



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2014) 2084 final

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

Brussels, 21 May 2014

TEXTE EN

MINUTES

of the 2084th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 7 May 2014

(morning)

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Single sitting: Wednesday 7 May 2014 (morning)

The sitting opened at 8.37 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Mr ALMUNIA	Vice-President	
Ms KROES	Vice-President	
Mr POTOČNIK	Member	
Mr PIEBALGS	Member	
Ms VASSILIOU	Member	
Mr ŠEMETA	Member	
Mr DE GUCHT	Member	
Ms GEOGHEGAN-QUINN	Member	Items 1 to 8 (in part)
Ms DAMANAKI	Member	
Mr OETTINGER	Member	
Mr HAHN	Member	Items 1 to 7 (in part)
Ms HEDEGAARD	Member	
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	
Mr CIOLOŞ	Member	
Mr BORG	Member	

Absent:

Baroness ASHTON	High Representative/ Vice-President
Ms REDING	Vice-President
Mr KALLAS	Vice-President
Mr TAJANI	Vice-President
Mr ŠEFČOVIČ	Vice-President
Mr REHN	Vice-President
Mr BARNIER	Member
Mr LEWANDOWSKI	Member
Ms GEORGIEVA	Member
Mr MIMICA	Member

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

Mr BANNERMAN	Adviser in Baroness ASHTON's Office
Mr RAHUOJA	Chef de cabinet to Mr KALLAS
Mr CANGA FANO	Chef de cabinet to Mr TAJANI
Mr GUERSENT	Chef de cabinet to Mr BARNIER
Mr LEMASSON	A member of Ms GEORGIEVA's staff

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	Items 7 (in part) and 8
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PAULGER	Director-General, DG Communication	
Mr DOENS	Head of the Commission Spokesperson Service	Items 1 to 7 (in part) and 8 (in part)
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Ms BENÍTEZ SALAS	Bureau of European Policy Advisers	
Mr GAMBS	Chef de cabinet to Mr HAHN	Items 7 (in part) and 8

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

1. AGENDAS

(OJ(2014) 2084/FINAL; SEC(2014) 295/2)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2014) 2084)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 5 May.

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 2082ND MEETING OF THE COMMISSION (9 APRIL) AND THE MINUTES OF THE 2083RD MEETING (15 APRIL)

(PV(2014) 2082; PV(2014) 2082, PART II; PV(2014) 2083)

The Commission approved the minutes of its 2082nd and 2083rd meetings.

4. INTERINSTITUTIONAL RELATIONS

4.1. LEGISLATIVE MATTERS

- i) Amendment of Directive 2001/18/EC as regards the possibility for the Member States to restrict or prohibit the cultivation of genetically modified organisms in their territory (Regulation) – LEPAGE report – 2010/0208 (COD)**
(SI(2014) 183 and /2)

The Commission approved the line set out in SI(2014) 183/2.

- ii) Protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (Directive) – GALLO report – 2013/0402 (COD)**
(SI(2014) 184 and /2)

The Commission approved the line set out in SI(2014) 184/2.

- iii) Commission Statement on the adoption by Council of negotiating directives for ‘green goods’ at the Foreign Affairs Council (Trade) of 8 May 2014**
(SI(2014) 185)

The Commission approved the line set out in SI(2014) 185.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business

(SI(2014) 191)

The Commission took note of the information in SI(2014) 191 on the Council meetings between 8 and 21 May.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

STATE AID – INDIVIDUAL CASES

(SEC(2014) 291/2)

The Commission adopted the decisions in SEC(2014) 291/2.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2014) 275 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 April and 2 May.

6.2. EMPOWERMENT**(SEC(2014) 276 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 April and 2 May.

6.3. DELEGATION AND SUBDELEGATION OF POWERS**(SEC(2014) 277 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 14 April and 2 May, as archived in e-Greffe.

6.4. SENSITIVE WRITTEN PROCEDURES**(SEC(2014) 278 TO /3)**

The Commission took note of the sensitive written procedures for which the time limit expired between 28 April and 8 May and of the 'finalisation' written procedures initiated following the weekly meeting of Chefs de cabinet on Monday 28 April.

