EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2021) 2381 final

- English translation of the French version which is authentic -

Brussels, 20 July 2021

TEXTE EN

<u>MINUTES</u>

of the 2381st meeting of the Commission

held in Strasbourg

(Louise Weiss building)

on Wednesday 8 June 2021

(afternoon)

PV(2021) 2381 final

- English translation of the French version which is authentic -

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<u>Single sitting</u>: Tuesday 8 June 2021 (afternoon)

The sitting opened at 13.11 with Ms von der LEYEN, President, in the chair.

<u>Present</u>:

Ms von der LEYEN	President	
Ms VESTAGER	Executive Vice-President	
Mr DOMBROVSKIS	Executive Vice-President	Items 8-9
Mr BORRELL i FONTELLES	High Representative / Vice-President	
Ms JOUROVÁ	Vice-President	
Ms ŠUICA	Vice-President	
Mr SCHINAS	Vice-President	
Mr HAHN	Member	
Ms GABRIEL	Member	
Mr SCHMIT	Member	
Mr WOJCIECHOWSKI	Member	
Mr BRETON	Member	
Ms FERREIRA	Member	
Ms KYRIAKIDES	Member	
Mr REYNDERS	Member	
Ms DALLI	Member	
Mr LENARČIČ	Member	
Ms VĂLEAN	Member	
Ms URPILAINEN	Member	
Ms SIMSON	Member	
Mr SINKEVIČIUS	Member	
Ms McGUINNESS	Member	

Absent:

Mr TIMMERMANS	Executive Vice-President
Mr ŠEFČOVIČ	Vice-President
Mr GENTILONI	Member
Ms JOHANSSON	Member
Mr VÁRHELYI	Member

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

Ms WEBBER	Chef de Cabinet to Ms JOHANSSON

The following also sat in:

Mr SEIBERT	Chef de Cabinet to the PRESIDENT	
Mr CALLEJA CRESPO	Director-General, Legal Service	
Ms AHRENKILDE HANSEN	Director-General, DG Communication	
Mr MAMER	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	
Ms PETKOVA	Director of Coordination and Administration in the PRESIDENT's Office	
Mr KRAFF	Director-General, Internal Audit Service	Item 8
Mr HEMMELGARN	Secretariat-General	

Secretary: Ms JUHANSONE, Secretary-General, assisted by Mr TAQUET-GRAZIANI, Deputy Head of Unit in the Secretariat-General.

1. AGENDAS
(OJ(2021) 2381/FINAL; SEC(2021) 2381/FINAL)

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

The Secretary-General pointed out that the first stage of an infringement proceeding had been launched against Germany regarding the judgment handed down on 5 May 2020 by the German Constitutional Court; this proceeding was set out in a document distributed at the meeting and would be added to the infringement cycle, scheduled for adoption by finalisation written procedure on Wednesday 9 June 2021 at 10.00 (SEC(2021) 261 – PE/2021/4285).

2. WEEKLY MEETING OF CHEFS DE CABINET
(RCC(2021) 2381)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 7 June 2021.

3. APPROVAL OF THE MINUTES OF THE 2377TH, 2378TH, 2379TH AND 2380TH MEETINGS OF THE COMMISSION (12, 18 AND 26 MAY, 2 JUNE 2021) (PV(2021) 2377; PV(2021) 2377, 2ND PART)

The Commission approved the minutes of its 2377th meeting, and decided to hold over approval of the minutes of its 2378th, 2379th and 2380th meetings until a later meeting.

4. INTERINSTITUTIONAL RELATIONS (RCC(2021) 121)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held by videoconference on Friday 4 June 2021 (RCC(2021) 121).

The Commission approved the lines proposed for the following points:

– **Objection pursuant to Rule 112(2) and (3) of Parliament's Rules of Procedure – Commission Implementing Regulation 2021/621 of 15 April 2021 amending Regulation (EU) No 37/2010 to classify the substance imidacloprid as regards its maximum residue limit in foodstuffs of animal origin – 2021/2705 (RSP)**

  Line set out in SP(2021) 378.

