



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2014) 2090 final

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Brussels, 25 June 2014

TEXTE EN

MINUTES

of the 2090th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 18 June 2014

(morning)

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Single sitting: Wednesday 18 June 2014 (morning)

The sitting opened at 10.37 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	
Mr TAJANI	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr POTOČNIK	Member	
Mr BARNIER	Member	Item 9
Ms VASSILIOU	Member	
Mr ŠEMETA	Member	
Ms GEOGHEGAN-QUINN	Member	Items 1 to 9 (in part)
Ms DAMANAKI	Member	
Ms GEORGIEVA	Member	
Mr OETTINGER	Member	
Mr HAHN	Member	Item 9 (in part)
Ms HEDEGAARD	Member	
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	
Mr CIOLOŞ	Member	
Mr BORG	Member	
Mr MIMICA	Member	

Absent:

Baroness ASHTON	High Representative/ Vice-President
Ms REDING	Vice-President
Ms KROES	Vice-President
Mr REHN	Vice-President
Mr PIEBALGS	Member
Mr DE GUCHT	Member
Mr LEWANDOWSKI	Member

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

Mr CEBALLOS BARÓN	A member of Baroness ASHTON's staff	
Ms ROUCH	A member of Ms REDING's staff	
Mr VAN ORANJE-NASSAU	Chef de cabinet to Ms KROES	Item 9 (in part)
Mr PESONEN	Chef de cabinet to Mr REHN	Items 1 to 9 (in part)
Mr KARHUNEN	Deputy Chef de cabinet to Mr PIEBALGS	
Ms BRIL	A member of Mr DE GUCHT's staff	
Mr SCHWARZ	Deputy Chef de cabinet to Mr LEWANDOWSKI	

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	
Mr DOENS	Head of the Commission Spokesperson Service	
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	
Mr SOBRAL	Deputy Chef de cabinet to the PRESIDENT	
Mr KARNITSCHNIG	A member of the PRESIDENT's staff	
Mr KÜTT	Chef de cabinet to Ms GEOGHEGAN- QUINN	Item 9 (in part)
Mr VAN STIPHOUT	A member of Mr OETTINGER's staff	
Ms VON BUTTLAR	A member of Mr HAHN's staff	Items 1 to 9 (in part)

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

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1. AGENDAS

(OJ(2014) 2090/FINAL; SEC(2014) 362/2)

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) 2090)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 16 June.

3. MINUTES OF THE 2089TH MEETING OF THE COMMISSION (11 JUNE)

The Commission held over approval of the minutes of its 2089th meeting for the following week.

4. INTERINSTITUTIONAL RELATIONS

4.1. LEGISLATIVE MATTERS

- i) Position to be adopted by the European Union at the Ministerial Conference of the World Trade Organisation on the accession of the Islamic Republic of Afghanistan to the World Trade Organisation (Council Decision) – 2014/0125 (NLE)**
(SI(2014) 249)

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The Commission approved the line set out in SI(2014) 249.

- 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 KEKUS report – 2013/0400 (CNS)**
(SI(2014) 250)

The Commission approved the line set out in SI(2014) 250.

- iii) Statute for a European Foundation (Council Decision) – REGNER report – 2012/0022 (APP)**
(SI(2014) 258)

The Commission approved the line set out in SI(2014) 258.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

- iv) Programming of Council business**
(SI(2014) 256)

The Commission took note of the information in SI(2014) 256 on the Council meetings between 19 June and 2 July.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

INFRINGEMENTS – URGENT INDIVIDUAL CASES **(SEC(2014) 379)**

The Commission adopted the decisions in SEC(2014) 379.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED (SEC(2014) 363 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 10 and 13 June.

6.2. EMPOWERMENT (SEC(2014) 364 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 10 and 13 June.

6.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2014) 365 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 10 and 13 June, as archived in e-Greffe.

6.4. SENSITIVE WRITTEN PROCEDURES (SEC(2014) 366)

The Commission took note of the sensitive written procedures for which the time limit expired between 16 and 20 June.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2014) 367/2)

ADMINISTRATIVE MATTERS
(PERS(2014) 90/2)

**7.1. DG ECONOMIC AND FINANCIAL AFFAIRS – APPOINTMENT OF
AD14/15 DIRECTOR**
(PERS(2014) 45 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, ‘Economies of the Member States II’, in DG Economic and Financial Affairs (PERS(2014) 45).