7. RELATIONS WITH NON-EU COUNTRIES**SITUATION IN UKRAINE AND SECURITY OF ENERGY SUPPLIES**

In the context of relations with Ukraine and Russia, the PRESIDENT asked Mr OETTINGER to take stock of the situation regarding energy and Mr FÜLE to review the political aspects, reporting on their recent contacts and discussions.

Mr OETTINGER referred to the latest developments regarding the energy security of both Ukraine and the European Union. Pointing out first that a number of reforms of the Ukrainian energy sector had been agreed in the context of the International Monetary Fund (IMF) Stand-by Arrangement concluded on 30 April, he went on to emphasise the need to also reach agreement with Russia in order to resolve the disputes concerning Ukraine's arrears in payment of its gas debts. These matters, and their implications in terms of security of supplies, were discussed at the meeting held in Warsaw on 2 May, following the proposal made by the PRESIDENT in his letter of 17 April to the President of the Russian Federation, Vladimir Putin. Those discussions had resulted in a Russian pledge to guarantee energy supplies to Ukraine until the end of May. The parties concerned had decided to continue their negotiations in the coming days and weeks.

Mr OETTINGER stressed that the calculation of Ukraine's arrears in its payments to Russia would have to be based on market prices. Russia had in fact laid down conditions regarded as unacceptable by the Ukrainian Government, the IMF, the European Union and the United States, for instance the rise in gas prices invoiced to Ukraine after the illegal annexation of Crimea and the obligation to pay for the quantities of gas ordered whether or not they had been delivered ('take or pay' clause). Meetings were to be held the following weeks between himself, the Russian Energy Minister, Alexander Novak, the *Gazprom* CEO, Alexei Miller, and the Ukrainian Energy Minister, Yuri Prodan. Mr OETTINGER hoped that these meetings would facilitate the negotiations between the parties, making it possible to reach an agreement acceptable to all. He underlined the importance for Ukraine, via its gas company *Naftogaz*, to comply with the end-of-May deadline for paying the invoice that would eventually be agreed for the period from January to April 2014, or at least to be able to make a firm commitment to this effect, which would prevent an escalation of the gas dispute and allow Ukraine to build up its supplies for the

winter.

In relation to the meeting of G7 Energy Ministers held in Rome on 5 and 6 May, which he had also attended, Mr OETTINGER confirmed that the G7 members had again condemned the violation by Russia of Ukraine's sovereignty and territorial integrity, and had expressed regret about the implications in terms of energy security. In the G7 joint statement, the signatories had undertaken to increase diversification and energy efficiency, and to improve infrastructure and demand and supply policies in order to enhance capacity to withstand systemic shocks.

In relation to the European Union in particular, the Commission had been invited to present proposals to the European Council on 26 and 27 June on security of supplies, use of the Union's own energy resources and the scaling back of its energy dependence on Russia. Since the current situation militated more than ever in favour of a genuine common energy policy in the Union, he called for an ambitious approach that would go beyond the simple sum of the Member States' energy policies. He recommended focusing on the issues connected with the South Stream project, the completion of which would mean a considerable loss of gas transit revenue for Ukraine, with all the implications that this would have on its economic stability and status as a Union partner. All of these points would be used as a basis for the Commission's contribution to the discussions by the Heads of State or Government at the European Council meeting in June.

Mr FÜLE reported more generally on the continuing deterioration in the situation on the ground in Ukraine. He focused in particular on the serious threats to Ukraine's security in the wake of the dramatic clashes in Odessa between the Ukrainian forces and pro-Russian groups. The situation was very complex, with activists from Belarus, Kazakhstan and even Transnistria purported to be involved. Moreover, despite the release of the OSCE observers who had recently been captured, the

observation team had limited room for manoeuvre. Russian attempts to spread instability to western Ukraine and the capital, Kiev, against a background of an increasingly critical economic situation, were constantly undermining living conditions and respect for human rights.

Given these serious, exceptional circumstances, not only should Europe present a united front but it should also, without further ado, make practical use of its ability to take the initiative and act as a driving force. Mr FÜLE therefore welcomed the meeting in Brussels scheduled for 13 May between the Commission Members most concerned, the Ukrainian Prime Minister Arseniy Yatsenyuk, and several members of his government. He recalled the action already taken by the Commission to help Ukraine, but hoped that the efforts made at Union level would be speeded up and intensified.