– **Objection pursuant to Rule 112 (2) and (3) of Parliament's Rules of Procedure – Commission Implementing Regulation 2021/745 of 6 May 2021 amending Implementing Regulation (EU) No 540/2011 as regards the extension of the approval periods of the active substances aluminium ammonium sulphate, aluminium silicate, beflubutamid, benthiavalicarb, bifenazate, boscalid, calcium carbonate, captan, carbon dioxide, cymoxanil, dimethomorph, ethephon, extract from tea tree, famoxadone, fat distilation residues, fatty acids C7 to C20, flumioxazine, fluoxastrobin, flurochloridone, folpet, formetanate, gibberellic acid, gibberellins, heptamaloxyloglucan, hydrolysed proteins, iron sulphate, metazachlor, metribuzin, milbemectin, Paecilomyces lilacinus strain 251, phenmedipham, phosmet, pirimiphos-methyl, plant oils/rape seed oil, potassium hydrogen carbonate, propamocarb, prothioconazole, quartz sand, fish oil, repellents by smell of animal or plant origin/sheep fat, S-metolachlor, Straight Chain Lepidopteran Pheromones, tebuconazole and urea – 2021/2706 (RSP)**

Line set out in SP(2021) 379.

- **Amendment of Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (Directive) – FERRANDINO report – 2017/0114 (COD)**

  Line set out in SI(2021) 167.

- **Amendment of Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches (Directive) – BAYET & REGNER report – 2016/0107 (COD)**

  Line set out in SI(2021) 178.

- **Amendment of Regulation (EU) 2017/625 as regards official controls on animals and products of animal origin exported from third countries to the Union to ensure compliance with the prohibition of certain uses of antimicrobials (Regulation) – CANFIN report – 2021/0055 (COD)**

  Line set out in SI(2021) 185.

- **Establishment of a European Child Guarantee (Council recommendation) – 2021/0070 (NLE)**

  Line set out in SI(2021) 168/2.

- **Communication from the Commission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Union Strategy to tackle Organised Crime 2021-2025 (COM(2021) 170 final)**

  Line set out in SI(2021) 166.

- **Council conclusions on the United Nations Sustainable Development Goals**

  Line set out in SI(2021) 169/3.

- **Oral Question O-000037/2021 – The European Union’s Cybersecurity Strategy for the Digital Decade**

  Line set out in SP(2021) 347.

- **Oral Question O-000030/2021 – The European Parliament’s right of inquiry**

  Line set out in SP(2021) 306/2.

- **Oral Question O-000034/2021 – Climate resilient EU fisheries & aquaculture**

  Line set out in SP(2021) 383.

- **Oral Question O-000036/2021 –Future EU financing of the radio network Euranet Plus**

  Line set out in SP(2021) 384.

- **Resolutions of the European Parliament under Article 225 of the Treaty on the Functioning of the European Union (TFEU) – Corporate due diligence and corporate accountability – WOLTERS report – 2020/2129 (INL)**

  Line set out in SP(2021) 346/3.

- **2021 fishing opportunities – TACs and quotas for stocks shared with the United Kingdom**

  Line set out in SI(2021) 180.

- **Commission replies to the non-legislative resolutions adopted by Parliament at its part-session of May 2021 (Part I)**

  Line set out in SP(2021) 367, for transmission to Parliament.

The Commission took note of the following points:

- **COVID-19 – Digital Green Certificate:**

    - **Framework for the issuance, verification and acceptance of interoperable certificates on vaccination, testing and recovery to facilitate free movement during the COVID-19 pandemic (Digital Green Certificate) (Regulation) – LÓPEZ AGUILAR report – 2021/0068 (COD)**

    - **Framework for the issuance, verification and acceptance of interoperable certificates on vaccination, testing and recovery to third-country nationals legally staying or legally residing in the territories of Member States during the COVID-19 pandemic (Digital Green Certificate) (Regulation) – LÓPEZ AGUILAR report – 2021/0071 (COD)**

  Compromise text in SP(2021) 365, further to note SI(2021) 147, which the Commission had already approved on 26 May 2021.