It took note of the opinions of the Consultative Committee on Appointments of 28 March and 7 May 2014 (PERS(2014) 45/2 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 Carlos MARTÍNEZ MONGAY to the post.

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

**7.2. DG HUMAN RESOURCES AND SECURITY – APPRAISAL –
DEROGATION FROM THE COMMISSION DECISION OF
26 OCTOBER 2004 ON THE ADOPTION OF THE COMPILATION
DOCUMENT ON SENIOR OFFICIALS POLICY**

The Commission took note of the information at point 2 of PERS(2014) 90/2 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT,

decided, by way of derogation from the Decision of 26 October 2004 on the adoption of the compilation document on Senior Officials Policy, to approve the suspension of the ‘360°’ exercise during the 2013 appraisal procedure for senior officials.

This decision would take effect immediately.

7.3. DG HUMAN RESOURCES AND SECURITY – PROMOTION OF SENIOR MANAGEMENT OFFICIALS – 2013 EXERCISE (PERS(2014) 91)

The Commission took note of the procedure followed, as set out at point 3 of PERS(2014) 90/2, and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided:

- to promote to grade AD16 Mr Daniel CALLEJA CRESPO, Mr Panayotis CARVOUNIS, Mr Christian DANIELSSON, Mr Fernando FRUTUOSO DE MELO, Mr Giovanni KESSLER, Ms Marianne KLINGBEIL, Mr Nicholas MARTYN, Mr Gregory PAULGER, Mr Philippe TAVERNE and Mr Jan TRUSZCZYNSKI, presented in alphabetical order, exercising the basic function of Director-General, with effect from 1 January 2014;
- to promote to grade AD15 Mr Miroslav ADAMIS, Mr Matthew BALDWIN, Mr John BERRIGAN, Mr Philippe BRUNET, Mr Gianmarco DI VITA, Mr Michael KOEHLER, Mr Jean-Pierre MICHEL, Mr Marco-Umberto MORICCA, Mr Artur RUNGE-METZGER, Ms Irmfried SCHWIMANN, Mr Tamas SZUCS and Ms Charlina VITCHEVA, presented in alphabetical order, exercising the basic function of Director, with effect from 1 January 2014.

These decisions would take effect immediately.

**7.4. DG EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION –
EXTENSION OF THE TERM OF OFFICE OF THE DEPUTY
DIRECTOR OF THE EUROPEAN FOUNDATION FOR THE
IMPROVEMENT OF LIVING AND WORKING CONDITIONS**

The Commission took note of the information at point 4 of PERS(2014) 90/2 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr ANDOR, decided:

- to extend for a period of five years from 1 July 2014 the term of office of Ms Erika MEZGER as Deputy Director of the European Foundation for the Improvement of Living and Working Conditions;
- to assign Ms Erika MEZGER to grade AD14, step 1, whereby her seniority in grade and step would take effect on 1 July 2014;
- to instruct Mr ANDOR to communicate this decision to the Governing Board of the European Foundation for the Improvement of Living and Working Conditions.

These decisions would take effect immediately.

**8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN SOCIAL AND
ECONOMIC COMMITTEE AND THE COMMITTEE OF THE REGIONS –
REGULATORY FITNESS AND PERFORMANCE PROGRAMME (REFIT) –
STATE OF PLAY AND OUTLOOK
(COM(2014) 368 TO /3; SWD(2014) 192 TO /3; RCC(2014) 53)**

The Commission approved the Communication in COM(2014) 368/3 for transmission to Parliament, the Council, the Economic and Social Committee and

the Committee of the Regions, and, for information, to the national parliaments, together with the staff working document distributed as SWD(2014) 192/3, the contents of which were noted.

9. RELATIONS WITH NON-MEMBER COUNTRIES

SITUATION IN UKRAINE

The PRESIDENT noted with regret that the situation in Ukraine was still very unstable and worrying despite the positive dynamic that could have been triggered by the election of the new President, Petro Poroshenko, the latter's contacts with Russian President Vladimir Putin, the meetings between leaders that took place on the margins of the D-Day landing celebrations and the unilateral announcement by the Ukrainian President several hours previously of a cease-fire as part of his peace plan to halt the violence in the east of the country.

