



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2014) 2081 final

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

Brussels, 9 April 2014

TEXTE EN

MINUTES

of the 2081st meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 2 April 2014

(morning)

PV(2014) 2081 final

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

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Single sitting: Wednesday 2 April 2014 (morning)

The sitting opened at 9.38 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Baroness ASHTON	High Representative/ Vice-President	Item 9
Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	
Ms KROES	Vice-President	
Mr TAJANI	Vice-President	Items 1 to 9 (in part)
Mr ŠEFČOVIČ	Vice-President	
Mr POTOČNIK	Member	Item 9 (in part)
Ms VASSILIOU	Member	Item 9 (in part)
Mr ŠEMETA	Member	
Mr DE GUCHT	Member	
Mr LEWANDOWSKI	Member	
Ms DAMANAKI	Member	
Mr OETTINGER	Member	Item 9
Mr HAHN	Member	Items 1 to 9 (in part)
Ms HEDEGAARD	Member	
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	
Mr CIOLOŞ	Member	
Mr BORG	Member	Item 9 (in part)
Mr MIMICA	Member	

Absent:

Mr REHN	Vice-President
Mr PIEBALGS	Member
Mr BARNIER	Member
Ms GEOGHEGAN-QUINN	Member
Ms GEORGIEVA	Member

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

Mr PESONEN	Chef de cabinet to Mr REHN	Items 1 to 9 (in part)
Mr KARHUNEN	Deputy Chef de cabinet to Mr PIEBALGS	
Mr GIRARD	A member of Mr BARNIER's staff	
Mr FORBES	Deputy Chef de cabinet to Ms GEOGHEGAN-QUINN	
Ms KABAKTCHIEVA	A member of Ms GEORGIEVA's staff	

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PAULGER	Director-General, DG Communication	Items 1 to 9 (in part)
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Item 9 (in part)
Mr MORRISON	Chef de cabinet to Baroness ASHTON	Item 9
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	Items 1 to 8
Ms VON BUTTLAR	A member of Mr HAHN's staff	Item 9 (in part)
Ms DARMANIN	Chef de cabinet to Mr BORG	Items 1 to 9 (in part)

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

1. AGENDAS

(OJ(2014) 2081/FINAL; SEC(2014) 228/2)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings. It also took note of the addition of items 8.2, 8.3, 8.4 and 8.5 (on administrative decisions or information) to that day's agenda.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2014) 2081)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 31 March.

3. MINUTES OF 2080TH MEETING (27 MARCH)

The Commission held over approval of the minutes of its 2080th meeting for the following week.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2014) 34)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 28 March (RCC(2014) 34).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Ordinary legislative procedure

(point 1.2 of the IRG record)

Dossiers at Parliament first reading

- Key information documents for investment products (Regulation) – BERÈS report – 2012/0169 (COD)

The Commission approved the line set out in SI(2014) 154/2.

- Comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (Directive) – KLUTE report – 2013/0139 (COD)

The Commission approved the line set out in SI(2014) 155/3 and /4.

- Establishment of a framework for managing financial responsibility linked to investor-state dispute settlement tribunals established by international agreements to which the European Union is party (Regulation) – ZALEWSKI report – 2012/0163 (COD)

The Commission approved the line set out in SI(2014) 156.

- Information provision and promotion measures for agricultural products on the internal market and in third countries (Regulation) – HERRANZ GARCÍA report – 2013/0398 (COD)

The Commission approved the line set out in SI(2014) 162/2 and /3.

- Enhanced co-operation between Public Employment Services (PES) (Decision) – DAERDEN report – 2013/0202 (COD)

The Commission approved the line set out in SI(2014) 163.

ii) Preparation for the April I part-session of Parliament
(point 1.3 of the IRG record)

Ordinary legislative procedure – First reading

- Multiannual Financial Framework 2014-2020 – Establishment of a space surveillance and tracking support programme (Decision) – ANDERSDOTTER report – 2013/0064 (COD)

The Commission took note of the compromise text in SP(2014) 289, further to note SI(2014) 34, which it had already approved on 4 February.