- **Markets in Crypto-assets, and amendment of Directive (EU) 2019/1937 (Regulation) – BERGER report – 2020/0265 (COD)**

  Information set out in SI(2021) 170/2.

- **Regulation amending Council Regulation (EC) No 1224/2009 and Council Regulations (EC) No 768/2005, (EC) No 1967/2006, (EC) No 1005/2008, and Regulation (EU) 2016/1139 of the European Parliament and of the Council as regards fisheries control (Regulation) – AGUILERA report – 2018/0193 (COD)**

  Information set out in SI(2021) 171/2.

– **Implementation of the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation (Council Directive) – 2008/0140 (CNS)**

Information set out in SI(2021) 172/2.

– **Information relating to the Recovery and Resilience Facility – Commission replies to a questionnaire by the European Parliament**

Information set out in SP(2021) 373.

– **Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community – Protocol on Ireland / Northern Ireland**

Information set out in SI(2021) 176.

5. COORDINATION OF EXTERNAL ACTION (RCC(2021) 30)

The Commission took note of the operational conclusions in RCC(2021) 30 of the meeting of the Group for External Coordination (EXCO) held by videoconference on Wednesday 2 June 2021.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED (SEC(2021) 215 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 31 May and 4 June 2021.

6.2. EMPOWERMENT (SEC(2021) 216 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 31 May and 4 June 2021.

6.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2021) 217 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 31 May and 4 June 2021 archived in D*e*cide.

6.4. SIGNIFICANT WRITTEN PROCEDURES (SEC(2021) 218 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 7 and 11 June 2021 and of the finalisation written procedure initiated following the weekly meeting of Chefs de cabinet on Monday 7 June 2021.

7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2021) 219)

ADMINISTRATIVE MATTERS

SECRETARIAT-GENERAL – COMMISSION DECISION ON POST TERM-OF-OFFICE ACTIVITIES OF A FORMER MEMBER OF THE COMMISSION
(C(2021) 9011)

The Commission adopted the Decision set out in C(2021) 9011.

The Commission decided that the professional activities envisaged by Mr Phil HOGAN after leaving office as a Member of the Commission were compatible with Article 245(2) of the Treaty on the Functioning of the European Union and with the Code of Conduct for Commissioners, subject to certain specific conditions and obligations.

8. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COURT OF AUDITORS: ANNUAL MANAGEMENT AND PERFORMANCE REPORT FOR THE EU BUDGET – FINANCIAL YEAR 2020
(COM(2021) 301 TO /3; RCC(2021) 127)

9. STATEMENT OF ESTIMATES OF THE COMMISSION FOR 2022 – PREPARATION OF THE 2022 DRAFT GENERAL BUDGET OF THE EUROPEAN UNION
(SEC(2021) 250 AND /2; RCC(2021) 127)

The PRESIDENT invited Mr HAHN to present to the College, in the presence of the Commission's internal auditor, Mr Manfred KRAFF, the annual report from the Commission to Parliament, the Council and the Court of Auditors on the management and performance of the EU Budget for the financial year 2020 and the Commission's statement of estimates for the financial year 2022, in other words the draft EU budget for 2022.

Mr HAHN first of all presented the **Annual Management and Performance Report for the EU Budget for the financial year 2020**, which concerned the past and what had been achieved in 2020 thanks to this budget.

By way of introduction, he pointed out that the report was the Commission's main contribution to the annual discharge procedure, in accordance with its obligations under the Treaty on the Functioning of the European Union and under the Financial

Regulation. He said that some improvements had been made to the document compared to the previous edition in order to make it easier to read and more concise; it had only 10 pages, with the detailed information being consigned to various annexes.

He then outlined the content of the report.

He noted that in 2020, the financing operations had been largely dominated by the COVID-19 crisis. The EU had faced unprecedented challenges and its budget had been central to its response. In only three weeks after the World Health Organization (WHO) declared the pandemic, the Commission had succeeded in proposing a coordinated and comprehensive response. Funding had been mobilised quickly and flexibly to respond to urgent needs, while continuing to meet the highest standards of financial management.

