided that Ms REDING respected Article 339 of the Treaty on the Functioning of the European Union and that, within the 18 months after ceasing to hold office, she abstained from lobbying and defending *Nyrstar's* interests to the Commission.

The Commission also adopted the decision in C(2014) 8231. The Commission concluded that the activities planned by Mr NELLI FEROCI after ceasing to hold office, as President of the *Istituto Affari Internazionali* and as Chair of the Board of Directors of the company *Simest* were compatible with the second paragraph of Article 245 of the Treaty on the Functioning of the European Union, in view of Mr NELLI FEROCI's commitments in his letters of 30 September and 24 October 2014 and of the ad hoc ethical committee's opinion of 27 October 2014 on the second of the aforementioned activities.

7. INTERINSTITUTIONAL RELATIONS

7.1. LEGISLATIVE MATTERS

- i) **Measures to ensure a high common level of network and information security across the Union (Directive) – SCHWAB report – 2013/0027 (COD)**
(SI(2014) 372 and /2)

The Commission approved the line set out in SI(2014) 372/2.

- ii) **Amendment of Directive 94/62/EC on packaging and packaging waste to reduce the consumption of lightweight plastic carrier bags (Directive) – AUKEN report – 2013/0371 (COD)**
(SI(2014) 376)

The Commission approved the line set out in SI(2014) 376.

- iii) **Union position to be adopted in the Association Council established by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part, in relation to the adoption of the rules of procedure of the Association Council and of the Association Committee, to the establishment of two specialised subcommittees, and to the delegation of certain powers by the Association Council to the Association Committee in Trade configuration (Council Decision) – 2014/0273 (NLE)**
(SI(2014) 391)

The Commission approved the line set out in SI(2014) 391.

- iv) **Amendment of Directive 2006/112/EC on the common system of value added tax as regards a standard VAT return (Council Directive) – STREJCEK report – 2013/0343 (CNS)**
(SI(2014) 393)

The Commission approved the line set out in SI(2014) 393.

- v) ***Partnership Agreement on Relations and Cooperation between New Zealand and the European Union (PARC)***
(SI(2014) 398)

The Commission approved the line set out in SI(2014) 398.

- vi) Calculation methods and reporting requirements pursuant to Directive 98/70/EC of the European Parliament and of the Council relating to the quality of petrol and diesel fuels (Council Directive) – 2014/0286 (NLE)**
(SI(2014) 399)

The Commission approved the line set out in SI(2014) 399.

7.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

- vii) Programming of Council business**
(SI(2014) 397)

The Commission took note of the information in SI(2014) 397 on the Council meetings between 30 October and 12 November.

- viii) Results of the meetings of the European Council and the euro area summit (Brussels, 23 and 24 October)**
(SI(2014) 396; SI(2014) 400)

The PRESIDENT briefed the Members of the College, meeting for the last time in its current composition and under his authority, on the results of the European Council and the Eurogroup summit on 23 and 24 October. He noted that this was the 75th European Council he had attended as Commission President.

He welcomed the fact that, at the very end of the Commission's term of office, the Heads of State or Government had reached an important agreement on the 2030 framework for energy and climate policies which the Commission had proposed in January.

This decision was a significant step forward which had been achieved thanks

to the technical competence of the Commission and its effective contribution to steering the complex and difficult negotiations at various stages.

The agreement laid the foundations for European action in these areas for the next 15 years by setting ambitious but achievable quantitative targets. It would also enable the Union to retain its international pre-eminence in this field, particularly with a view to the global climate negotiations in 2015. The main objectives agreed by the European Council were (i) a binding target of reducing greenhouse gas emissions in the European Union by at least 40% by 2030 compared with the 1990 level, (ii) a binding target of ensuring that at least 27% of EU energy consumption came from renewable sources by 2030, (iii) an indicative target of improving energy efficiency by at least 27% by 2030, and finally (iv) a target of at least 10% of electricity interconnections for the Baltic States, Spain and Portugal by 2020 in order to enhance their integration into the internal energy market.

The baton would now pass to the next Commission, which would be responsible for presenting the legislative proposals necessary for implementing this agreement.