- Multiannual Financial Framework 2014-2020 – Provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) 178/2002, (EC) 882/2004 and (EC) 396/2005, Directive 2009/128/EC and Regulation (EC) 1107/2009 and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC (Regulation) – LE BRUN report – 2013/0169 (COD)

The Commission approved the line set out in SP(2014) 290 and took note of the compromise text in SP(2014) 290/2.

- Imports of rice originating in Bangladesh (Regulation) – MURPHY report – 2012/0085 (COD)

The Commission approved the line set out in SP(2014) 292 and took note of the compromise text attached to that document.

- Medical devices – Amendment of Directive 2001/83/EC, Regulation (EC) No 178/2002 and Regulation (EC) 1223/2009 (Regulation) – ROTH-BEHRENDT report – 2012/0266 (COD) / In vitro diagnostic medical devices (Regulation) – LIESE report – 2012/0267 (COD)

The Commission approved the line set out in SP(2014) 239 and /2.

- Interchange fees for card-based payment transactions (Regulation) – ZALBA BIDEgain report – 2013/0265 (COD) / Payment services in the internal market – Amendment of Directives 2002/65/EC, 2013/36/EU and 2009/110/EC and repeal of Directive 2007/64/EC (Directive) – FEIO report – 2013/0264 (COD)

The Commission approved the line set out in SP(2014) 293 and /4.

- Clinical trials on medicinal products for human use and repeal of Directive 2001/20/EC (Regulation) – WILLMOTT report – 2012/0192 (COD)

The Commission approved the line set out in SP(2014) 294 and took note of the compromise text attached to that document, further to note SI(2013) 713, which it had already approved on 18 December.

- Amendment of Regulation (EU) 691/2011 on European environmental economic accounts (Regulation) – ANTONESCU report – 2013/0130 (COD)

The Commission approved the line set out in SP(2014) 300/2 and took note of the compromise text in the annex to SP(2014) 300, further to note SI(2014) 71, which it had already approved on 19 February by 'finalisation' written procedure.

- Amendment of Council Regulation (EC) 2173/2005 on the establishment of a FLEGT (Forest Law Enforcement, Governance and Trade) licensing scheme for imports of timber into the European Community (Regulation) – WINKLER report – 2013/0010 (COD)

The Commission approved the line set out in SP(2014) 304 and took note of the compromise text attached to that document, further to note SI(2014) 23/2, which it had already approved on 29 January.

- Measures concerning the European single market for electronic communications and to achieve a Connected Continent – Amendment of Directives 2002/20/EC, 2002/21/EC and 2002/22/EC and Regulations (EC) 1211/2009 and (EU) 531/2012 (Regulation) – DEL CASTILLO VERA report – 2013/0309 (COD)

The Commission approved the line set out in SP(2014) 295, /2 and /4.

- Measures to reduce the cost of deploying high-speed electronic communications networks (Regulation) – HERCZOG report – 2013/0080 (COD)

The Commission took note of the compromise text in SP(2014) 296, further to note SI(2014) 66, which it had already approved on 25 February.

- Electronic identification and trust services for electronic transactions in the internal market (Regulation) – ULVSKOG report – 2012/0146 (COD)

The Commission took note of the compromise text in SP(2014) 297, further to note SI(2014) 90/2, which it had already approved on 25 February.

- Amendment of Regulation (EC) 1760/2000 as regards electronic identification of bovine animals and deleting the provisions on voluntary beef labelling (Regulation) – Amendment of Council Directive 64/432/EEC as regards computer databases which are part of the surveillance networks in the Member States (Directive) – AUCONIE reports – 2011/0229 (COD) / 2011/0228 (COD)

The Commission approved the line set out in SP(2014) 298/2 and took note of the compromise texts in SP(2014) 298 and SP(2014) 299, further to note SI(2013) 416, which it had already approved on 10 July.

- European Year of Development (2015) (Decision) – GOERENS report – 2013/0238 (COD)

The Commission took note of the compromise text in SP(2014) 301, further to note SI(2014) 42, which it had already approved on 4 February.

- Specific requirements regarding statutory audit of public-interest entities (Regulation) – KARIM report – 2011/0359 (COD)

The Commission took note of the compromise text in SP(2014) 302, further to note SI(2014) 9, which it had already approved on 22 January.

