EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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TEXTE EN

MINUTES

of the 2104th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 5 November 2014

(morning)

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<u>Single sitting</u>: Wednesday 5 November 2014 (morning)

The sitting opened at 9.11 with Mr JUNCKER, President, in the chair.

<u>Present</u>:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	
Ms MOGHERINI	High Representative/ Vice-President	
Ms GEORGIEVA	Vice-President	Items 1 to 5/6/7/8 (in part), and 9 (in part)
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	
Mr OETTINGER	Member	Items 1 to 9 (in part)
Mr HAHN	Member	
Ms MALMSTRÖM	Member	
Mr MIMICA	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	
Ms THYSSEN	Member	
Mr MOSCOVICI	Member	
Mr STYLIANIDES	Member	
Mr HOGAN	Member	
Lord HILL	Member	
Ms BULC	Member	
Ms BIEŃKOWSKA	Member	
Ms JOUROVÁ	Member	

Mr NAVRACSICS	Member	
Ms CREȚU	Member	Items 1 to 9 (in part)
Ms VESTAGER	Member	
Mr MOEDAS	Member	

The following also sat in:

Mr SELMAYR	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PAULGER	Director-General, DG Communication	
Mr SCHINAS	Head of the Commission's Spokespersons' Service and Chief Spokesperson	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Item 9 (in part)
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	
Mr THOLONIAT	A member of the PRESIDENT's staff	Item 9 (in part)
Ms DEJMEK-HACK	A member of the PRESIDENT's staff	Item 9 (in part)
Mr SZOSTAK	A member of the PRESIDENT's staff	Item 9 (in part)
Mr DELVAUX	A member of the PRESIDENT's staff	Item 9 (in part)
Mr MANSERVISI	Chef de cabinet to Ms MOGHERINI	Item 9 (in part)
Ms HRISTCHEVA	Chef de cabinet to Ms GEORGIEVA	Items 5/6/7/8 (in part), and 9 (in part)
Mr LAHTI	Chef de cabinet to Mr DOMBROVSKIS	Item 9 (in part)
Mr ROMAKKANIEMI	Chef de cabinet to Mr KATAINEN	Items 1 to 9 (in part)
Mr BAILLY	Chef de cabinet to Mr MOSCOVICI	Item 9 (in part)
Ms CHRISTOPHIDOU	Chef de cabinet to Mr STYLIANIDES	Item 9 (in part)
Ms WEYAND	Secretariat-General	Item 9 (in part)
Mr POST	DG Human Resources and Security	Items 1 to 8

Secretary: Ms DAY, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

The PRESIDENT warmly welcomed the Members of the new Commission to their first ever meeting in the Jean Monnet room at the Berlaymont headquarters in Brussels, stating that he was honoured and delighted to chair this gathering and this institution, which more than any other embodied and symbolised Europe.

He expressed a wish for the College to be united in its desire to take Europeans' concerns seriously and to respond to them without resorting to populist or ideological rhetoric. He asked the Members to make a sustained team effort to champion, beyond the limits of their respective portfolios, the Commission's role and political action in serving its citizens and the general interest; to maintain constant contact with the governments of the Member States, the European Parliament and the national parliaments; to defend, if need be, the Institution against unjustified political attacks; to firmly refute, if necessary, certain untruths; and to explain relentlessly the Commission's general strategy.

The PRESIDENT concluded his introduction by expressing his hope for the collective success of the Commission at the start of its term.

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1. AGENDA
(OJ(2014) 2104/FINAL)

The Commission took note of that day's agenda.

2. WEEKLY MEETING OF CHEFS DE CABINET
(RCC(2014) 2104)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 3 November.

3. INTERINSTITUTIONAL RELATIONS

3.1. LEGISLATIVE MATTERS

i) European long-term investment funds (Regulation) – LAMASSOURE report – 2013/0214 (COD)
(SI(2014) 402 and /2)

The Commission approved the line set out in SI(2014) 402/2.

ii) Amendment of Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States (Council Directive) – KLEVA KEKUŠ report – 2013/0400 (CNS)
(SI(2014) 403 and /2)

The Commission approved the line set out in SI(2014) 403/2.

iii) Fixing for 2015 and 2016 of the fishing opportunities for EU vessels for certain deep-sea fish stocks (Council Regulation) – 2014/0284 (NLE)
(SI(2014) 404 to /3)

The Commission approved the line set out in SI(2014) 404/3.

iv) United Nations Resolution on sovereign debt restructuring
(SI(2014) 407 and /2)

The Commission approved the line set out in SI(2014) 407/2.

3.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

v) Programming of Council business
(SI(2014) 409)

The Commission took note of the information in SI(2014) 409 on the Council meetings between 6 and 19 November.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. EMPOWERMENT
(SEC(2014) 557 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 27 and 31 October.

4.2. WRITTEN PROCEDURES APPROVED (SEC(2014) 556 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 27 and 31 October.

4.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2014) 558 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 27 and 31 October, as archived in e-Greffe.

5. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2014) 552)

The PRESIDENT briefly presented the proposals submitted for the Commission's approval with regard to the restructuring of the departments, administration and staff; for the most part, these proposals stemmed from the decision on the organisation of responsibilities within the College (see points 5.1 to 5.23 below).

He also set out the three decisions that he had taken on 1 November, relating to (i) the organisation of the responsibilities of the Members of the Commission, (ii) the rules governing the composition of the Cabinets and of the Spokespersons' Service, and (iii) the creation of the European Political Strategy Centre (EPSC) (see points 6, 7 and 8 below).

The PRESIDENT stated that the decision on the organisation of the responsibilities of the Members of the Commission made the allocation of Commission portfolios official; it was his prerogative to make this decision.

He also explained that the communication to the Commission on the rules governing the composition of the Cabinets of Members of the Commission and of the Spokespersons' Service reflected the specific roles that he had wanted to allocate to each Member of the Commission, including to the Vice-Presidents, in the mission statements he had sent them.

Finally, he mentioned the creation of the European Political Strategy Centre (EPSC), which was under his direct authority. The purpose of the Centre was to produce strategic analyses and provide advice to the President on all the Commission's political priorities. He added that the structure of the new EPSC – which replaced the Bureau of European Policy Advisers (BEPA) – was sector-based, with six teams covering economic affairs, social policy, sustainable development, foreign affairs, institutional reform and communication. He invited each Member of the Commission to make good use of the forecasting capabilities of this new service in their own area of responsibility.

The PRESIDENT also listed the proposals for decisions that he was submitting for the Commission's approval, as set out in point 5 below. More specifically, these were (i) supplementary decisions regarding the new European Political Strategy Centre; (ii) decisions on restructuring the Commission departments, including the Internal Audit Service; (iii) the appointment of Mr Jonathan FAULL as head of the new Directorate-General for Financial Stability, Financial Services and Capital Markets Union; (iv) the transfer of Mr Francisco GARCÍA MORÁN to a post of *hors classe* Adviser at the Directorate-General for Informatics; (v) extension of the term of office of the Task Force for Greece; and (vi) the favourable decision on the activities after leaving office of Mr BARROSO, former President of the Commission.

The PRESIDENT took the opportunity offered by this restructuring to pay tribute to Mr Jean-Claude THEBAULT, who was becoming an *hors classe* Adviser. He applauded his European commitment throughout his brilliant career in the numerous management posts that he had held within the Commission, and warmly thanked him in particular for his excellent work in recent years at the head of BEPA.