He considered that the Commission could be proud of what had been achieved over the past year thanks to the EU Budget. First, the budget had made it possible to implement the vaccination strategy through the Emergency Support Instrument, mobilising EUR 2.7 billion. Secondly, it had expressed European solidarity through (i) the European Union Solidarity Fund, the scope of which had been extended to cover the consequences of COVID-19, (ii) the Emergency Support Instrument (ESI) and (iii) rescEU for the creation of a common stockpile of medical supplies. Thirdly, it had organised a global response through Team Europe to provide support to partner countries through the international COVAX initiative. Fourthly, it had supported research by redirecting funding from Horizon 2020 towards research on vaccines, diagnosis and treatment. Fifthly, it had provided support to citizens and businesses to respond to the crisis by mobilising EUR 54 billion through the Coronavirus Response Investment Initiative (CRII and CRII Plus) and EUR 100 billion under the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) and the temporary State aid scheme. Sixthly, and finally, it had permitted the economic recovery to be steered by proposing and successfully concluding a revised multiannual financial framework supplemented by the NextGenerationEU recovery plan.

Mr HAHN highlighted other achievements in 2020 because, while fighting the pandemic, the EU had continued to implement its political priorities. Considerable progress had been made in most European programmes and the EU had slightly exceeded its ambition of devoting 20.15% of the multiannual financial framework for the period 2014-2020 (EUR 216 billion) to combating climate change.

In the context of the COVID-19 crisis, he noted that the soundness of the Commission’s organisation and chain of responsibility had made it possible to take the necessary measures quickly to ensure that EU funding remained well managed and protected. Other audit methods, such as remote audits, had made it possible to provide solid assurance. Overall, risk at the time of payments was below the materiality threshold of 2%, which was lower than in 2019. Finally, the Commission had identified the higher-risk segments of expenditure and taken action to address the weaknesses identified.

He then turned to the **draft budget for 2022**. He considered that 2022 should allow the EU and the Member States to recover from the health, economic and social crisis. The economic recovery was under way in the EU, as shown by the Commission’s spring economic forecast, which pointed to an estimated growth rate of 4.2% of GDP in 2021 and 4.4% in 2022. However, the strength and speed of this economic recovery would remain very uneven across Member States, which was why it was necessary to support the recovery, response and resilience of the EU and to strengthen green and digital spending.

He said that the current Commission was proposing its second draft budget, for 2022, in a much more comfortable situation than a year ago since the new multiannual financial framework had been approved and the decision on the EU’s own resources had just been ratified, which opened the way for the implementation of the NextGenerationEU recovery plan to supplement the ordinary budget.

Mr HAHN explained that the funding priorities for 2022 would be to get Europe back on track, address the generational challenge of the twin green and digital transition and make global Europe a reality.

The EU would devote half of the proposed draft budget to the first of its priorities, which was to recover from the health and economic crisis through the instruments at its disposal, namely the Recovery and Resilience Facility, REACT-EU and the Cohesion Funds, InvestEU, the EU4Heath Programme and the Union Civil Protection Mechanism.

The second priority would be to ensure a green and just transition through the European Green Deal. With the adoption in April 2021 of the European Climate Law, which incorporated the European Green Deal and aimed to reduce greenhouse gas emissions by at least 55% by 2030 with a view to achieving climate neutrality by 2050, the EU had set itself an ambitious mission that would be supported by a number of instruments such as the common issuance of bonds under NextGenerationEU, the programmes with a focus on biodiversity, and the reformed Common Agricultural Policy and the Just Transition Mechanism.

Mr HAHN added that the third priority would seek to ensure that the digital transition and economy would be at the service of everyone. That was why the EU Budget would invest in connectivity, technologies and human capital and in smart energy and transport. The funding for this priority would mainly be channelled through Heading 1 of the Budget, which encompassed the Digital Europe Programme, the Connecting Europe Facility (CEF), InvestEU, Horizon Europe, the European Social Fund +, Erasmus + and the European Solidarity Corps.