- Amendment of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts (Directive) – KARIM report – 2011/0389 (COD)

The Commission took note of the compromise text in SP(2014) 303, further to note SI(2014) 9, which it had already approved on 22 January.

- Amendment of Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions (Directive) – LIESE report – 2013/0344 (COD)

The Commission took note of the compromise text in SP(2014) 305/2, further to note SI(2014) 85/2, which it had already approved on 25 February.

Ordinary legislative procedure – 2nd reading – Empowerment

- Sound level of motor vehicles (Regulation) – OUZKÝ report – 2011/0409 (COD)

The Commission empowered Mr TAJANI, under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT and Mr ŠEFČOVIČ and any associated Members, to adopt and transmit to the Council its opinion on the amendments, in accordance with Article 294(7)(c) of the Treaty on the Functioning of the European Union, once Parliament had been consulted, and if necessary to attach to its opinion an amended proposal, on the basis of the line set out in communication COM(2014) 107 final as approved by the Commission on 21 February.

- Improving the portability of supplementary pension rights (Directive) – OOMEN-RUIJTEN report – 2005/0214 (COD)

The Commission empowered Mr ANDOR, under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT and Mr ŠEFČOVIČ and any associated Members, to adopt and transmit to the Council its opinion on the

amendments, in accordance with Article 294(7)(c) of the Treaty on the Functioning of the European Union, once Parliament had been consulted, and if necessary to attach to its opinion an amended proposal, on the basis of the line set out in communication COM(2014) 98 final as approved by the Commission on 19 February.

- Amendment of Council Regulation (EC) 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (Regulation) – FJELLNER report – 2011/0310 (COD)

The Commission empowered Mr DE GUCHT, under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT and Mr ŠEFČOVIČ and any associated Members, to adopt and transmit to the Council its opinion on the amendments, in accordance with Article 294(7)(c) of the Treaty on the Functioning of the European Union, once Parliament had been consulted, and if necessary to attach to its opinion an amended proposal, on the basis of the line set out in communication COM(2014) 151 final as approved by the Commission on 6 March.

Special non-legislative procedure

- Amendment of Council Directive 2009/71/Euratom of 25 June 2009 establishing a Community framework for the nuclear safety of nuclear installations (Council Directive) – JORDAN report – 2013/0340 (NLE)

The Commission approved the line set out in SP(2014) 306.

Special legislative procedure

- 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)

The Commission approved the line set out in SP(2014) 364.

4.2. RELATIONS WITH PARLIAMENT

iii) Preparation for the April I part-session of Parliament

(point 3.1 of the IRG record)

Non-legislative dossier

- Discharge in respect of the implementation of the general budget for the financial year 2012 (51 reports) – Other institutions, agencies and bodies – PIEPER / IVAN / MULDER / SONIK / DEUTSCH / SARVAMAA and RÜBIG reports

The Commission approved the line set out in SP(2014) 307 and /4.

iv) Action taken on the non-legislative resolutions adopted by Parliament at its January part-session

(point 3.5.2 of the IRG record)

The Commission approved, for transmission to Parliament, documents SP(2014) 320 and /2 on the action taken on the non-legislative resolutions adopted by Parliament at its January part-session.

v) Participation of Members of Parliament in international conferences (SP(2014) 334)

- 20th Conference of the Parties to the United Nations Framework Convention on Climate Change (Lima, 1 to 12 December 2014)

The Commission agreed to the request to the PRESIDENT from Mr Martin Schulz, President of Parliament, concerning the attendance of ten Members of the European Parliament at the above-mentioned meeting as observers in the EU delegation, with a reminder about the procedure to be followed.

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

- vi) Reply to the contribution of the 50th Conference of Parliamentary Committees for Union Affairs of Parliaments of the European Union (Vilnius, 27 to 29 October 2013)**
(point 4.4 of the IRG record)

The Commission approved document SNP(2014) 3 and /2 containing its reply to the Contribution of the 50th Conference of Parliamentary Committees for Union Affairs of Parliaments of the European Union (COSAC), for transmission to the Presidency of COSAC.

4.4. EXTERNAL RELATIONS

- vii) Conclusion of the Protocol between the European Union and the Gabonese Republic setting out the fishing opportunities and financial contribution provided for in the Fisheries Partnership Agreement between the two Parties currently in force (Council Decision) – FERREIRA report – 2013/0216 (NLE)**
(point 5.1 of the IRG record)

The Commission approved the line set out in SI(2014) 157/2.