ADMINISTRATIVE MATTERS
(PERS(2014) 136 AND /2)

5.1. DG HUMAN RESOURCES AND SECURITY / SECRETARIAT-GENERAL − REPEAL OF THE DECISIONS ON THE BUREAU OF EUROPEAN POLICY ADVISERS, CHANGES TO THE ORGANISATION CHART AND APPOINTMENT OF A TEMPORARY **HORS CLASSE** ***ADVISER AND OF A PRINCIPAL ADVISER***

The Commission decided (see also item 8 of these minutes):

– to repeal Communication SEC(2010) 258 of 9 March 2010 and Decision SEC(2013) 570 of 22 October 2013 on the Bureau of European Policy Advisers (BEPA);

– to create a temporary function of *hors classe* Adviser at the European Political Strategy Centre and a temporary function of *hors classe* Adviser in the Secretariat-General;

– to create a temporary function of *hors classe* Adviser at the European Political Strategy Centre by transferring in the interest of the service, under Article 7 of the Staff Regulations, Mr Jean-Claude THEBAULT, an AD16 official and currently Head of the Bureau of European Policy Advisers, and to transfer him on 1 December 2014 to the temporary post of *hors classe* Adviser in the Secretariat-General;

– to create a function of Principal Adviser in the Secretariat-General and to fill this post by transferring in the interest of the service, under Article 7 of the Staff Regulations, Ms María Angeles BENÍTEZ SALAS, an AD15 official and currently Deputy Head of the Bureau of European Policy Advisers, with a view to her secondment as Deputy Head of the European Political Strategy Centre.

Unless specifically provided otherwise, these decisions would take effect on 1 November 2014.

5.2. DG HUMAN RESOURCES AND SECURITY / RESTRUCTURING OF COMMISSION SERVICES (SEC(2014) 572)

Pursuant to Commission Communication SEC(2006) 1702 adopted by the Commission on 13 February 2007 on the organisation charts of the Directorates-General and services, the Commission decided to transfer the organisational entities, management functions, and related transfers of staff and administrative appropriations, as detailed in SEC(2014) 572 and SEC(2014) 573 to 586. Unless specifically provided otherwise, these decisions would take effect on 1 January 2015 (see also items 5.3 to 5.17 below).

From the first day of office of the new Commission, the organisational entities transferred according to this Decision would take their operational instructions and report to their new Directorates-General. As regards financial implementation, until the financial circuits were adapted on 1 January 2015, the Directorates-General concerned would consult and take instructions from the Commissioner holding the responsibility for the activity concerned.

The Commission also decided to approve the following transitional arrangements applicable to the restructuring:

- in accordance with Article 3(3) of Commission Decision C(2013) 8985 of 16 December 2013 laying down the general provisions for implementing Article 43 and the first paragraph of Article 44 of the Staff Regulations, and with Article 3(3) of Commission Decision C(2014) 2226 of 7 April 2014 laying down the general provisions for implementing Article 87(1) of the Conditions of Employment of Other Servants of the European Union and the first paragraph of Article 44 of the Staff Regulations, regarding officials and others servants transferred to another Directorate-General and subject to annual appraisal under these Decisions, the directors-general concerned would set, at the latest on 15 December 2014, the actors (reporting officer, appeal assessor and countersigning officer) according to the position occupied on 1 December 2014, for the appraisal exercise covering the period from 1 January to 31 December 2014;

- as regards any staff change or any change to routine business, in particular when a post affected by the transfer under this Decision was filled or became vacant, the Directorate-General concerned fully would associate the Directorate-General to which the post was transferred;

- In the framework of this restructuring, heads of unit could, where necessary, be assigned to a non-management post; for the purpose of applying Articles 7 and 9 of Commission Decision C(2008) 5028/2 of 9 September 2008 on middle management staff (C(2008) 5028/2), they could at a later date be reassigned in the interest of the service to a middle management post;

- the practical implementation of this restructuring, as far as it concerned individual staff members, would be incumbent on the Directorates-General concerned, acting in mutual agreement; the Commission's central services would monitor the implementation of the restructuring and provide guidance; Commission Decision C(2004) 4274 of 9 November 2004 on revised guidelines on redeployment did not apply to this restructuring;

– when, due to this decision, the responsibility for a decentralised agency was changed, the Commission would be represented by the representatives from the Directorate-General to which the responsibility was transferred at the hierarchical level fixed in the Commission decision appointing the Commission representatives in the management board or equivalent body; this provision would apply until the Commission decisions appointing Commission representatives were amended by written procedure;

– when, due to this decision, the Directorates-General in charge of an executive agency were changed, all the Directorates-General responsible would be represented in the Steering Committee of that agency; should this not be possible due to the limit on representatives laid down in the legal framework, the new Directorates-General in charge of the agency would be temporarily represented by observers; this provision would apply until the Commission decisions appointing Commission representatives were amended by written procedure;

– for heads of unit and senior officials at Director or Director-General level who were seconded to a Cabinet of a Member of the Commission, to the SPP or to the ESPC, functions of seconded head of unit, principal adviser and *hors classe* Adviser, respectively, would be created in the Directorate-General of origin.

The Commission also decided to instruct the authorising officers by delegation to ensure that the activities that were the subject of the restructuring decided that day were reported in the Annual Activity Report of the Directorate-General to which the activities belonged for most of 2014. In addition, reservations relating to 2014 should be reported in the Annual Activity Report of the Directorate-General to which the activities belonged for most of the year. Handover notes should reflect the actions required to remedy any reservations attached to activities being transferred.

In addition, the College took note of the following:

– the movement of posts among DGs would be integrated into the 2015 final allocation and take administrative effect on 1 January 2015;

– the new arrangements concerning delegation for budget lines would be reflected in Annex I to the 2015 Internal Rules defining the responsibilities of the authorising officers;

– the anticipated environment of the 2015 budget would take into account the provisions of this Decision;

– operational appropriations for 2015 would be made available to the receiving Directorates-General by way of (co)delegation;

– the number of full-time equivalents of external staff to be transferred among Directorates-General was based on the staff in place on 1 July 2014; however, for the sake of the budgetary allocation, these figures would be adapted to the number and category of FTEs available to the Directorates-General concerned as per the 2015 draft budget;

– appropriations for external staff authorised under the former 'BA-lines' and for staff financed under the 'Research' budget would be made available to the receiving Directorate-General by way of (co)delegation according to the applicable internal rules;

– appropriations for external staff financed under the global envelope for 2015 would be made available to receiving Directorates-General by way of budget transfer early in 2015; should a new line be required it would be created in the 2016 budget and the existing budget line would be co-delegated in 2015;

– the acts of delegation to the Executive Agencies affected by the restructuring would be amended to reflect the changes.

These decisions would take effect immediately, unless otherwise stated or mentioned in SEC(2014) 572.

5.3. DG COMMUNICATION – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 573)

The Commission took note of the information in SEC(2014) 572 and decided:

– to transfer those members of staff in COMM.C.2 ‘Citizens Programme’ managing the Europe for Citizens Programme to DG Home Affairs (DG HOME);

– to transfer COMM.C.EACEA.C.1 ‘Europe for Citizens’, including two posts for seconded officials, to DG HOME;

– to transfer responsibility for the 'New narrative on Europe' preparatory action 2015 to DG Education and Culture;

– to transfer those members of staff in COMM.A.2 ‘Media Networks and

Contracts' dealing with multimedia actions funded by budget line 16.03.01.01 (Euronews, Euranet, European Audiovisual Observatory) to DG Communication Networks, Content and Technology;

– to adopt the new organisation chart set out in SEC(2014) 573.

These decisions would take effect on 1 January 2015.

Following the restructuring, the total number of units in DG Communication would remain unchanged.

5.4. DG COMMUNICATION NETWORKS, CONTENT AND TECHNOLOGY − CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 574)

The Commission took note of the information in SEC(2014) 572 and decided:

– to transfer EAC.E.3 'Creative Europe Programme – MEDIA' to DG Communication Networks, Content and Technology (DG CNECT) and to integrate it as CNECT.DDG2.G.6 'MEDIA Support Programmes';

– to transfer EAC.E.EACEA.B.2 'Creative Europe: MEDIA', including two posts for seconded officials, to DG CNECT and to integrate it as CNECT.DDG2.G.EACEA.B.2;

– to transfer MARKT.DDG1.D.1 'Copyright' to DG CNECT and integrate it as CNECT.DDG2.F.5 'Copyright';

– to transfer those members of staff in MARKT.DDG1.D.3 'Fight against Counterfeiting and Piracy' dealing with copyright enforcement to DG CNECT and integrate them into CNECT.DDG2.F.5 'Copyright';

– to transfer those members of staff in MARKT.DDG1.E.3 'Online and

Postal Services' dealing with online services to DG CNECT and integrate them into CNECT.DDG2.F.1 'Digital Single Market';

- to transfer those members of staff in COMM.A.2 'Media Networks and Contracts' dealing with multimedia actions funded by budget line 16.03.01.01 (Euronews, Euranet, European Audiovisual Observatory) to DG CNECT and integrate them into CNECT.DDG2.G.6 'MEDIA Support Programmes';
- to convert the sector-level task force 'Legislation Team (e-IDAS)' CNECT.TFSEC-LEG.EIDAS into a unit;
- to adopt the new organisation chart set out in SEC(2014) 574.