Finally, he highlighted the fourth priority, which would be to focus part of the budget on security, defence and geopolitical Europe. With three headings dedicated to this important priority, namely the Neighbourhood, Development and

International Cooperation Instrument (NDICI), the funds intended for security and defence and the resources earmarked for migration and border management, the EU was now well equipped.

He also drew attention to the combined strength of the multiannual financial framework and NextGenerationEU, namely EUR 2 000 billion in current prices for the period 2021 to 2027 – an unprecedented amount.

Of that total, EUR 311 billion would finance EU priorities and policies in 2022.

The EU budget would include EUR 167.8 billion in commitment appropriations and EUR 169.4 billion in payment appropriations. According to current estimates, the grant component of NextGenerationEU, which was part of the budget, should also allow commitments of EUR 143.5 billion and payments of around EUR 78 billion to be made. The amounts would be adjusted, since the process of adopting the national Recovery and Resilience Plans was ongoing, and would be disbursed once all steps had been completed.

Mr HAHN explained how the overall budget proposed by the Commission for 2022 and the NextGenerationEU grants would be broken down by heading and sub-heading.

Programmes and actions under heading 1 – Single Market, Innovation and Digital – would thus receive more than EUR 21 billion, which would allow increased investment in research and innovation, strategic infrastructure, the single market and space.

Under heading 2a, EUR 50 billion would be allocated to regional development, cohesion and social investment, and REACT-EU would receive an additional EUR 10 billion in support from NextGenerationEU to help the regions and the unemployed to overcome the crisis.

Under heading 2b, EUR 125 billion would be invested in the economic and social recovery, mainly via new or substantially reinforced programmes, such as the

Recovery and Resilience Facility, the EU4Health Programme and the Union Civil Protection Mechanism.

Under heading 3 – Natural Resources and Environment – an investment of EUR 56 billion was proposed in sustainable agriculture, climate action and maritime sectors, in order to deliver on the European Green Deal.

Under heading 4 – Migration and Border Management – an investment of EUR 3 billion was proposed to protect the EU's borders and manage migration in accordance with its values.

In order to meet the needs under heading 5 – Security and Defence – EUR 1.8 billion would contribute to addressing internal security challenges, particularly cybersecurity.

The draft budget made provision under heading 6 – Neighbourhood and the World – for an investment of EUR 16.7 billion in order to support EU neighbourhood and partner countries in their public health efforts, including vaccination, and with economic recovery.

Finally, under heading 7 – European Public Administration – the allocation of EUR 10.8 billion for the EU institutions corresponded to an increase of 3.9%, which stemmed mainly from salary and pension adjustments as a result of the stable staffing situation within most institutions, and non-salary expenditure that had been limited to a 2% increase.

As regards payment appropriations, Mr HAHN stated that the proposed level of EUR 169.4 billion was adequate to cover budgetary needs both for the payment of outstanding commitments and for the new programmes. Together with the EUR 78 billion of payments expected under NextGenerationEU, corresponding to the annual amount of borrowing, almost EUR 250 billion would be available to boost the recovery of the EU economy in 2022.

Concluding his presentation, Mr HAHN warmly thanked his teams and the Commission departments that had contributed to the considerable work presented that day, which had been carried out in particularly challenging conditions.

The PRESIDENT echoed those thanks and welcomed the huge progress made since the beginning of the crisis in an extremely difficult context.

In the course of the discussion that followed, the Commission raised the following main points:

– reference to the fact that the Annual Management and Performance Report for the EU budget 2020 was the main high-level report drawn up by the Commission on the performance of the EU budget; the importance of this document, with which the Commission assumed its political responsibility for the management of the EU budget;

– the remarkable result achieved, despite the exceptional circumstances of the pandemic, thanks to the Commission's management of the EU budget in full compliance with the high standards of sound financial management required;

– reference to the Annual Report of the Internal Audit Progress Committee, which contributed to the Annual Management and Performance Report for the EU budget 2020, and emphasis on the role of the Internal Audit Service and the Committee in drafting that report;

– the assurances provided as to the reliability of the management of the EU budget and the protection of the EU's financial interests;

– the considerable work involved for the Commission departments in preparing the draft budget and drawing up NextGenerationEU;

– the reference to the 900 or so additional decisions authorising State aid taken by the Commission over the course of more than a year to enable Member States to cope with the economic crisis caused by the pandemic;

– the equally considerable efforts that had been required of Commission staff in general over the past year; the desire for staff to be listened to in view of the changes that would be made to working conditions in the context of the Commission's buildings reform for the period up to 2030.