The PRESIDENT added that the European Council had also examined new packages of measures to reduce the Union's energy dependence and increase its security of supply. These proposals took into account, in particular, the situation in Ukraine, which continued to cause concern.

In this connection he had briefed the EU leaders on the state of play of discussions on matters relating to gas supplies, and the European Council had reiterated its appeal to Ukraine and Russia to implement the Minsk agreements in full.

In the area of international relations, the European Council had held a detailed and fruitful debate on measures to combat the Ebola epidemic, in the course

of which participants had commended the Commission's initiatives and efforts in this area.

Finally, in-depth discussions of the economic situation in the European Union had taken place at both the European Council and the Eurogroup summit. The PRESIDENT would return to this point in greater detail when he informed the College about the assessment of the euro area Member States' draft budgetary plans for 2015 (see item 8 of these Minutes). He was pleased to note, however, a growing consensus among the Member States on the need to strike the right balance between budgetary consolidation that was conducive to growth and consistent with European rules, on the one hand, and ambitious structural reforms and a policy of smart investment on the other.

There followed a discussion in which the Commission expressed regret that the issue of certain national contributions to the European Union budget, which had been raised at the end of the European Council, had been exploited for domestic political ends and had overshadowed some of the very positive results of the summit; the need in this context to maintain the line taken by the Commission, which was to set the record straight by presenting the objective facts; a reminder, therefore, of the new method of calculating gross national income, adopted with the recent proposal for an amending budget, the role of the national statistical offices, the independence of the European statistical office, Eurostat, and the legality of the exercise aimed at finalising the budget for the current year.

The PRESIDENT wound up the discussion by reviewing the Commission's work over the decade he had spent at the head of the institution. In the space of a few years the Commission's position had been strengthened by closer cooperation with the European Council and the attribution of new and important tasks to be carried out on behalf of the Union, particularly in matters of economic governance. He was very proud that there was increasing

recognition of the Commission's capacity to initiate and propose policy, its independence and expertise, and of course its driving role in facilitating agreements and defending the common European interest.

The Commission took note of this information.

7.3. RELATIONS WITH PARLIAMENT

ix) Results of the October II part-session of Parliament

(SP(2014) 632)

The Commission took note of the information on the proceedings of the part-session of Parliament held in Strasbourg from 20 to 23 October, as set out in SP(2014) 632.

x) Action to be taken on Parliament's legislative resolutions and other resolutions of a legal nature

(SP(2014) 648)

The Commission took note of document SP(2014) 648, drawn up following the October II part-session of Parliament.

7.4. RELATIONS WITH THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS, THE EUROPEAN OMBUDSMAN AND NATIONAL PARLIAMENTS

xi) Action taken on opinions of the European Economic and Social Committee – third two-month period 2014 (June and July)

(SC(2014) 38 and /2)

The Commission approved the replies to the opinions adopted by the European Economic and Social Committee during the third two-month period of 2014, contained in the document distributed as SC(2014) 38/2, for transmission to that Committee.

8. OTHER BUSINESS

PROCESS OF ASSESSMENT OF MEMBER STATES' DRAFT BUDGETARY PLANS

The PRESIDENT reminded the Commissioners that the euro area Member States had submitted their draft budgetary plans to the Commission for the first time in November the previous year, in order to obtain its opinion on whether their budgetary programming was in line with their commitments under the Stability and Growth Pact. No particularly serious non-compliance with the obligations under the Pact had been identified in these draft plans and it had therefore not been judged necessary at the time to request their revision. However, in several cases the Commission had made substantial criticisms and asked the Member States concerned to take its opinion into account when finalising their 2014 budget.

The PRESIDENT said that the role of the current Commission was significantly different this year. This was because, in view of the time periods provided for in the legislation, the Commission had been obliged to limit its role to deciding whether any of these draft plans should be returned for revision to the national authorities concerned because of a particularly serious failure to comply with the budgetary policy obligations laid down in the Stability and Growth Pact. It would be up to the new Commission to complete the full analysis of the Member States' draft budgetary plans and to adopt opinions on them by 30 November at the latest.