4.5. MISCELLANEOUS

- viii) Delegated acts of the Commission relating to the
Common Agricultural Policy**
(point 6.1 of the IRG record)

The Commission approved the line set out in SI(2014) 161.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED **(SEC(2014) 229 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 24 and 28 March.

5.2. EMPOWERMENT **(SEC(2014) 230 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 24 and 28 March.

5.3. DELEGATION AND SUBDELEGATION OF POWERS **(SEC(2014) 231 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 24 and 28 March, as archived in e-Greffe.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2014) 232)

The Commission took note of the sensitive written procedures for which the time limit expired between 31 March and 4 April and of the ‘finalisation’ written procedures initiated following the weekly meeting of Chefs de cabinet on 24 March.

6. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 101 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND ARTICLE 53 OF THE EEA AGREEMENT (CASE AT.39792 – STEEL ABRASIVES)

(C(2014) 2074 TO /9; RCC(2014) 37)

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 31 March in C(2014) 2074/3;
- took note of the final report of the Hearing Officer of 31 March in C(2014) 2074/5;
- adopted in the authentic language (English) the decision in C(2014) 2074/8 finding that the companies to which the decision was addressed had infringed Article 101 of the Treaty on the Functioning of the European Union and Article 53 of the Agreement on the European Economic Area, requiring the parties to put an end to the infringements immediately and imposing on some of these companies fines totalling €30 707 000;

- adopted in the authentic language (English) the annex to the decision in C(2014) 2074/7;
- decided that the decision in C(2014) 2074/9 would be notified to the companies concerned, together with the final report of the Hearing Officer, and supplemented for one of the companies with the annex in C(2014) 2074/7;
- decided that the key parts of the decision, together with the Advisory Committee's opinion and the Hearing Officer's final report, would be published in the official languages of the Union in the Official Journal of the European Union (with business secrets and other confidential information removed);
- decided to make the decision (with business secrets and other confidential information removed) also accessible on the Internet.

7. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 101 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND ARTICLE 53 OF THE EEA AGREEMENT (CASE AT.39610 – POWER CABLES)
(C(2014) 2139 TO /9; RCC(2014) 37)

The Commission:

- took note of the opinions of the Advisory Committee on Restrictive Practices and Dominant Positions of 17 and 31 March in C(2014) 2139/3 and /6;
- took note of the final report of the Hearing Officer of 31 March in C(2014) 2139/7;

- adopted in the authentic languages (English, French, German and Italian) the decision in C(2014) 2139/8 finding that the companies to which the decision was addressed had infringed Article 101 of the Treaty on the Functioning of the European Union and Article 53 of the Agreement on the European Economic Area, requiring the parties to put an end to the infringements immediately and imposing on some of these companies fines totalling €301 639 000;
- adopted in the authentic language (English) Annex III to the decision in C(2014) 2139/9;
- decided that the decision in C(2014) 2139/8 would be notified to the companies concerned, together with the final report of the Hearing Officer, and supplemented for one of the companies by Annex III in C(2014) 2139/9;
- decided that the key parts of the decision, together with the Advisory Committee's opinion and the Hearing Officer's final report, would be published in the official languages of the Union in the Official Journal of the European Union (with business secrets and other confidential information removed);
- decided to make the decision (with business secrets and other confidential information removed) also accessible on the Internet.

8. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2014) 233/2)

ADMINISTRATIVE MATTERS

(PERS(2014) 61/2)

8.1. DG MOBILITY AND TRANSPORT / DG ENERGY – TERMINATION OF THE SELECTION PROCEDURE FOR AN AD14/15 DIRECTOR AND APPOINTMENT OF AD14/15 DIRECTOR

(PERS(2011) 133 TO /4)

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, Mr KALLAS and Mr OETTINGER, the Commission decided:

- to terminate internal selection procedure COM/2011/2051 for the post of Director of the 'Shared Resource Directorate MOVE/ENER' in the Mobility and Transport DG and the Energy DG;
- to fill this post by transferring in the interest of the service, under Article 7 of the Staff Regulations, Ms Agnieszka Ewa KAZMIERCZAK, an AD15 official and currently Director of 'Horizontal Affairs and Audit in EU Agencies' in the Internal Audit Service.