The PRESIDENT wrapped up the discussion by thanking Mr HAHN for his presentation.

Following this exchange of views, the Commission:

– approved the Annual Management and Performance Report for the EU Budget 2020 in COM(2021) 301/3, for transmission to Parliament, the Council and the European Court of Auditors, and, for information, to the national parliaments, indicating a link giving access to all the annual activity reports (https://ec.europa.eu/info/publications/annual-activity-reports_en);

– took note of the fact that each Member of the Commission had been made aware of the Annual Activity Report and of the declaration presented by his/her Director(s)-General or Head(s) of Service, and that a reference to this dialogue was specifically mentioned in each Annual Activity Report;

– took note of the fact that the declarations of assurance contained in the Annual Activity Reports did not cover the Members' private offices and their expenditure;

– authorised Mr HAHN, the Member of the Commission with responsibility for the Budget and Human Resources, to present the report to the discharge authority;

– took note of the documents available in D*e*cide as supporting documents, namely: (i) the Annual Report of the Audit Progress Committee for the period from May 2020-May 2021, distributed as SEC(2021) 235, (ii) the annual report on the internal audit for 2020, distributed as a meeting document under

Ares(2021) 3500667, and (iii) the general opinion of the Internal Auditor for 2020 and the related working document.

- adopted the statement of estimates as set out in documents I, II, III, IV, V and V bis, distributed as SEC(2021) 250 and /2, as a basis for drawing up the draft general budget of the European Union for the 2022 financial year;
- authorised Mr HAHN, the Member of the Commission with responsibility for the budget and human resources, to send documents I, II, III and IV to the European Parliament and the Council, for information;
- empowered Mr HAHN, the Member of the Commission with responsibility for the budget and human resources, in agreement with the PRESIDENT, to convert documents I, II, III and IV into the corresponding volumes of the draft general budget for the 2022 financial year;
- empowered Mr HAHN, the Member of the Commission with responsibility for the budget and human resources, in agreement with the PRESIDENT, and in accordance with Article 314(1) of the Treaty on the Functioning of the European Union, to consolidate the draft general budget for the 2022 financial year on the basis of the latest information supplied by the other institutions concerning their own statements of estimates, which might contain different estimates, for transmission to the European Parliament and the Council and, for information, to the national parliaments.

10. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON PROGRESS IN ROMANIA UNDER THE COOPERATION AND VERIFICATION MECHANISM (COM(2021) 370)

Ms JOUROVÁ presented to the College the Commission's report on the progress made by Romania under the Cooperation and Verification Mechanism (CVM), which had been set up on Romania's accession to the European Union in 2007 as a transitional measure to facilitate its efforts to reform its judicial system and step up the fight against corruption.

The report took stock of the progress made in implementing the Commission's recommendations since the last report, published in 2019. It would be complemented by the 2021 Rule of Law report, which would be published next month and would concern all the Member States. The present report marked the beginning of a positive trend after some difficult years.

It came within a clearer legal context, since last month the EU Court of Justice had issued a ruling (in Case C-83/119) clarifying the parameters within which Romania must implement the CVM. In particular, the Court had established that the 2006 CVM decision and its benchmarks were binding on Romania, which must therefore take appropriate measures to meet these benchmarks and refrain from implementing any measures which could jeopardise their being met.

On substance, Benchmark One, on judicial independence and reform remained the most important and complex. There had been some positive developments as regards some of the recommendations, but it would not be possible to measure the genuine progress made under this benchmark until the ongoing reform in Romania, concerning the justice law, the criminal code and the criminal procedure code had been completed.

As regards Benchmark Two on the integrity framework, the risks of backtracking identified in the 2019 CVM Report had been mitigated, and this benchmark could be fully met during the new legislature.