He drew attention to two important dates that would surely further increase tensions in the coming days: 9 May, the day on which Russia celebrated the anniversary of its victory over Nazism in 1945, and 11 May, the date announced by the pro-Russian separatists for referendums in Donetsk and Lugansk on their potential incorporation into Russia.

Lastly, he urged the Union to unreservedly support Ukraine in its determination to hold its presidential election at all costs on 25 May as planned. This election would confer legitimacy on the Ukrainian Government, legitimacy which Russia was currently trying to deny it by every possible means in the hope that the postponement or cancellation of the election would result in disruption that would serve its geopolitical interests.

During the discussion which followed, the Commission raised the following main points:

Energy policy and security

- support for the efforts made and the initiatives taken by Mr OETTINGER to promote the adoption at European level of a strategy to reduce the Union's energy dependence on Russia and thereby improve its energy security; the idea of sending a clear message to Russia that the Union would take all necessary steps to enable it in the medium or long term to end its dependence on Russia, which gave the latter leverage over the Union's gas supply;
- at this stage, the lack of unity between the Member States and the absence of a common European Union strategy in this field; support for an ambitious proposal by the Commission on energy security to be presented at the European Council in June; the need to continue to encourage the establishment of a European 'energy union';
- also in this context, the suggestion to examine the political expediency for the Union of raising the idea of suspending the ongoing discussions on setting up the South Stream project; beyond that, the case for working together with the other member countries of the G7;
- the recommendation to explore the possibilities that might be available to Europe to access the natural gas resources of certain African or Asian countries that were not among its traditional suppliers;
- the advisability of not limiting the reduction in the Union's energy dependency solely to gas but of also finding substitute energy sources in certain Member States, such as the Baltic States, which used gas to produce the electricity they needed; the inclusion of nuclear power in this analysis;
- the case for drawing the attention of the European Heads of State or

Government to certain obstacles in the way of the efforts undertaken at Union level to enhance its energy security by diversifying its sources of supply and its energy consumption; in the context of relations with the United States in particular, the usefulness of this partner speeding up the construction of the infrastructure that would enable it to export shale gas to the Union; the case for also insisting, in the ongoing negotiations on the Transatlantic Trade and Investment Partnership (TTIP) with the United States, that the latter grant the Union access to its shale gas at market price;

- given that it would take ten years to introduce the energy transitions, the importance of taking the unique opportunity, under current circumstances, to make progress on energy-efficiency and renewables policies, especially since the Member States most dependent on imports of Russian gas imports also had the poorest record on energy efficiency; the argument for firmly anchoring these measures in the overall European strategy and for highlighting the considerable potential they offered the Union to protect itself from energy cost fluctuations in general and the pressure exerted by its Russian supplier in the gas sector in particular;
- the concern to correct the confusion that the Russian Government was seeking to maintain through its propaganda by suggesting that the investigations under way in the Commission's competition department into the Russian group *Gazprom* were not the result of the strict application of European law but politically motivated;

The situation in Ukraine

- the call for a firm reaction by the Union, set out in the clearest terms, to the seriousness of the situation in Ukraine caused by the escalation in the

destabilising action taken by pro-Russian elements, with Russian support behind the scenes; the repeated denunciation of the recent acts of violence and the concern in the face of the heightened tension noted in recent days;

- the historical and geopolitical importance to Ukraine of Odessa, including its symbolic value as a traditionally multicultural city; the unreserved condemnation of the dramatic events that took place there a few days ago and the reference to their consequences; the desire by some to see the Union impose sanctions in return that very severely penalised Russian interests;
- a reminder of the non-negligible risks of a regional extension of the Russo-Ukrainian conflict that might be provoked by the participation, clearly encouraged by Russia, of separatist groups from Eastern Europe and the Caucasus in the current unrest in the East of Ukraine;
- the call to counteract Russian propaganda, which was likening the pro-European Ukrainian Government to the far-right movements in the current interim government coalition, with a public message that made a clear distinction between the political forces in Ukrainian society.

The PRESIDENT thanked Mr OETTINGER and Mr FÜLE for their presentations and the Members of the Commission for their comments. In the extremely difficult context created by the Ukrainian crisis, he welcomed the fact that the Commission was taking the initiative in the areas within its remit. He referred to the repeated calls to establish an internal market in energy and a common European energy policy. He also noted that the Heads of State and Government had themselves asked the Commission to respond on behalf of the Union to Vladimir Putin, the Russian President, who on 10 April had sent a letter concerning the Ukrainian gas debt to only some of them.