These decisions would take effect on 1 June 2014.

8.2. DG BUDGET – APPOINTMENT OF THE DIRECTOR-GENERAL

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr LEWANDOWSKI, the Commission decided to fill the post of Director-General of DG Budget by transferring in the interest of the service,

under Article 7 of the Staff Regulations, Ms Nadia María CALVIÑO SANTAMARÍA, an AD16 official and currently Deputy Director-General with responsibility for Directorates F, G and H in the Internal Market and Services DG.

This decision would take effect upon the departure of the current jobholder, at the latest on the date of his retirement.

**8.3. DG COMPETITION – APPOINTMENT OF AN AD15/16 DEPUTY DIRECTOR-GENERAL
(PERS(2014) 12 TO /4)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General in charge of mergers in DG Competition (PERS(2014) 12 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 20 February and 4 March 2014 (PERS(2014) 12/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr ALMUNIA, it then decided to appoint Mr Olivier GUERSENT to the vacant post.

This decision would take effect on a date to be determined.

**8.4. DG ECONOMIC AND FINANCIAL AFFAIRS – APPOINTMENT OF
AD14/15 DIRECTOR
(PERS(2014) 46 TO /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the ‘Resources and Communication’ Directorate in DG Economic and Financial Affairs (PERS(2014) 46).

It took note of the opinions of the Consultative Committee on Appointments of 19 and 27 March (PERS(2014) 46/2 and /3).

The Commission proceeded to compare the applicants’ qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr REHN, it then decided to appoint Mr José LEANDRO to the post.

This decision would take effect on a date to be determined.

**8.5. FORTHCOMING EUROPEAN ELECTIONS – ARRANGEMENTS FOR
PARTICIPATION BY MEMBERS OF THE COMMISSION
(SEC(2014) 193)**

The PRESIDENT referred to the European elections that would take place between 22 and 25 May. He noted that the Commission encouraged information and promotional activities relating to these elections and hoped that Members of the Commission would get involved in general information and awareness-raising activities to familiarise voters with European issues and encourage them to exercise their right to vote, and also to defend the record of the Commission and the other institutions during the last parliamentary term.

The PRESIDENT felt, however, that a distinction should be drawn between these general awareness-raising and information activities and any active participation by Commission Members as candidates in the electoral campaign.

He reminded the meeting that the participation of a Commission Member, in a personal capacity, as a candidate or active supporter of an electoral list, was subject to the rules on independence and the defence of the general interest, laid down in the Treaties, and the provisions of the Code of Conduct for Commissioners.

The rules of the Code of Conduct codified long-established practice and aimed to protect the Commission from any threat to the operation or reputation of the institution. These rules were designed to avoid any conflicts of interest and to give the Commission Members concerned the time they needed to exercise their freedom of expression, while still complying with the duties of collective responsibility and confidentiality deriving from the Treaties.

The PRESIDENT referred to the general communication he was presenting on the forthcoming European elections and the participation of Members of the Commission in the election campaign. This contained the guidelines drawn up for the 2009 election campaign, updated to take account of changes to the Code of Conduct for Commissioners, particularly as regards the period of electoral leave, which should in principle start no later than the end of the last part-session of Parliament before the elections, as specified in the Framework Agreement on Relations between the European Parliament and the Commission.

The PRESIDENT reported that several Members of the Commission had

informed him of their intention to take part in the campaign for the European elections as candidates and explained the role they intended to play.

Those Commissioners who planned to play an active part in the election campaign would not be able to perform their duties as Members of the Commission at the same time. Consequently, in accordance with the Code of Conduct for Commissioners, he had decided that the following Members would have to take unpaid electoral leave and would thus cease to participate in the work of the Commission during the period in question:

- Ms REDING, from 18 April to 25 May;
- Mr TAJANI, from 18 April to 25 May;
- Mr ŠEFČOVIČ, from 18 April to 25 May;
- Mr REHN, from 7 April to 25 May;
- Mr LEWANDOWSKI, from 18 April to 25 May;
- Mr MIMICA, from 18 April to 25 May.