Concerning Benchmark Three on tackling high-level corruption, the situation had improved since the last assessment, and the final adoption of the justice law, the criminal code and the criminal procedure code would mark an important step towards the complete fulfilment of this benchmark.

Finally, Romania needed to continue its work as regards the last benchmark, Number Four, on tackling corruption at all levels.

Ms JOUROVÁ concluded by saying that overall the report showed a clearly positive trend, which, if continued, should make it possible for the CVM mechanism for Romania to be closed and for these matters to be addressed through the rule of law mechanism. The Commission would continue to monitor and assess this matter and to consult the Council, where appropriate.

In conclusion, she pointed out that the CVM had been designed as a temporary instrument which would disappear once all the benchmarks had been met, which could be the case next year.

Following this presentation, the Commission approved the report in COM(2021) 370, for transmission to Parliament and the Council and, for information, to the national parliaments.

11. OTHER BUSINESS

11.1. LATEST DEVELOPMENTS IN EXTERNAL RELATIONS

Mr BORRELL reported to the College on the latest developments in external relations.

He began by referring to relations between the EU and **Belarus**.

The EU had condemned the arrest of Belarusian freelance journalist Roman PROTASEVICH and his partner Sofia SAPEGA, both of whom were sadly still in prison facing the death penalty.

On 4 June, the day after a commercial flight was diverted, the Council had decided to step up the restrictive measures already imposed on Belarus, introducing a ban on flying over EU airspace and denying Belarusian air carriers of all types access to EU airports. In addition, 70 people, mostly members of the Belarusian administration, had been added to the list of persons and entities now designated under the sanctions regime on Belarus.

He also noted the Member States' unanimous support for the adoption of economic sanctions and explained that targeted measures would soon be discussed by the relevant Council working party.

The EU had not adopted any further economic sanctions since imposing economic sanctions on Russia. He noted that the opposition in Belarus supported these sanctions, despite the necessarily negative consequences they would have on the people of Belarus.

Speaking more generally, Mr BORRELL then explained that it was becoming increasingly difficult to adopt important foreign policy decisions requiring the **unanimous** support of the Member States.

He then referred to his four-day visit to **Indonesia**, which had signalled the EU's desire for closer relations with the country that would hold the G20 presidency in 2022 and the presidency of the **Association of Southeast Asian Nations** (ASEAN) in 2023. He had also visited ASEAN's headquarters with a view to furthering the strategic partnership with the Association's members.

He said that the Indonesian authorities were keen to strengthen cooperation with the EU. Countries in the region had expressed their concern about certain EU initiatives, particularly initiatives that were part of the European Green Deal, which they feared were protectionist in nature.

In any event, he called for greater EU engagement in the region and for closer ties with ASEAN, which ought to be the central focus of future cooperation between the EU and South-East Asia. Next year, the two regions would celebrate the 45th anniversary of their diplomatic relations, which he felt would be a good reason to hold an EU-ASEAN summit.

Mr BORRELL also briefly reported on developments in the political situation in **Lebanon** and said that the fragile ceasefire was still holding in **Libya**. He referred to the management of flows of migrants coming from that country. It was important to ensure that checks in the central Mediterranean were carried out as part of operation IRINI, under the responsibility of the European Border and Coast Guard, and not by the Turkish navy. On the question of managing migration flows, he also called for an easing of tensions with **Morocco** in order to re-establish the cooperation that was needed in that field.

The PRESIDENT recommended that the Members of the College reinforce the EU's presence in South-East Asia within their respective policy remits. She also invited them to reassure governments in the region with regard to the European Green Deal, since ASEAN countries were among those most affected by the impact of climate change.

In the course of the discussion that followed, the Commission raised the following main points:

– the advisability of taking positions more systematically on behalf of the EU using declarations by the EU High Representative for Foreign Policy, though unanimity was still required when adopting specific mandates under the Common Foreign and Security Policy;

– the deadlock caused by the unanimity requirement for foreign policy decisions; this should be reviewed in detail and discussed during a public debate as part of the Conference on the Future of Europe.