He reported that he himself had spoken directly to the Ukrainian and Russian Presidents on several occasions in the past few days to encourage them to defuse the escalating conflict in which a military plane had been shot down by pro-Russian separatists, and a large number of deaths and several diplomatic incidents had occurred, not to mention the blocking of Russian gas supplies to Ukraine. In particular he had asked the Russian President to put a stop to the flow of arms and fighters from Russia into Ukrainian territory, and to repeal the Russian law authorising the use of force in Ukraine.

The PRESIDENT went on to mention the signing of the Deep and Comprehensive Free-Trade Agreement (DCFTA) between the European Union and Ukraine on 27 June, on the margins of the European Council, pointing out that, in a gesture of goodwill, he had suggested to Vladimir Putin that trilateral meetings could be held at political level on the implementation of this agreement, in particular to allow the

Russian authorities to express their concerns, which primarily related to trade. These meetings would be conducted by Mr DE GUCHT, on behalf of the Union, and prepared jointly by his departments and the European External Action Service (EEAS).

The PRESIDENT added that he had used his recent contacts with the Ukrainian and Russian Presidents to ask them to settle their gas dispute. He thanked Mr OETTINGER for his mediation efforts in recent weeks and his departments for their preparatory work. These initiatives had enabled both parties to identify points for possible compromise as regards future gas prices and the plan to clear Ukraine's backlog of payments. The terms of this compromise could be satisfactory for both parties, although for Russia the conclusion of an agreement was of secondary importance compared with its geopolitical interests, in the broad meaning of the term.

Continuing with the subject of energy, the PRESIDENT undertook to do everything possible to ensure that the European Council of 26 and 27 June made significant progress by adopting the European Energy Security Strategy put forward by the Commission, in particular to increase the volumes of gas held by Member States for the following winter and to present a united front to the outside world on energy matters. The European Council should also focus on the implications of the current failure to settle the gas dispute between Ukraine and Russia, and also on the measures that should, where appropriate, be taken as a result of the recent escalation of violence in Ukraine.

At any rate, the Union should continue to support Ukraine. In relation to this, the PRESIDENT referred to the high-level meeting of the donor coordination group that would probably be held in Brussels on 8 July, the payment of a first instalment of €500 million under the macro-financial aid granted to Ukraine, Mr FÜLE's visit to Kiev in the coming days to support the implementation of the European reform programme in Ukraine and, finally, the signing in Brussels the following week of the last chapters of the Association Agreement, in the presence of Petro Poroshenko.

Before giving the floor to Mr FÜLE and Mr OETTINGER, who would provide further details, the PRESIDENT also reported on his recent trips to Moldova and Georgia, where he had confirmed the Union's determination to sign the Association Agreements with these countries on 27 June while emphasising the need for political and economic reforms on their side. He also referred to his visit to Azerbaijan, which wished to establish closer relations with the Union, not through an association agreement strictly speaking, but on the basis of a strategic modernisation partnership. The discussions with the Azerbaijan authorities had also covered energy and human rights.

Mr FÜLE announced that he was going to Ukraine that very afternoon to continue the talks with the President, Petro Poroshenko, and the Prime Minister, Arseniy Yatsenyuk, on all the major bilateral issues. The results of these talks would be discussed at the European Council the following week. The first coordination meeting of the donors was being prepared, under the authority of Peter BALÁS, head of the Ukraine Support Group, and in cooperation with the EEAS. The aim of his visit was also to meet Petro Poroshenko in his role as Ukraine President and to discuss with him the priorities of his term of office, in particular as regards his peace plan for the east of the country and his main domestic policy strategies.

Mr FÜLE pointed out that Russia was apparently no longer making a distinction between the dispute over the gas supplies to Ukraine and the overall issues at stake in the Ukrainian crisis. He drew attention to the fact that, once signed, the Association Agreement would still have to be ratified and implemented provisionally, during which time relations with Russia could still experience some ups and downs. He ended by saying that he would be consulting Ms GEORGIEVA and Mr OETTINGER with a view to his talks with the Ukrainian Government.