These decisions would take effect on 1 January 2015.

Following the restructuring, the total number of units in DG CNECT would increase from 46 to 49.

5.5. DG DEVELOPMENT AND COOPERATION - EUROPEAID – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 575)

The Commission took note of the information in SEC(2014) 572 and decided:

- to rename DG Development and Cooperation - EuropeAid and call it DG International Cooperation and Development, DG DEVCO;
- to transfer Directorate DEVCO.F, including one Head of Unit post in delegation, to DG Enlargement (DG ELARG);
- to transfer the Support Group for Ukraine, DEVCO.DG.SGUA, including one *hors classe* Adviser post, to DG ELARG;

– to adopt the new organisation chart set out in SEC(2014) 575.

These decisions would take effect on 1 January 2015.

The transfers would be completed by establishing service-level agreements organising the support to be provided by DEVCO.03, DEVCO.B and DEVCO.R.3.

Following the restructuring, the total number of units in DG DEVCO would decrease from 48 to 43.

5.6. DG EDUCATION AND CULTURE – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 576)

The Commission took note of the information in SEC(2014) 572 and decided:

– to transfer those members of staff in EAC.A.3 dealing with skills and qualifications, and those in EAC.B.2 dealing with vocational training and adult education policy to DG Employment, Social Affairs and Inclusion (DG EMPL);

– to transfer EAC.E.3 ‘Creative Europe Programme – MEDIA’ to DG Communication Networks, Content and Technology (DG CNECT); to transfer EAC.E.EACEA.B.2 ‘Creative Europe – MEDIA’, including two posts for seconded officials, to DG CNECT;

– to transfer responsibility for the 'New narrative on Europe' preparatory action 2015 to DG Education and Culture;

– to abolish Directorate EAC.B ‘Education and vocational training: Coordination of Erasmus+’;

- to abolish EAC.B.3. ‘Programme coordination Erasmus+’ and EAC.R.5 ‘Logistics and document management’ and to merge EAC.C.2. ‘Higher education and innovation, entrepreneurship and EIT’ with EAC.C.3. ‘Research Careers; Marie Sklodowska-Curie actions’ resulting in the net reduction of one unit;

- to add an extra post to the adviser quota;

- to adopt the new organisation chart set out in SEC(2014) 576.

These decisions would take effect on 1 January 2015.

Following the restructuring, the total number of units in DG Education and Culture would decrease from 27 to 21 and the total quota of adviser posts in the Directorate-General would increase from 6 to 7.

5.7. DG ECONOMIC AND FINANCIAL AFFAIRS – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 577)

The Commission took note of the information in SEC(2014) 572 and decided:

- to transfer unit OLAF.D5 ‘Hercule, Pericles & EURO protection’, except for the part dealing with the Hercule programme, to the Directorate-General for Economic and Financial Affairs and to integrate the unit as ECFIN.R.6 ‘Euro Protection and Pericles’;

- to take note that the related posts would be transferred to DG ECFIN in 2015 by way of a loan; the definitive transfer of posts from the European Anti-Fraud Office and the Operating Establishment Plans would be regularised in the next budgetary procedure;

- to transfer unit ECFIN.DDG1.B.3 ‘Labour Market Reforms’ to the Directorate-General for Employment, Social Affairs and Inclusion;

- to transfer the Directorate ECFIN.DDG2.E ‘Financial stability and monetary affairs’ including an adviser ECFIN.DDG2.E, units ECFIN.DDG2.E.1 ‘Financial Markets and Infrastructures’, ECFIN.DDG2.E.2 ‘National Financial Systems’ and part of the staff of unit ECFIN.DDG2.E.3 ‘Financial Institutions and Stability Mechanisms’ dealing with Financial Integration and Regulatory Policy, with the exception of unit ECFIN.DDG2.E.3 ‘Financial Institutions and Stability Mechanisms’ and unit ECFIN.DDG2.E.4 ‘Monetary policy, exchange rate policy of the euro area, ERM II and euro adoption’, to the Directorate-General for Financial Stability, Financial Services and Capital Markets Union;

- to adopt the new organisation chart set out in SEC(2014) 577.

These decisions would take effect on 1 January 2015.

After restructuring, the total number of units at DG ECFIN would decrease from 46 to 44 and the total quota of adviser posts in the DG would decrease from 18 to 17.

5.8. DG ENLARGEMENT – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 578)

The Commission took note of the information in SEC(2014) 572 and decided:

- to abolish the Directorate ELARG.D ‘Regional Cooperation and Assistance: Turkish Cypriot Community’;

- to transfer unit ELARG.D.1 ‘Task Force Turkish Cypriot Community’ to the Directorate-General for Regional and Urban Policy;

- to rename DG ELARG, which would become the Directorate-General for Neighbourhood and Enlargement Negotiations, DG NEAR;

- to transfer the 'Support Group for Ukraine' DEVCO.DG.SGUA, containing an *hors classe* Adviser function, and to integrate it as NEAR.DG.SGUA 'Support Group for Ukraine';

- to transfer the Directorate DEVCO.F 'Neighbourhood', containing one Head of Unit function in Delegation, and to integrate it as Directorate NEAR.B 'Neighbourhood South'; the units DEVCO.F.1 'Geographical Coordination Neighbourhood East' and DEVCO.F.3 'Regional Programmes Neighbourhood East' would be integrated as NEAR.C.1 'Geographical Coordination Neighbourhood East' and NEAR C.2 'Regional Programmes Neighbourhood East';

- to transfer in the interest of the service under Article 7 of the Staff Regulations Mr Jean-Eric PAQUET, currently Director of Directorate ELARG.C 'Albania, Bosnia & Herzegovina, Serbia, Kosovo' to the function of Director of the newly created Directorate NEAR.D 'Western Balkans';

- to transfer in the interest of the service under Article 7 of the Staff Regulations Mr Gerhard SCHUMANN-HITZLER, currently Director of Directorate ELARG.D 'Regional Cooperation and Assistance: Turkish Cypriot Community' to the function of Director of the newly created Directorate NEAR.C 'Neighbourhood East';

- to adopt the new organisation chart set out in SEC(2014) 578.

These decisions would take effect on 1 January 2015.

The transfers from the Directorate-General for International Cooperation and Development to DG NEAR would be completed by the establishment of service level agreements organising the support to be provided by DEVCO.03, DEVCO.B and DEVCO.R.3 to DG NEAR.

After restructuring, the total number of units at DG NEAR would increase from 18 to 22.

5.9. DG EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 579)

The Commission took note of the information in SEC(2014) 572 and decided:

– to transfer unit ECFIN.B.3 ‘Labour Market Reforms’ to the Directorate-General for Employment, Social Affairs and Inclusion and to integrate it as unit EMPL.A.5 ‘Labour Market Reforms’;

– to transfer part of the staff of unit EAC.A.3 dealing with Skills and Qualifications and of unit EAC.B.2 dealing with Vocational Training and Adult Education to DG EMPL and to integrate them as units EMPL.C.4 ‘Skills and Qualifications’ and EMPL.C.5 ‘Vocational Training and Adult Education’, respectively;

– to transfer unit JUST.D.3 ‘Rights of persons with disabilities’ to DG EMPL and to integrate it as unit EMPL.D.4 ‘Rights of persons with disabilities’;

– to transfer part of the staff of unit JUST.D.1 dealing with the Directive establishing a General Framework for Equal Treatment in Employment and Occupation to DG EMPL and to integrate them into unit EMPL.D.4 ‘Rights of persons with disabilities’;

– to adopt the new organisation chart set out in SEC(2014) 579.

These decisions would take effect on 1 January 2015.

After restructuring, the total number of units in DG EMPL would increase from 33 to 37.