The Commission took note of this information.

11.2. COMMISSION RESPONSE TO A RESOLUTION BY THE EUROPEAN PARLIAMENT PURSUANT TO ARTICLE 225 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION (SP(2021) 346 TO /3)

Ms JOUROVÁ presented to the College the Commission’s response to a Resolution by the European Parliament pursuant to Article 225 of the Treaty on the Functioning of the European Union on due diligence and corporate accountability. This resolution was being presented in the form of a report adopted by Parliament (WOLTERS report) (see also item 4 of these minutes).

After the summer the Commission would present its proposal on due diligence and corporate accountability, which would contribute to the transition to a sustainable economy. The co-legislators and numerous stakeholders in civil society and business were paying considerable attention to this proposal. The report adopted by the European Parliament addressed recommendations to the Commission.

In her view, the Commission could support the main points of this report, namely that businesses could make a significant societal contribution on the path to sustainable development and benefit from the opportunities arising from it.

The aim was to adopt a harmonised approach at EU level that was targeted and helped businesses on the path to sustainability by ensuring a level playing field and legal certainty.

Given the diversity of views on these matters, it was crucial to have sound justifications, based on the Impact Assessment currently being revised, in order to set out an approach through which companies could manage sustainability risks in their operation more effectively and have tools to benefit from the opportunities that would arise in the long term.

She underlined the need to get the balance right, for instance regarding the scope of the proposal and the involvement of SMEs.

She also emphasised the need to look at the incentive and support measures that would be set up for companies, since the objective of ensuring due diligence could be achieved, with the necessary flexibility, through measures tailored to their situation.

Ms JOUROVÁ said that she had already met numerous stakeholders and was aware of both the European Parliament’s request for ambition and the situation in the Member States. On this basis, the Commission could now design an initiative proposing meaningful rules and take a balanced approach that could gain the support of both the co-legislators and stakeholders.

In the course of the brief discussion that followed, the Commission raised the following main points:

– the importance of basing the proposal to be submitted by the Commission in the autumn on a sound impact assessment that would take account of the various aspects of due diligence and corporate accountability;

– for some, the case for setting out a differentiated due diligence approach based on supply chains, on the one hand, and corporate management bodies, on the other;

– the need to strike an overall balance between the different aspects of due diligence and stakeholders’ interests from the point of view of corporate responsibility.

The PRESIDENT concluded the discussion by noting that the College approved her letter as annexed to SP(2021) 346/3, in which she stated that work had started in the Commission’s departments to follow up on Parliament’s recommendations, with a view to presenting a legislative proposal on due diligence and corporate accountability in the near future. The College authorised Mr ŠEFČOVIČ to address its reply to the President of the European Parliament.

11.3. COMMISSION DECISION IN THE FORM OF A LETTER (1ST STAGE) ON THE REQUEST FOR THE REGISTRATION OF A EUROPEAN CITIZENS’ INITIATIVE ENTITLED ‘ENSURING COMMON COMMERCIAL POLICY CONFORMITY WITH EU TREATIES AND COMPLIANCE WITH INTERNATIONAL LAW’ (C(2021) 4155)

Ms JOUROVÁ presented to the College for approval the proposal for a Commission Decision in the form of a letter replying to the request for the registration of a European citizens’ initiative (ECI) entitled ‘Ensuring Common Commercial Policy compliance with EU Treaties and compliance with international law’. This request for registration was the first stage of the ECI process.

The context was sensitive given that the proposal for a Decision followed on from a judgment by the Court of Justice of the European Union annulling the previous Commission’s decision of 2019, which had refused this request for registration.

Ms JOUROVÁ proposed that the College approve a letter that would be sent to the organisers, inviting them to amend their initiative. The organisers would then be able to decide whether to amend their request for registration to reflect the Commission’s assessment, maintain the initial ECI or withdraw it, notifying the Commission of their decision within two months.

The final decision on registering the ECI would not be made until the Commission received the organisers’ reply.

Following this presentation, the Commission approved the Decision in C(2021) 4155 and decided to notify it to the addressees.

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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 14.38.