Mr OETTINGER took the floor and reported on developments in the intense trilateral negotiations on the issue of gas over the last few days between the Union, Ukraine and Russia. After referring to the progress made during the previous meetings he had conducted on the Union's behalf, in particular the effective

payment by Ukraine, at the end of May, of its back payments for the period February-March 2014, he said that the current discussions centred on the amount of the back payments due for the periods November-December 2013 and April-May 2014 and on the price per cubic metre of Russian gas to be billed to Ukraine from June.

He explained in detail the latest compromise proposals submitted, which represented a rapprochement between the Russian and Ukrainian positions as regards the future price per cubic metre of gas. His own proposal of a two-stage price system – one price for summer and another for winter – for the coming year could lead to a fair compromise for the two parties.

With regard to Ukraine's back payments for the periods November-December 2013 and April-May 2014, the proposal put forward consisted of immediate settlement of €1 billion followed by payment of the full balance in six equal instalments by the end of the year.

Mr OETTINGER confirmed that the Ukrainian negotiators were willing to accept these conditions, but said that the Russian side were not. However, in view of the recent rapprochement of positions and the problems for both parties in the event of a prolonged crisis, agreement could be in sight in the coming days or weeks.

Concerning the practical consequences of Russia's decision to suspend gas supplies to Ukraine from 16 June, it was more important than ever to ensure significant gas stocks both in the EU and Ukraine in order to meet demand in peak periods next winter. He therefore stressed the importance of the Communication on a European Energy Security Strategy to be presented by the Commission to the EU Heads of State or Government at the European Council the following week. Lastly, he highlighted the need to discuss the means of protecting the Ukrainian gas pipelines against certain risks to security in the region.

During the brief exchange of views which ensued, the Commission referred mainly

to ways of encouraging Serbia, as a candidate country for accession to the EU, to adopt the same approach as the Union with regard to the South Stream gas pipeline and, in this context, the positions of certain Member States in terms of external energy relations.

With a view to the PRESIDENT's forthcoming visit to Serbia, Mr FÜLE remarked that it might be appropriate to raise the issue of the projected South Stream gas pipeline with the Serbian government, which was also a party to the project. He stressed in this context that Serbia, as part of the accession process, was obliged to comply with Union rules, in particular as regards implementation of the Third Energy Package from 1 January 2015.

On the subject of the South Stream project, Mr OETTINGER confirmed that the EU was rigorously applying EU law on public procurement, environmental protection, competition and the internal energy market. In cases where intergovernmental agreements already concluded were not in accordance with all the legislation in force, the Commission was asking the Member States in question to comply with the legislation. Mr OETTINGER stressed that the reasons why the negotiations conducted in this field with Russia were not succeeding were, on the one hand, the developments linked to the situation in Ukraine and, on the other, Russia's calling into question the compatibility of the internal market rules set out in the Union's Third Energy Package with those of the World Trade Organisation. He conceded that the South Stream project could in time become an alternative route of energy supply for the Union, but at the same time recognised that this project would definitively call into question Ukraine's role as a transit country. Furthermore, he felt that for the time being, the priority was to continue to support the political and economic stability of Ukraine to ensure the safe transit of gas through its territory.

The PRESIDENT wound up the exchange by thanking Mr FÜLE and Mr OETTINGER for their explanations. He felt sure that the Union should take this opportunity, given the current geopolitical and economic situation, to strengthen its internal energy market, in particular by adopting the European Energy Security

Strategy to be presented by the Commission at the European Council the following week. He also felt that the preconditions for approval of the 2030 framework for climate and energy policies by the October European Council were now more favourable. He stressed the need to make a political investment in order to obtain the support of all the Member States for these joint initiatives so crucial for Europe. In conclusion, he referred to the need for the strategic integration, in the EU's energy mix, of relations with neighbouring countries.

He asked Mr FÜLE and Mr OETTINGER, their departments, Baroness ASHTON, the EEAS and the Commission Members most directly concerned to continue to support Ukraine and to help resolve the dispute between Ukraine and Russia on the issue of Ukraine's territorial integrity and Russia's gas supplies.

The Commission took note of this information.

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The meeting closed at 11.27