The PRESIDENT also announced that he had taken note of Mr DE GUCHT's intention to be involved in the European elections with a commitment not to participate actively in the election campaign. He had therefore concluded that this was compatible with the continued performance of his duties as Member of the Commission, but if the situation were to develop during the campaign into active participation he would have to take electoral leave.

The PRESIDENT also noted that, in accordance with the Code of Conduct for Commissioners, all the Members of the Commission concerned, had given an undertaking not to use any of the Commission's services or human or material

resources for the election campaign.

He also informed the meeting that he had decided temporarily to re-assign the following duties for the duration of the periods of electoral leave listed above:

- Interinstitutional relations and administration, to be taken over by the PRESIDENT;
- Economic and monetary affairs and the euro, to be taken over by Mr KALLAS;
- Financial programming and budget, to be taken over by Mr PIEBALGS;
- Industry and entrepreneurship, to be taken over by Mr BARNIER;
- Justice, fundamental rights and citizenship, to be taken over by Mr HAHN;
- Consumer policy, to be taken over by Mr ANDOR.

The PRESIDENT concluded by saying that he would also be informing the President of the European Parliament, under the Code of Conduct for Commissioners and the Framework Agreement on Relations between the European Parliament and the Commission, and the President of the Council, of his decisions on electoral leave and the re-assignment of duties during these periods of leave.

The Commission took note of the PRESIDENT's decisions and the communication distributed as SEC(2014) 193.

9. RELATIONS WITH NON-EU COUNTRIES

SITUATION IN UKRAINE

The PRESIDENT opened the discussion on relations with non-EU countries by stating that this week it would again be devoted to Ukraine, given the rapid changes occurring almost on a daily basis, in order to assess the development of the situation in the country. For this reason he wished the College to hear from Baroness ASHTON on the latest developments, and from Mr FÜLE on the progress of work within the Commission following the mandate given to him by the European Council on 20 and 21 March.

More specifically, the PRESIDENT suggested reviewing the development of the two major components of European action, which consisted on the one hand of helping Ukraine to make progress towards becoming a viable, prosperous and independent country, and on the other hand of making clear to the Russian Federation the consequences of its actions in Crimea.

With regard to the first component, European assistance to Ukraine, he thanked Mr FÜLE, his teams and the relevant Commission departments for monitoring the mission that he had conducted in Kiev on 25 and 26 March with Mr LEWANDOWSKI and a high-level delegation from the institution's Directorates-General. During this mission a series of working meetings had been held with the Ukrainian authorities to assist them in drawing up a kind of road map of the structural reforms that they wished to roll out in the country. The PRESIDENT confirmed that, in this context, he intended to create a Support Group for Ukraine made up of Commission officials and experts from the Member

States. He hoped to be able to finalise the decision on this Support Group at the next Commission meeting.

With regard to the second component, the political signal sent to Russia, he referred once again to the mandate that the European Council had given the Commission to assess the legal ramifications of the annexation of Crimea and to draw up draft economic, trade and financial restrictions concerning this territory. He explained that this involved examining ways to prevent Crimea benefiting from the unilateral trade measures granted to Ukraine by the Union and exporting to Europe products stamped as being of Russian origin, and considering the status of European investments in Crimea in view of the fact that banks in this region were now subject to Russian law.

The PRESIDENT reminded the meeting that the European Council had also requested the Commission to draw up a set of measures to be implemented, if necessary, in a wide range of economic sectors if Russia persisted in destabilising Ukraine, and hoped that the Commission would complete this work as soon as possible.

To this end, he had asked for a working group to be set up comprising representatives of the Secretariat-General, the Legal Service, and the Directorates-General for Trade, Energy, Economic and Financial Affairs, and Taxation and Customs Union, with the participation of the European External Action Service (EEAS). The remit of this working group would be to draw up a document setting out the scenarios for gradual sanctions open to the European Union, whilst ensuring that the restrictive measures and costs were shared out as evenly and fairly as possible. He added that the Commission would then consult the Member States on this document via the appropriate channels.

Baroness ASHTON reviewed the events of the past week, both on the ground and at

the highest level of diplomacy.