He explained that since the term 'particularly serious non-compliance' was not expressed as a numerical value in the legislation in force, the Commission had to use its judgement when identifying cases of non-compliance, while making every effort to ensure that the Member States were treated equally. He noted, too, that each stage of the Commission's assessment procedure was made public, as was the methodology used.

Once the draft budgetary plans had been presented by the Member States, in most cases by 15 October, the Commission had engaged in a dialogue with them to ensure that the rules of the Stability and Growth Pact were observed as far as possible. This dialogue enabled the initial draft plans to be improved if necessary.

On the basis of the additional information provided by the national authorities concerned as part of this dialogue, Vice-President KATAINEN as Member of the Commission responsible, had concluded this year, as it had done the previous year, that none of the draft budgetary plans presented a particularly serious non-compliance with the budgetary policy obligations laid down in the Stability and Growth Pact. In his view, there had therefore been no need to request a revision of any of the draft plans.

However, the fact that no particularly serious non-compliances with the obligations under the Pact had been identified did not mean that the draft budgetary plans complied fully with these obligations. The Commission must complete its detailed assessment of the draft plans before the new Commission gave its opinions in November, when any risks or shortcomings in the plans would be revealed. The PRESIDENT stressed that should it be necessary to launch other procedures under the Stability and Growth Pact, this would be done at a later stage, taking account of the autumn economic forecasts and the Commission's opinions.

Mr KATAINEN returned to the subject of the consultations held with certain Member States after they had submitted their draft budgetary plans to the Commission. The aim of these consultations had been either to verify the appropriateness of the proposed measures in relation to the medium-term objectives – in particular structural adjustment measures – or to request additional information.

He confirmed that on the basis of the additional information provided and the commitments made by the Member States concerned in recent days, the Commission had not identified any particularly serious failure to comply with budgetary policy obligations. However, he emphasised that an in-depth assessment

of these aspects must now be conducted. Even if a draft budgetary plan were not returned at this stage, the Commission opinions to be adopted in November might still identify particularly serious non-compliances with the obligations under the Stability and Growth Pact in terms of each Member State's medium-term objectives. This was why he was stressing the need for the national authorities in question to do everything possible to ensure that the reforms announced by them were effectively implemented.

Winding up, he said that the opinions on the budgetary plans of the euro area Member States to be proposed for adoption by the Commission in mid-November and then discussed in the Eurogroup could, if necessary, recommend new measures under the Excessive Deficit Procedure or even the opening of such a procedure for certain Member States.

In the ensuing exchange of views, the Commission discussed in particular the need to pursue a transparent, collegiate and dynamic communication policy in relation to the process of assessment of the Member States' draft budgetary plans, while scrupulously respecting each stage of the procedure in order to guarantee impartiality.

Responding to Members' contributions to the exchange, Mr KATAINEN said that although there was no legal provision requiring the consultations between the Member States and the Commission on the assessment of the draft budgetary plans to be made public, a transparent approach should be favoured as far as possible. He confirmed that it was premature at this stage, before the Commission had completed its analysis, to conclude that no excessive deficit procedure would be launched. He also said that it was possible certain Member States might be asked to make additional adaptations in the 2015 budgets.

The PRESIDENT reminded the meeting that it was up to the present Commission to decide whether or not the Member States' draft budgetary plans contained particularly serious non-compliances with the obligations under the Stability and

Growth Pact, but that it would be the task of the new Commission to take a formal decision once it had completed its assessment. Since no particularly serious non-compliances had been identified, the Commission did not need to take a decision at this stage of the process. He also felt that it was very important for the Commission, only a few days from the end of its mandate, not to prejudge the final assessment to be made by the new Commission.

The Commission took note of this information.

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The PRESIDENT closed the discussion by noting that this Commission meeting would be the 199th to be chaired by him during this mandate, following the 225 meetings of the previous mandate. This made a total of 424 Commission meetings in 10 years. He felt that through the vicissitudes of the economic and financial crisis and of international and humanitarian crises, the Commission could be proud of its initiatives, of the work accomplished and the results obtained, particularly in the field of economic governance, financial regulation, the rule of law and climate change. He thanked the Commissioners and all their departments warmly for their outstanding work throughout all these years, and wished President JUNCKER and the new Commission every success.

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The meeting closed at 11.46.