5.10. DG ENTERPRISE AND INDUSTRY – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 580)

The Commission took note of the information in SEC(2014) 572 and decided:

– to approve the complete abolition of two units by merging unit ENTR.02 ‘Strategic Policy’ with ENTR.A.1 ‘Enterprise Policy and Support Programmes’ and unit ENTR.E.1 ‘Tourism Policy’ with unit ENTR.E.2, ‘Tourism and Cultural Instruments’;

– to transfer unit ENTR.G.4 ‘Policy and Research in Security’ to the Directorate-General for Home Affairs;

– to transfer ENTR.G.REA.B.4 ‘Safeguarding Secure Society’, containing functions of seconded officials, to DG HOME;

– to rename the Directorate-General for Enterprise and Industry, which would become the Directorate-General for the Internal Market, Industry, Entrepreneurship and SMEs, DG GROW;

– to transfer MARKT.DDG1 ‘Deputy Director-General, in charge of Directorates B, C, D, E’, including all the related Directorates, units and management functions to DG GROW, except for unit MARKT.DDG.D1 'Copyright',MARKT.DDG1.B.DEL.China, MARKT.DDG1.B.DEL.United States and parts of units MARK.DDG1.D.3 and MARKT.DDG1.E.3; to integrate it as GROW.DDG2, 'Responsible for Directorates B, C, D, E & unit K4", Directorate GROW.B 'Governance of the Single Market', Directorate GROW.D 'Services', Directorate GROW.E 'Public Procurement' and Directorate GROW.J 'Industrial Property, Innovation and Standards';

– to transfer unit SANCO.DDG1.B.2 'Health Technology and Cosmetics' to DG GROW and to integrate the unit as GROW.I.4 'Health Technology and Cosmetics';

– to adopt the new organisation chart set out in SEC(2014) 580.

These decisions would take effect on 1 January 2015.

After restructuring, the total number of units at DG GROW would increase from 42 to 55 and the total quota of adviser posts in the DG would increase from 11 to 14.

5.11. DG ENVIRONMENT – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572)

The Commission took note of the information in SEC(2014) 572 and decided:

– to transfer those members of staff in unit ENV.A.2, 'Waste management and recycling', dealing with food waste to the Directorate-General for Health and Food Safety;

– to transfer those members of staff in unit ENV.A.3, 'Chemicals', dealing with biocides to the Directorate-General for Health and Food Safety.

These decisions would take effect on 1 January 2015.

Following the restructuring, the total number of units in DG ENV would remain unchanged.

5.12. DG HOME AFFAIRS – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 581)

The Commission took note of the information in SEC(2014) 572 and decided:

- to change the name of the Directorate-General for Home Affairs to the Directorate-General for Migration and Home Affairs (DG HOME);
- to transfer unit ENTR.G.4, ‘Policy and research in security’, to DG HOME and integrate it as unit HOME.B.4, ‘Innovation and industry for security’;
- to transfer unit JUST.B.3, ‘Anti-drugs policy’, to DG HOME and integrate it as unit HOME.D.4, ‘Anti-drugs policy’;
- to transfer ENTR.G.REA.B.4, ‘Safeguarding secure society’, containing two seconded official posts, to DG HOME and integrate it as HOME.B.REA.B.4, ‘Safeguarding secure society’;
- to transfer those members of staff in unit COMM.C.2, ‘Citizens Programme’, managing the Europe for Citizens Programme to DG HOME and integrate them into unit HOME.A.1 ‘Inter-institutional relations and citizenship’;
- to transfer COMM.C.EACEA.C.1, ‘Europe for Citizens’, containing two seconded official posts, to DG HOME and integrate it into HOME.A.EACEA.C.1 ‘Europe for Citizens’;
- to create a new Directorate, HOME.E, ‘Migration and security funds’, in

order to strengthen capacity to deliver the strategic priorities on migration;

- to create two new units, HOME.A.2, ‘Legal Affairs’, and HOME.C.1, ‘Irregular migration and return policy’;
- to transfer in the interest of the service under Article 7 of the Staff Regulations Ms Belinda PYKE, currently Director of Directorate HOME.C, ‘Schengen’, to the post of Director of HOME.B, ‘Migration and Mobility’;
- to transfer in the interest of the service under Article 7 of the Staff Regulations Mr Laurent MUSCHEL, currently Director of Directorate HOME.B, ‘Migration, Asylum’, to the post of Director of HOME.C, ‘Migration and Protection’.
- to adopt the new organisation chart set out in SEC(2014) 581.

These decisions would take effect on 1 January 2015.

Following the restructuring, the total number of units in DG HOME would increase from 14 to 18.

5.13. DG JUSTICE – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 582)

The Commission took note of the information in SEC(2014) 572 and decided:

- to change the name of the Directorate-General for Justice to the Directorate-General for Justice and Consumers (DG JUST);
- to transfer Directorate SANCO.DDG1.B, ‘Consumer affairs’, to DG JUST – except for unit SANCO.DDG1.B.2, ‘Health technology and cosmetics’, which would move to the Directorate-General for Internal Market,

Industry, Entrepreneurship and SMEs – and integrate it as Directorate JUST.E, ‘Consumers’;

– to transfer one seconded official post dealing with consumer protection in SANCO.CHAFEA to DG JUST and integrate it into JUST.E, ‘Consumers’;

– to transfer unit MARKT.DDG2.F.2, ‘Corporate governance, social responsibility’, to DG JUST and integrate it as JUST.A.3, ‘Company law’;

– to transfer unit JUST.B.3, ‘Anti-drugs policy’, to DG HOME;

– to transfer unit JUST.D.3 ‘Rights of persons with disabilities’, to DG Employment, Social Affairs and Inclusion (DG EMPL);

– to transfer those members of staff in unit JUST.D.1, ‘Equal treatment legislation’, dealing with the Directive establishing a general framework for equal treatment in employment and occupation to DG EMPL;

– to adopt the new organisation chart set out in SEC(2014) 582.

These decisions would take effect on 1 January 2015.

Following the restructuring, the total number of units in DG JUST would increase from 20 to 24 and the total quota of adviser posts in that DG would increase from 2 to 3.

5.14. *DG INTERNAL MARKET AND SERVICES / DG FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL MARKETS UNION – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 583)*

The Commission took note of the information in SEC(2014) 572 and decided:

- to transfer the function of Deputy Director-General in charge of Directorates B, C, D and E (MARKT.DDG.1), including all related entities and management functions, to DG Internal Market, Industry, Entrepreneurship and SMEs, except for unit MARKT.DDG1.D.1, ‘Copyright’, the part of unit MARKT.DDG1.D.3, ‘Fight against Counterfeiting and Piracy’, dealing with copyright enforcement, the part of unit MARKT.DDG1.E.3, ‘Online and Postal Services’, dealing with online services; and MARKT.DDG1.B.DEL. United States and MARKT.DDG1.B.DEL. China;

- to transfer unit MARKT.DDG1.D.1, ‘Copyright’, to DG Communication Networks, Content and Technology (DG CNECT);

- to transfer those members of staff in unit MARKT.DDG1.D.3, ‘Fight against Counterfeiting and Piracy’, dealing with copyright enforcement to DG CNECT;

- to transfer those members of staff in unit MARKT.DDG1.E.3, ‘Online and Postal Services’, dealing with online services to DG CNECT;

- to transfer unit MARKT.DDG2.F.2, ‘Corporate governance, social responsibility’, to DG JUST;

- the change the name of DG Internal Market and Services and of all the other entities and management functions to ‘Directorate-General for Financial Stability, Financial Services and Capital Markets Union’; the acronym would be determined at a later date;

- to transfer Directorate ECFIN.DDG2.E, ‘Financial stability and monetary affairs’, including an ECFIN.DDG2.E adviser, units ECFIN.DDG2.E.1, ‘Financial Markets and Infrastructures’, ECFIN.DDG2.E.2, ‘National

Financial Systems', and those members of staff in unit ECFIN.DDG2.E.3, 'Financial Institutions and Stability Mechanisms', dealing with financial integration and regulatory policy – but excluding the rest of unit ECFIN.DDG2.E.3, 'Financial Institutions and Stability Mechanisms', and unit ECFIN.DDG2.E.4, 'Monetary policy, exchange rate of policy of the euro area, ERM II and euro adoption' – to DG Financial Stability, Financial Services and Capital Markets Union; and to integrate the directorate and two units concerned as Directorate DDG.E, 'Financial system surveillance and crisis management', unit DDG.E.1, 'EU/Euro area financial system', and unit DDG.E.2, 'National Financial Systems';

– to create a new unit DDG.E.3, 'Macroprudential policy and relations with the ESRB', and transfer those members of staff in unit ECFIN.DDG2.E.3, 'Financial institutions and stability mechanisms', dealing with financial integration and regulatory policy into this newly created unit;

– to create a new unit DDG.C.1, 'Capital Markets Union';

– to adopt the new organisation chart set out in SEC(2014) 583.