The PRESIDENT asked the Commission to be ready at short notice to present concrete proposals on energy security for the European Council in June, bearing in mind that the issue could arise in any discussion on further sanctions against Russia and that the European Union Heads of State or Government would be holding an informal meeting on 27 May to discuss the appointment of the presidents of the European institutions after the election of the European Parliament.

As for relations with Russia in the strict sense, considerable efforts would be needed to reach a position on which the Member States were united, given the differences in their energy interests and political interests. He stressed that the long-term interest of the Union obviously lay in sending a clear message to the Russian authorities that their attitude was unacceptable. Instead of individual Member States holding bilateral talks, he called for a meeting between the European Union itself and the Russian President to discuss their differences. He praised Mr OETTINGER's efforts to promote contacts between Europe, Ukraine, the International Monetary Fund and the Russian Federation on energy issues.

The PRESIDENT also referred to the forthcoming adoption of the 2030 framework for energy and climate policies at the June European Council and stressed the message to be sent to European leaders, which was that agreement needed to be reached on the package as a whole and the two parts were inseparable, even if some Member States did not fully recognise the urgent need to establish a proper climate policy.

Finally, he agreed with the need to dispel once and for all the confusion surrounding the unfounded suggestion, cleverly sustained by the Russian government, that there was a link between the Commission's competition investigation into *Gazprom* and the sanctions adopted by the European Council against Russia. The possibility of suspending talks on the South Stream project should not be ruled out, in that it

would be a way of sending a strong political signal.

The Commission took note of this information.

8. OTHER BUSINESS

THOUGHTS ON THE FUTURE OF EUROPE

By way of introduction, the PRESIDENT drew the Members' attention to the publication of the European Commission 2010-2014 Record of Achievements, which had been distributed at the meeting in English, French and German and would shortly be available in all EU official languages. He urged them to use it extensively in the campaign for the European elections to be held between 22 and 25 May.

On the subject of the future of Europe, the PRESIDENT said that he would be presenting his most important ideas in a series of lectures at the Humboldt University in Berlin on 8 May, the University Institute in Florence on 9 May, to mark Europe Day, and in Warsaw on 10 May, the tenth anniversary of the 2004 enlargement. The aim was to share his experience as President of the Commission over the past ten years and to outline the principles and ideas which, in his view, should guide Europe's future developments.

Although the Treaty on the Functioning of the European Union would in time have to be amended, as the Commission explained in its Blueprint for a deep and genuine Economic and Monetary Union, the PRESIDENT felt that the challenges of the future had to be seen in terms of, firstly, the European political project, secondly, the sectoral policies to be developed and only thirdly the institutional regime which

would enable the Union to meet these challenges.

Thus, any amendment to the Treaty should come only once it had been decided what the Member States believed they should be achieving together. He therefore wanted to focus his lectures on the European political project and the principles on which intra-Community cooperation should be developed in the longer term. The euro crisis had in fact shown that, where the political will existed, the framework necessary for decision-making was essentially already in place.

In the light of the discrepancy between the debate on national policies and that on European policy, the PRESIDENT stressed the importance of renewing the ties between the Union, its institutions and its Member States, in order to establish a relationship of cooperation and loyalty that went beyond the terms of the Treaties. He emphasised the part played here by the European Parliament, while also stressing the central role of the Commission in moving the European political project forward, as demonstrated in particular during the financial crisis.

The PRESIDENT would also be trying to explain why he had exercised his mandate in the way he had, promoting consensus within the Commission. He believed that the institution's political role would increase in stature, but that it was important to avoid giving the Commission a partisan or ideological dimension. As well as these considerations he would be suggesting a number of ideas for reforming the Union.

He also mentioned a number of sectoral policies which would have to be developed in years to come (in the second stage of the process), and in particular the economic and monetary union, the Union's external representation, strengthening Union values and citizenship, a better division of labour at regulatory level, and a more democratic political Union.

The PRESIDENT concluded by saying that, in his view, these developments would

have to form part of a process of reform and evolution, rather than a revolution and counter-revolution.

The Commission took note of this information.

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The meeting closed at 9.49.