She regretted that in spite of the numerous calls for calm made by the international community, and most recently by the European Council at its meeting of 20 and 21 March, Russian troops were still out in force on the eastern borders of Ukraine. This worrying situation was being very closely monitored, particularly by the North Atlantic Treaty Organization (NATO), whose announcement of a suspension of civil and military cooperation with Russia showed not only the seriousness of the illegal annexation of Crimea, but also the fact that the Russian government was evidently not prepared to make a gesture to defuse tensions, continuing to cite the need for protection for the Russian-speaking peoples, for example.

She briefly referred to the diplomatic contact made in the past few days, firstly between the US President, Barack Obama, and his Russian counterpart Vladimir Putin, and then between the US Secretary of State, John Kerry, and the Russian Minister for Foreign Affairs, Sergei Lavrov. Baroness ASHTON also mentioned her close working relations with Mr Kerry and Mr Lavrov in her role as EU High Representative for Foreign Affairs and Security Policy. She considered it essential for the four key players of Ukraine, the Russian Federation, the European Union and the United States to be involved in a broad dialogue, which she hoped would enable constructive progress to be made and a solution to be found to the current deadlock.

As regards the situation in Ukraine itself, she confirmed her full support for the urgent action proposed by the Commission to support the Ukrainian economy at a time when it was facing a large increase in gas prices and a substantial debt owed to its Russian supplier, the *Gazprom* group. She took the opportunity to congratulate the Members of the Commission concerned and their departments for their contribution to the various tasks in hand. As regards the energy challenges in particular, she mentioned the role played by Mr OETTINGER in the

EU-US Energy Summit.

She concluded her report by expressing the hope that the many reforms, planned or already under way, would make it possible, with the support of the EU, to consolidate Ukraine's economic and political stability as well as its association with the Union. In particular, she stressed the need to support the interim government of Ukraine in its efforts to disarm certain extremist groups and in implementing its proposed constitutional reform, which would have great symbolic value for the people of Ukraine.

Mr FÜLE reported to the Members of the Commission on the work carried out by his department in cooperation with the Secretariat-General, the EEAS, and a number of different Commission departments following the Kiev mission.

He explained that seven areas had been identified, in consultation with the Ukrainian authorities, in which the European Union could provide advice and operational support; these were (i) the political process, especially the organisation of elections and constitutional reform, (ii) economic assistance, with support for economic stabilisation and aid coordination, (iii) trade and customs duties, including unilateral trade measures and the deep and comprehensive free-trade agreement (DCFTA), plant health matters and agricultural competitiveness, (iv) mobility, home affairs, measures to combat fraud and corruption, (v) the business environment, (vi) energy and (vii) transport.

The Ukrainian Prime Minister's departments would submit their comments this week so that the text of an agreement could be finalised as soon as possible.

Mr FÜLE also said that he and the Secretary General of the Council of Europe, Mr Thorbjørn Jagland, had signed a statement of intent on cooperation between the Commission and the Council of Europe in the fields of enlargement and neighbourhood policies with the aim of ensuring better coordination of their efforts,

especially in the Eastern Partnership countries. He welcomed the fact that the international consultative group set up on the initiative of Mr Jagland, with the participation of Ukrainian representatives, would soon be able to investigate recent allegations of human rights violations during the overthrow of the previous government.

Mr FÜLE reported that he had also chaired a high-level meeting with the international financial institutions with a view to coordinating aid to the three countries with which the EU was planning to conclude association agreements, namely Ukraine, the Republic of Moldova and Georgia.

Finally, he expressed concern at the ongoing diplomatic tensions with Russia and stressed the importance for the EU of playing an active role in the international management of the crisis.

The Commission then held an in-depth discussion in which the following main points were raised:

Action on Ukraine

- reaffirmation of the need to encourage, in all policy areas, Ukraine's geopolitical ties with the Union; the need for the EU to continue to play a full and leading role among the international players in the political process involving Ukraine and Russia; support for the participation of the European Union in its own right, alongside the Ukrainian interim government, in finding a solution in Ukraine;
- the need for the European Union to present a united front to ensure the credibility of its foreign policy and for the Member States to leave it to the EU to define common positions; the benefits of ensuring greater visibility for the EU's action to assist Ukraine, for example by stressing the scale of the unilateral trade measures proposed by the Commission, which could well be adopted by

Parliament in the next few days;