These decisions would take effect on 1 January 2015.

Following the restructuring, the total number of units in DG Financial Stability, Financial Services and Capital Markets would be 22 and the total quota of adviser posts in that DG would be 4.

5.15. EUROPEAN ANTI-FRAUD OFFICE – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 584)

The Commission took note of the information in SEC(2014) 572 and decided:

– to transfer unit OLAF.D.5 'Hercule, Pericles & EURO Protection', except for the part dealing with the Hercule programme, to the Directorate-General for Economic and Financial Affairs;

– to take note that related posts would be transferred to DG ECFIN in 2015 by way of a loan; the definitive transfer of posts between OLAF and the operating establishment plans would be regularised in the next budgetary procedure;

– to adopt the new organisation chart set out in SEC(2014) 584.

These decisions would take effect on 1 January 2015.

Following the restructuring, the total number of units in OLAF would decrease from 22 to 21.

5.16. DG REGIONAL AND URBAN POLICY – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 585)

The Commission took note of the information in SEC(2014) 572 and decided:

– to transfer unit ELARG.D.1 'Task Force Turkish Cypriot Community' and to integrate it as unit REGIO.DGA2.TF.02 'Task Force Turkish Cypriot Community'.

– to adopt the new organisation chart set out in SEC(2014) 585.

These decisions would take effect on 1 January 2015.

Following the restructuring, the total number of units in DG Regional and Urban Policy would increase from 38 to 39.

5.17. DG HEALTH AND CONSUMERS – CHANGES TO THE ORGANISATION CHART (SEC(2014) 572; SEC(2014) 586)

The Commission took note of the information in SEC(2014) 572 and decided:

– to transfer Directorate SANCO.DDG1.B, 'Consumer affairs', to the Directorate-General for Justice and Consumers, except for unit SANCO.DDG1.B.2;

– to transfer unit SANCO.DDG1.B.2, 'Health technology and cosmetics', to the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs.

– to transfer one seconded official post dealing with consumer protection in SANCO.CHAFEA to the Directorate-General for Justice and Consumers;

– to change the name of the Directorate-General for Health and Consumer Protection to the Directorate-General for Health and Food Safety, DG SANTE;

– to split unit SANCO.DDG2.E.3, 'Chemicals, contaminants, pesticides', into two new units SANTE.DDG2.E.3, 'Pesticides and biocides', and SANTE.DDG2.E.7, 'Food improvement agents';

– to transfer the part of the staff of unit ENV.A.2, 'Waste management and recycling', dealing with food waste to DG SANTE and to integrate it into SANTE.DDG2.E.6, 'Innovation and Sustainability';

– to transfer the part of the staff of unit ENV.A.3, 'Chemicals', dealing with biocides to DG SANTE and to integrate it into SANTE.DDG2.E.3 'Pesticides and biocides';

– to adopt the new organisation chart set out in SEC(2014) 586.

These decisions would take effect on 1 January 2015.

Following the restructuring, the total number of units in DG SANTE would decrease from 45 to 40, and the total adviser quota in the DG would decrease from 6 to 5.

5.18. DG HUMAN RESOURCES AND SECURITY – ADMINISTRATIVE PROCEDURES

The Commission decided that all Members of the Commission concerned shall be consulted on decisions on staff and organisational matters, in their respective areas of responsibility, before they were submitted to the Commission for approval by the Vice-President for Budget and Human Resources, in agreement with the PRESIDENT.

5.19. DG FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL MARKETS UNION − APPOINTMENT OF DIRECTOR-GENERAL

The Commission decided to confirm Mr Jonathan FAULL, currently Director-General of DG Internal Market and Services, in the post of Director-General of the new Directorate-General for Financial Stability, Financial Services and Capital Markets Union, for a transitory duration in order to ensure that the new Directorate-General was fully operational.

This decision would take effect on 1 January 2015.

5.20. DG INFORMATICS − CHANGES TO THE ORGANISATION CHART AND APPOINTMENT OF TEMPORARY AD16 **HORS CLASSE** *ADVISER*

The Commission decided:

– to create a temporary function of *hors classe* Adviser in the Directorate-General for Informatics, which would be abolished upon the departure of its jobholder;

– to transfer to this function, under Article 7 of the Staff Regulations, Mr Francisco GARCÍA MORÁN, an AD16 official and currently *hors classe* Adviser at the Directorate-General for Human Resources and Security.

This decision would take effect on 1 January 2015.

5.21. INTERNAL AUDIT SERVICE (SEC(2014) 587)

The Commission decided:

– to create Directorate IAS.C 'Audit in the Commission and Executive Agencies II';

– to create a temporary Principal Adviser function in charge of 'Relations with the Audit Profession, the European Court of Auditors and the internal audit services in other Institutions' in the Internal Audit Service, and to fill that post, under Article 7 of the Staff Regulations, by transferring Mr Ciaran SPILLANE, currently Director, 'Audit of the Commission', in the Internal Audit Service; this temporary function of Principal Adviser would be abolished upon the departure of the jobholder;

– to abolish unit IAS.B.5 'Audit Unit B5';

– to create units IAS.C1 'Audit Unit C.1', IAS.C2 'Audit Unit C.2', IAS.C3 'Audit Unit C.3', IAS.C4 'Audit Unit C.4' and IAS.01 'Quality Assurance, Methodology and Monitoring of Audits and Resources';

– to adopt the new organisation chart set out in SEC(2014) 587.

Following the restructuring, the total number of units in the Internal Audit Service would increase from 8 to 12.

These decisions would take effect on 1 January 2015.

In addition, the Commission called on:

– all the Commission services concerned to launch the necessary amendments of Commission Decisions in force, following the centralisation of the internal audit function in the Internal Audit Service;

– the Internal Audit Capability (IAC) in the respective Directorates-General, Services, Offices and Executive Agencies to complete their work programme for 2014 and provide their respective Directors-General/Heads of Services with the IAC opinion on the state of control for 2014 by the end of February 2015 at the latest, the date at which the internal audit function in the individual Directorates-General, Services, Offices and Executive Agencies would cease to exist.

5.22. DG ECONOMIC AND FINANCIAL AFFAIRS - PROLONGATION OF THE MANDATE OF THE TASK FORCE FOR GREECE

The Commission decided to prolong the Task Force for Greece until 30 June 2015.

5.23. ACTIVITIES OF A MEMBER OF THE COMMISSION AFTER LEAVING OFFICE (C(2014) 8319)

The Commission adopted the decision in C(2014) 8319.

The Commission noted the commitments made by the former President José Manuel BARROSO with regard to compliance with the obligations under Articles 245 and 339 of the Treaty on the Functioning of the European Union, safeguarding the confidentiality of the matters dealt with by the Commission during his two terms of office as President and his determination to avoid any possible conflict of interests with his obligations.

The Commission decided:

– that Mr BARROSO's activities at the World Economic Forum, the Catholic University of Leuven and the University of Geneva were compatible with Article 245(2) of the Treaty on the Functioning of the European Union;

– that the arrangements that Mr BARROSO intended to make with the Speakers Bureau in London and/or Washington were compatible with Article 245(2) of the Treaty on the Functioning of the European Union, in view of the opinion of 27 October 2014 of the ad hoc Ethical Committee, the above-mentioned commitments made by Mr BARROSO and his determination to refuse any activities that could go against his duty to behave with integrity and discretion.

6. DECISION BY THE COMMISSION PRESIDENT OF 1 NOVEMBER 2014 ON THE ORGANISATION OF RESPONSIBILITIES OF THE MEMBERS OF THE COMMISSION
(C(2014) 9000)

The Commission had before it the memorandum from the PRESIDENT in C(2014) 9000. It took note of:

– the appointment of Mr TIMMERMANS, Ms GEORGIEVA, Mr ANSIP, Mr ŠEFČOVIČ, Mr DOMBROVSKIS and Mr KATAINEN as Vice-Presidents of the Commission, as well as Ms MOGHERINI, Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy, in accordance with Article 18(4) of the Treaty on the European Union;

– the order of precedence of the Vice-Presidents and other Members of the Commission laid down by the PRESIDENT;

– the rules for deputising decided on by the PRESIDENT;

– the allocation of portfolios decided on by the PRESIDENT;

– the identification of the departments reporting to each Commission Member, as set out in the annex to the PRESIDENT's decision; as clarified in that decision, their responsibility was based on the mission statement sent by the PRESIDENT to each Member of the Commission;

– the fact that in the field of coordination and surveillance of the economic and budgetary policies of the Member States, in particular of the euro area, any decision requiring approval by the Commission pursuant to the Treaties would be prepared and submitted by the Vice-President for the Euro and

Social Dialogue jointly with the Commissioner for Economic and Financial Affairs, Taxation and Customs. Article 12(5) of the Rules of Procedure will apply.

7. COMMUNICATION TO THE COMMISSION ON THE RULES GOVERNING THE COMPOSITION OF THE CABINETS OF THE MEMBERS OF THE COMMISSION AND OF THE SPOKESPERSON'S SERVICE (C(2014) 9002)

The Commission took note of the PRESIDENT's decision set out in C(2014) 9002.

The arrangements concerning the composition of the cabinets of the Members of the Commission and of the Spokeperson's Service take effect on 1 November 2014.

8. COMMUNICATION TO THE COMMISSION CONCERNING THE EUROPEAN POLITICAL STRATEGY CENTRE − MISSION, TASKS AND ORGANISATION CHART (C(2014) 9001)

The Commission took note of the PRESIDENT's decision set out in Communication C(2014) 9001 (see point 5.1 of these minutes), subject to final amendments to the title of the new entity (currently the European Political Strategy Centre (EPSC) / *Centre européen de stratégie politique (CESP)*) and to the title of the sixth team (currently the Outreach and Communication Team) in the attached organisation chart, as indicated in C(2014) 9001.

9. POLICY DEBATES

9.1. COMMISSION'S PRELIMINARY ECONOMIC GUIDELINES

Mr KATAINEN presented the autumn economic forecasts which would form the basis of the Commission's future initiatives to relaunch growth. Regrettably, as a result of a number of external and internal factors, GDP growth forecasts for the EU were lower than anticipated.

On the external front, he mentioned the problems facing some advanced and emerging economies, the tense situation in Ukraine and the Middle East and the sharp downturn in international trade, particularly with emerging markets. In spite of a modest recovery the previous summer, growth forecasts for world trade had been revised downwards.

Internally, he listed the structural and cyclical factors which had undermined growth, including the high levels of public and private debt noted before the financial crisis struck, problems with access to credit, unfinished reform programmes in some Member States and generally weak supply and demand. The importance of these factors varied considerably from one Member State to another, which explained what could sometimes be significant variation in the main macroeconomic indicators. In general, the economic downturn had had a negative impact on the confidence of economic operators and households.

Economic forecasts for end-2014 had been revised downwards. GDP was expected to grow by 1.3% in the EU as a whole and by 0.8% in the euro area. However, some of the factors which had held back world growth in the first half of the year were temporary in nature. In particular, the easing of fiscal consolidation measures and maintenance of accommodative monetary policy in the United States should help to stimulate world activity, as should relatively strong growth on emerging markets in Asia, notwithstanding an economic downturn in China.

Mr KATAINEN expected economic activity in Europe to pick up gradually in 2015 and accelerate in 2016 as the shock of the crisis was absorbed, structural reforms began to bear fruit, labour markets improved and policies to boost growth and ease access to credit came onstream. The EU's GDP was forecast to grow by +1.5% in 2015 and by +2% in 2016; the euro area's GDP was expected to record growth of +1.1% and +1.7% respectively in those two years.

Recent turbulence notwithstanding, the current outlook for the financial markets was generally good, thanks in part to the more accommodative monetary policy of the European Central Bank (ECB) and falling interest rates in certain Member States which were not part of the euro area. The difference between yields on government bonds and corporate bonds had narrowed, which had helped to mitigate financial fragmentation within the EU and reduced financing costs for companies. While noting that financing conditions continued to vary considerably from one Member State to another, he welcomed the consolidation of banking systems' balance sheets highlighted by the ECB's comprehensive assessment against a background of remaining recapitalisation needs which appeared to be manageable. These positive results should help to remove the constraints on credit provision.

The reduction in the general government deficit could be expected to continue. The general government deficit in relation to GDP was expected to be 3% for the euro area and 2.6% for the EU as a whole, even if the rate of reduction had slowed this year. He concluded that the fiscal position should be neutral in 2014 and 2015 while the government debt-GDP ratio should peak next year at 88.3% for the EU as a whole and 94.7% for the euro area.

Mr MOSCOVICI explained that domestic demand was forecast to be the main growth motor over the next two years as it should benefit from a very accommodative monetary policy, low financing costs, eased lending conditions, a smaller adjustment in private-sector balance sheets and an EU fiscal policy which was neutral overall.

Private consumption was expected to record modest gains in 2015 and 2016 against a background of low prices for raw materials and increasing incomes as labour markets gradually improved. Public consumption should also make a marginal contribution to growth.

The low level of economic activity and the fall in the price of certain raw materials would help to keep inflation down (EU forecast 0.5% for this year, 1% for 2015 and 1.5% for 2016).

Low levels of investment had been a decisive factor in the EU's subdued economic growth. Investment was still considerably below its pre-crisis level in both the EU as a whole and in the euro area. The reasons for this poor performance included a limited increase in demand, a particularly low capacity utilisation rate, major economic and political uncertainty and, in some Member States, financial constraints, not to mention efforts by businesses to reduce high levels of indebtedness.

He stressed therefore that it was essential to speed up the rate of investment in order to achieve faster growth over the coming years. He noted that investment in equipment was not due to pick up until 2016 on the back of the economic recovery, whereas investment in the construction sector would resume at a steadier, though more moderate pace.

Despite the slow recovery in labour markets, he believed that progress would remain modest as long as the levels of economic activity were low. He added that the unemployment rate would, however, gradually fall to 9.5% for the Union and 10.8% for the euro area by 2016. He also pointed to the persistent steady rise in structural unemployment in the Union as a whole since 2009.

On a more general note, Mr MOSCOVICI considered that there was still a risk of growth declining in the future, particularly on account of geopolitical tensions, the market reaction to the normalisation of US monetary policy and the pace of the reforms introduced by the Union. He underlined that there was no single, simple answer to speeding up the recovery and called on Member States to continue the structural reforms they had embarked upon, to support investment and to closely coordinate their policies in so doing.

Mr DOMBROVSKIS noted that, in a climate of slow economic recovery, structural reforms, support for investment and fiscal consolidation remained the Union's three major political priorities. He pointed out that Member States were still suffering from the social consequences of the economic crisis, but that those that had undertaken structural reforms seemed to be emerging faster from this difficult period. He emphasised in particular the importance of close coordination between Union and Member State action and on the need to incorporate a social dimension into policies.

He noted that the level of investment in the Union was 16% lower than before the start of the crisis and thought that every instrument available should be used to help its recovery, in particular (i) the future 300 billion euro initiative to bolster jobs, growth and investment, (ii) support for funding in small- and medium-sized enterprises, (iii) making better use of the European structural and investment funds, and (iv) creating a climate that would encourage investment. He believed that, having attended to the most urgent problems, the Union and the Member States could now focus their efforts on structural reforms that would help to lay strong foundations for growth, employment and social justice. He encouraged the Member States to keep up the pace of reform in the goods and services markets, and in the areas of employment and vocational training. Public administration reform should not be forgotten either.