- the usefulness, nonetheless, of sending a clear message to the people of Ukraine to the effect that, although difficult reforms were necessary in the short term to stabilise the country, there would be medium-term gains in the form of economic recovery, better living conditions and closer ties with the European Union; the problems that such a message might encounter in the face of Russian propaganda in Crimea, which promised its people a very rapid rise in living standards;
- broad support for setting up the Support Group for Ukraine in the near future; the proposal that contributions be made by various Commission departments; the suggestion that a significant component of support for judicial reforms should be included in order to contribute to the country's political and economic stability and improve protection of citizens' rights; confirmation that constructive cooperation had been established with the Ukrainian authorities on fiscal matters, and that discussions were being held on the possibility of creating a joint body in Ukraine tasked with introducing an anti-fraud and anti-corruption policy; the importance of the operational support the EU could provide in areas such as health, food safety and agricultural policy, over and above mere tariff issues;

Relations with the Russian Federation

- a call for the EU to adopt a firm stance vis-à-vis Russia; the need to consider the full implications of Russia's attitude and the annexation of Crimea, in defiance of the principles of international law, for the EU's long-term strategy towards Russia, which included calling into question its current status as a strategic partner;
- the vital importance of ensuring the confidentiality of preparations for the

deployment, if necessary, of the third phase of the sanctions and restrictive measures against Russia proposed by the European Council on 20 and 21 March;

The key issue of energy supply

- a reminder of the EU's dependence in the area of gas supply given that, although 22 Member States had more than one supplier and more than one transport network for Russian gas, and, consequently, a number of possible alternatives, six Member States were dependent on a single network and a single supplier, Gazprom, and were therefore in a vulnerable position vis-à-vis the Russian Federation; consequently, the need to reconsider the scale of the Community resources earmarked for developing alternative networks and to increase the co-financing supplied by the Member States;
- the urgent need to draw up a strategy for security of gas supply in the coming months in order to cover peak consumption periods, particularly by examining the options available for developing the use of reverse flows and increasing gas storage capacities in western Ukraine, possibly with the help of the EU; moreover, the desirability of a long-term strategy for the gas production industry;
- the need to ensure the cohesion of the 28 Member States in implementing a genuine energy security strategy and to propose a comprehensive set of measures in the field of security of gas supply at the June European Council.

Responding to some of these comments, Baroness ASHTON explained the dialogue at the highest level held some days ago between the US President and the President of the Russian Federation by the existence of a military threat. She also emphasised the need for the EU to make a stronger commitment, as a Union rather than in piecemeal fashion, in this process of political dialogue, and to avoid uncoordinated

measures being taken by Member States or groups of Member States.

Summing up, the PRESIDENT turned first to the question of what the Commission could do from now on to support Ukraine. He said it was worth noting that the Commission had been the first to take key initiatives, such as the second allocation of macro-financial assistance and the unilateral removal of customs duties for products from Ukraine. Among the matters pending, he made special mention of the decision to set up the Support Group referred to earlier, which it should be possible to adopt next week. In the interest of efficiency, apart from Baroness ASHTON and Mr FÜLE only the Commission Members most directly concerned would participate in this group, although, if justified, the participation of certain other Members was not ruled out. In particular, he praised the important work done by Mr OETTINGER and his departments in drawing up support measures in the area of energy policy. On the second issue, the development of possible scenarios for graduated restrictive measures against Russia, he hoped that the Commission would respond to the European Council's request as quickly as possible.

The PRESIDENT also supported increased visibility for the EU in the handling of the consequences of the annexation of Crimea, while recognising that decisions on security were essentially the province of the European Council and that the EU also needed the support of all the international players, including the US and NATO. However, the Commission's lack of powers in this area should not prevent it from seeking to wield its political influence with the Member States to encourage all 28 States to take coordinated initiatives.

Winding up, he called on the Commission to focus on its areas of competence in order to respond to the current situation. Given the magnitude of the task to be accomplished, particularly in the key area of energy, he urged the Commission to make the best possible use of the means at its disposal and said that he himself was prepared to do everything possible to secure the Member States' support for the

Commission's actions.

The Commission took note of this information.

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The Commission's other discussions on certain agenda items are recorded in the special minutes.

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The meeting closed at 11.07.