He also underlined the importance, at Union level, of eliminating the last obstacles to completing the internal market, particularly in the digital economy and energy sectors.

Mr DOMBROVSKIS stressed the importance of ensuring the effectiveness of budgetary policies and efficiency in the performance of tax administrations, adding that public spending must prioritise policies to encourage growth.

In conclusion, in reference to possible changes to the European Semester exercise that would not affect the established procedures, he considered that the criteria for the analysis of Member States' draft budgetary plans could be simplified and that communication targeted at interested parties could be improved. He suggested, in particular, increasing the involvement of social partners at national and European level in defining the elements for analysis in the context of the European Semester, in particular the Annual Growth Survey. Lastly, he proposed looking at ways of streamlining the numerous stages of the process and the many reports associated with them in order to make the exercise as a whole more understandable.

Mr KATAINEN took to the floor again to present the 300 billion euro investment initiative that the Commission wished to propose shortly to the European Council, as the PRESIDENT had announced in his speech to Parliament in July when presenting his political guidelines for the next

Commission.

Mr KATAINEN spoke first of all of the overall weak, if not historically low, levels of investment activity following the major decline that had started in 2007, a decline mostly concentrated in a small number of Member States, in the main in the construction and equipment sectors. This phenomenon had many causes, not least insufficient demand and supply. For that reason he believed that there was no miracle cure, but that a comprehensive strategy was needed in order to stimulate investment in the Union.

He pointed out that the objective of the initiative was to mobilise up to 300 billion euros of additional public and private investment in the real economy over the next three years. The investment plan would focus mainly on infrastructure, in particular in high-speed broadband, energy, transport, research, innovation and education and renewables.

The investment initiative would be built around three main pillars, (i) mobilising the financing, (ii) channelling it into the real economy, and (iii) allocating it to strategic projects that would foster long-term competitiveness and a positive business climate both for SMEs and medium-sized groups.

The financing would be sourced from the Union budget, the European Investment Bank (EIB) and Member States' development banks in order to act as a catalyst not only for national public investment, but above all for private investment.

He briefly explained the arrangements for identifying ongoing projects in a task force involving the Commission, the EIB and the Member States, the results of which would be presented to the December European Council, along with the implementation and monitoring arrangements.

Lastly Mr KATAINEN described the coordination procedures for which he would be responsible within the Commission together with the PRESIDENT and Mr TIMMERMANS.

The Commission then held a detailed discussion, during which it examined the following questions in particular:

General policy aspects

– the support from the Members of the Commission for the overall picture of the current macroeconomic situation, and the political will to tackle without delay the priorities of revitalising growth and combating unemployment; the importance of these priorities for the Commission, which would be judged above all on its results in these two areas;

– the reminder of the very important forthcoming macroeconomic sequence, with the assessment of the draft budgets of the Member States, the launch of the European Semester and the preparation of the €300 billion investment initiative announced by the PRESIDENT in the political guidelines that he presented to Parliament on 15 July 2014;

– the setting-up, within the College, of project teams to implement the major macroeconomic tasks which the Commission would be tackling over the months ahead; the confirmation of a strong desire for collective cooperation; the suggestion to capitalise on the feeling of urgency to exit the crisis which was spurring the Commission to show courage and ambition, even if that meant shaking up its established way of working and traditions;

– the perceived gap between the establishment in recent years of increasingly robust economic governance and the hesitant post-crisis recovery of European economies, against a background of high unemployment, which was feeding scepticism in public opinion;

– the advisability, well-understood by European political leaders, of not letting the current economic sluggishness continue and not allowing the conjunction of weak growth and low investment activity to take root;

– the emphasis on the three key aspects of the integrated strategy for revitalising growth and employment, namely (i) budgetary credibility, (ii) structural reforms and (iii) investment;

– to ensure the success of the strategy to be deployed, the need, at the same time, to promote by all possible means national ownership of the European economic guidelines and a firm commitment by governments, but also the need to involve all actors in society, in particular the national and European social partners;

– the case for the Union to do its utmost to remain competitive in sectors where it is competitive and become competitive again in sectors where it is not; the need to encourage the Member States to continue the structural reforms required to return to competitiveness, while taking account of the low level of inflation;

– the identification of the link to be stressed between structural reforms and the potential for growth, but also, and in particular, the multiplier effect of the former on the latter;

– the advisability and the difficulty of striking the right balance between the measures to combat depressed demand and the means to remedy the deterioration in supply in Europe;

– the reaffirmation of the importance of completing the internal market in order to stimulate growth and employment, in particular in the services, digital, and financial markets sectors;

– the recommendation not to overestimate the impact of geopolitical factors on macroeconomic prospects, where certain factors had an adverse effect, such as the tensions between Ukraine and Russia in relation to the supply of natural gas, for example, whereas others had a positive impact, such as the fall in the cost of energy and the American recovery;

Coordination of European macroeconomic policies

– the need for the Commission to demonstrate a certain authority in the conduct of economic governance in general;

– the central issue of the financial stability of the Union; with regard to the euro area in particular, a reminder of the need to comply with the rules of the Stability and Growth Pact; the advisability nevertheless of establishing a doctrine clearly laying down the conditions for applying the margins of flexibility in relation to the existing rules; for some, the obligation to make any granting of margins of flexibility conditional on reforms; for others, the urgent need to abandon the ideological false alternative between austerity policy and growth policy;

– with regard in particular to the Annual Growth Survey (AGS), the case for introducing some new features into the exercise and for examining how to review the entire process in order to make it simpler and more inclusive overall; the suggestion to strengthen the dialogue with the Member States and to limit the country-specific recommendations issued by the Commission in spring to a small number and giving them different degrees of priority; the acknowledgement of the great diversity in economic situations from one Member State to another; the advisability for some of paying greater attention, in this type of exercise, to national specificities and perceptions;

– the suggestion to accord the same weight to both social and economic indicators in the European Semester; with regard to employment, the case for emphasising job quality and fairness; to that end, the need to take action on several fronts by increasing job creation, implementing an active employment policy, developing an entrepreneurial spirit, promoting continuing employment, modernising social security systems and fighting poverty; the insistence on the idea of developing ex ante and systematic consultation of the social partners and of keeping national parliaments well informed;

– the proposal to include digital development in the main quantified targets of the European Semester;

Investment initiative

– the general support for the establishment of a European investment initiative to (i) restore public and business confidence, (ii) lift the historically low level of investment recorded in the majority of Member States, which is partly due to the ongoing budgetary consolidation efforts, and (iii) close the European innovation gap in relation to the United States, Japan, Korea and other non-member countries;

– the importance of obtaining tangible and rapid results; the call, none the less, not to generate undue expectations, in particular concerning new financing, and to explain that the planned initiative consists in establishing new channels conducive to investment;

- the attention to be given to the viability of the investment projects selected and the framework required to achieve that; the suggestion to evaluate the future investment projects in terms of their impact on competitiveness and employment; the advisability, for some, of incorporating compliance with the state aid rules into project design and, for others, of being pragmatic and flexible;

- investment priorities for targeted sectors in the main areas that drive growth and innovation, e.g. research, digital economy, green economy, e-health, SMEs; the central role to be given to key enabling technologies;

- beyond the short term, the need for an investment policy that focused on long-term sustainability and, for some, the impact in terms of sustainable development; for others, the merit of countering a certain European tendency to be nervous about new technologies that could open up opportunities for growth, such as biotechnology or hydraulic fracturing;

- the fundamental and vital role of close cooperation between the Commission and the EIB to ensure the success of the future investment plan; the value of providing strong leverage for European investment of EUR 300 billion by mobilising private financing; the need to encourage private investment as much as possible and public investment as much as necessary;

- the urgent need to improve the attractiveness of the EU for investors; the need to correct internal factors in the EU that created a culture of economic stagnation characterised by lack of investment and innovation, a degree of risk aversion and relative hostility towards industry;

- the need for the EU to strive to propose European investment projects that could compete with the best projects at global level;

Contribution of sectoral policies

– promotion of the specific contribution that sectoral policies could make to the Union's overall strategy for growth and jobs, in particular in the areas of trade, agriculture, fisheries, transport, energy, competition, the environment, health, education, regional policy and neighbourhood policy;

– in this context, efforts to strengthen the banking system and, through the Capital Markets Union, to diversify the funding channels of the European economy; the idea of developing a robust, European-level approach to high-quality securitisation to create a bridge between bank financing and capital market financing for European SMEs and households;

– the need to consider introducing simplified access to EU financial instruments, in particular the cohesion funds, for regions and businesses; attention drawn, however, to the difficulties in taking up European funds that certain Member States would experience in 2015 in particular; the idea of looking into the possible leverage effect of certain EU funds to attract private investment, for example the European Social Fund;

– the value of broadening risk-sharing instruments for investment in research, science and innovation, for example with the EIB.

The PRESIDENT thanked the members of the Commission for their contributions to this preliminary in-depth debate, from which concrete conclusions would be drawn over the coming weeks. He concluded by referring to the future proposal on the economic governance framework that the Euro Summit had instructed the Commission president to prepare, together with the presidents of the Euro Summit, the Eurogroup and the ECB, for its meeting in December.

The Commission took note of the results of this policy debate.

9.2. PRIORITIES AND METHODS OF COOPERATION ON EXETERNAL RELATIONS (INFO(2014) 86)

Ms MOGHERINI opened the second policy debate of the day on ways of enhancing the EU's presence and visibility on the international scene, in her capacity as the new High Representative for Foreign Affairs and Security Policy. She began by asserting her willingness to contribute, in that role, to the new impetus that would be given to Europe over the next five years, by strengthening coordination of the Union's multiple actions in the field of external relations. While she intended to establish close and dynamic cooperation with those members of the Commission with portfolios in the field, all Commissioners would be called upon to contribute, even indirectly, in one way or another. She wished to lose no time in laying the foundations of this new cooperation, which she would outline at the next Commission meeting. To that end she announced that a first informal meeting of the group of Commissioners responsible for external action would be held that same afternoon.

She then outlined the current priorities in the field, including the latest developments in the main centres of geopolitical instability in the world.

With regard first of all to the situation in Ukraine and relations with Russia, she condemned the illegal and illegitimate nature of the so-called presidential and parliamentary elections held in the Donetsk and Luhansk regions, in breach of the Ukrainian Constitution, which she considered to be a serious obstacle to the implementation of the Minsk Protocol. She referred to certain recent events that could jeopardise the peace process started between the two sides. She reported on the international diplomatic efforts in which she was currently taking part, aimed at avoiding any further escalation of violence in eastern Ukraine and attempting to bring all parties around the negotiation table in order to relaunch the political process. She indicated that the next Foreign Affairs Council would discuss the Union's position with regard to the situation in Ukraine and the sanctions against Russia, and that the Commission would be directly involved in all areas under its competence.

She then spoke about the situation in the Middle East. She would soon be travelling to Israel, Palestine and the Gaza Strip in her first visit outside the EU since taking office. It was her intention to ensure that the EU played a leading role in the international efforts to revive the political process between Israel and the Palestinian Authority and to respond to the need for reconstruction, especially in Gaza.

She went on to talk about the upcoming parliamentary elections in the Republic of Moldova, the outcome of which would be crucial for that neighbouring country’s future relations with the EU. She hoped that Moldova would continue its active European commitment. She believed that the EU should continue to offer its support to the country and thanked Mr HAHN for his forthcoming visit to Moldova to show that support.

In conclusion, Ms MOGHERINI mentioned the current situation in Burkina Faso in the wake of the overthrow of the government on 30 October 2014. She described the European Union's close cooperation with the United Nations and the African Union to ensure a political and non-military transition process. A number of measures had already been taken to achieve this. More generally, she wanted the EU to address the question of its relations with its partner countries in Africa and with the African Union in good time and at the highest level.

In the ensuing discussion, the Commission mentioned primarily: (i) its full support for the method described by Ms MOGHERINI to bring about a move towards genuine integration of general external affairs policy, the EU's humanitarian aid measures and the medium- to long-term development cooperation strategy; (ii) the finding that there was a risk that the factors creating instability in the EU's neighbourhood and beyond would become entrenched, which meant that the EU needed a stronger long-term presence on the international scene; the direct consequences of those situations in terms of influxes of refugees and migrants; the ongoing preparation of an overall approach in this area; (iii) with regard to its relations with Russia, the need to ensure continuity in the EU's position when examining the follow-up to the sanctions currently in force; against that background, the reminder of recent Russian troop movements towards the Ukrainian border and the timeliness of a review of the strategy of cooperating on operational programmes with Russian partners; and (iv) the need to take into account the budgetary resources available for emergency aid and development cooperation in 2015.

The PRESIDENT concluded by taking the opportunity of the discussion on Russia to congratulate Mr OETTINGER on enabling Ukraine and Russia, in the tripartite negotiations under the aegis of the EU, to conclude an agreement on 30 October on the Ukraine gas debt arrears – an agreement that had led to actual payment of the first tranche by Naftogaz to Gazprom on 4 November.

The Commission noted the information and the questions raised during the discussion.

Ebola Crisis

Mr STYLIANIDES took stock of the Ebola epidemic in West Africa and the support measures already taken or planned by the EU as a contribution to tackling this international crisis.

He outlined the scale of the epidemic, the poor state of the health systems of the affected countries and the real threat that the number of people infected would increase exponentially. More aid was needed urgently in Liberia and Sierra Leone as well as in Guinea, where developments were worrying.

The Member States and the Commission had contributed more the EUR 900 million targeted on four areas: (i) the provision of humanitarian and medical personnel, with the emphasis on developing evacuation capabilities; (ii) reconstruction of the health systems of the countries affected to avoid other serious diseases being given less priority or left untreated; (iii) the development of a vaccine, the objective being to accelerate research and clinical tests and (iv) the risks that the epidemic create for the stability and security of the countries stricken by the virus. In all of those areas, he described the work done by the Commission departments.

In particular, in his capacity as the EU coordinator in the crisis triggered by the Ebola epidemic, Mr STYLIANIDES mentioned his regular contacts with the actors concerned at European and international level, including the United States, the United Nations, the World Health Organisation (WHO) and Médecins Sans Frontières. He stressed the priority given to the state of preparation of the epidemic management systems in Europe and work in progress to establish a common approach to the screening of travellers arriving from the affected countries. Provided that a comprehensive and sound system was put in place, he repeated the EU's call for flights serving this region of Africa to be maintained because the objective of the international community's response was to isolate the epidemic and not the countries it was ravaging.

With regard to operational coordination, the joint Commission-European External Action Service (EEAS) Ebola task force was meeting every day in the Commission's Emergency Response Coordination Centre (ERCC). He himself would be visiting the affected region from 12 to 16 November 2014, accompanied by Mr ANDRIUKAITIS, to show the EU's solidarity. In conclusion, he said that he would be sure to let the Commission know how his visit went and to inform them of any gaps and additional needs he noticed on the spot.

During a short discussion, the Commission mentioned: (i) its support for the integrated approach put in place by Mr STYLIANIDES, with the support of around 10 members of the Commission; (ii) the need to ensure favourable conditions for sending reinforcements of European medical personnel to the countries concerned; (iii) the announcement that in November the Commission would be sending a team specialising in screening for the disease at the points of departure from the countries concerned; (iv) confirmation of the establishment of a European network of hospitals and laboratories capable of treating Ebola under controlled conditions and (iv) the coordination work in progress among the Member States.

The President concluded by thanking Mr STYLIANIDES for his firm commitment in the role of EU Ebola coordinator assigned to him by the European Council. He also said that he had himself wanted the Member of the Commission with responsibility for humanitarian aid and crisis management to be given responsibility for coordinating the measures taken by the EU in response to this international emergency. He called on the Members of the

Commission to continue to give Mr STYLIANIDES every support in the coming days and weeks.

The Commission noted the information and the Note on the Ebola crisis disseminated under the authority of Mr STYLIANIDES with the reference number INFO(2014) 86.

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The meeting closed at 12:46.