EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2022) 2427 final

- English translation of the French version which is authentic -

Brussels, 7 September 2022

TEXTE EN

<u>MINUTES</u>

of the 2427th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 20 July 2022

(morning)

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Single sitting: Wednesday 20 July 2022 (morning)

The sitting opened at 9.09 with Ms von der LEYEN, President, in the chair.

Present:

Ms von der LEYEN	President	
Mr TIMMERMANS	Executive Vice-President	
Mr DOMBROVSKIS	Executive Vice-President	Items 1 to 10/11
Mr BORRELL i FONTELLES	High Representative / Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Ms JOUROVÁ	Vice-President	
Ms ŠUICA	Vice-President	
Mr SCHINAS	Vice-President	
Ms GABRIEL	Member	
Mr SCHMIT	Member	
Mr GENTILONI	Member	
Mr WOJCIECHOWSKI	Member	
Ms FERREIRA	Member	Items 9 to 12
Ms KYRIAKIDES	Member	
Mr REYNDERS	Member	
Ms DALLI	Member	
Mr LENARČIČ	Member	
Ms VĂLEAN	Member	
Mr VÁRHELYI	Member	
Ms SIMSON	Member	Items 9 to 12
Mr SINKEVIČIUS	Member	

The following sat in by videoconference:

Mr HAHN	Member
Mr BRETON	Member

Absent:

Ms VESTAGER	Executive Vice-President
Ms JOHANSSON	Member
Ms URPILAINEN	Member
Ms McGUINNESS	Member

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

Ms SOEWARTA	Chef de cabinet to Ms VESTAGER
Ms CUPSAN-CATALIN	Deputy Chef de cabinet to Ms JOHANSSON
Mr LAHTI	Chef de cabinet to Ms URPILAINEN
Mr BRIGNOLI	Member of Ms McGUINNESS's staff

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	
Ms HILI	Adviser in the PRESIDENT's Office	Item 9
Mr VAN KEMSEKE	PRESIDENT's Office	Items 10 and 11

Ms SPINANT	Deputy Chief Spokesperson of the Commission
Mr VALERO	Secretariat-General
Ms ALLOUIS-LE LOSTEC	Head of Unit in the Secretariat-General

Secretary: Ms JUHANSONE, Secretary-General, assisted by Ms DEPREZ, Director in the Secretariat-General.

1. AGENDAS
(OJ(2022) 2427/FINAL; SEC(2022) 2427/FINAL)

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(2022) 2427)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Tuesday 19 July 2022.

3. APPROVAL OF THE MINUTES
(PV(2022) 2420; PV(2022) 2420, 2ND PART; PV(2022) 2421; PV(2022) 2422; PV(2022) 2422, 2ND PART; PV(2022) 2423; PV(2022) 2423, 2ND PART; PV(2022) 2424)

The Commission approved the minutes of its 2420th, 2421st, 2422nd, 2423rd and 2424th meetings of 1, 7, 13/17, 22 and 29 June 2022 and held over approval of the minutes of its 2425th and 2426th meetings of 5 and 13 July 2022 for a later date.

4. INTERINSTITUTIONAL RELATIONS
(RCC(2022) 153)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held by videoconference on Friday 15 July 2022 (RCC(2022) 153).

The Commission approved the lines proposed for the following points:

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

  Line set out in SI(2022) 275.

– **2030 Policy Programme 'Path to the Digital Decade' – DLABAJOVÁ report – 2021/0293 (COD)**

  Line set out in SI(2022) 286.

– **Amendment of Regulation (EU) No 1025/2012 of the European Parliament and of the Council and repeal of Council Directive 87/357/EEC and Directive 2001/95/EC of the European Parliament and of the Council on general product safety (Regulation) – CHARANZOVÁ report – 2021/0170 (COD)**

  Line set out in SI(2022) 282/3.

The Commission approved the lines proposed for the following points, for transmission to the European Parliament:

– **Commission replies to non-legislative resolutions adopted by the European Parliament at its March II 2022 part-session (second and last part)**

  Line set out in SP(2022) 452/2.

– **Commission replies to non-legislative resolutions adopted by the European Parliament at its April 2022 part-session (fourth and last part)**

  Line set out in SP(2022) 453/2.

– **Commission replies to the non-legislative resolutions adopted by the European Parliament at its May II 2022 part-session (second part)**

Line set out in SP(2022) 454/4.

– **Commission replies to non-legislative resolutions adopted by the European Parliament at its May I 2022 part-session (second and last part)**

Line set out in SP(2022) 460/3.

– **Commission replies to the legislative resolutions (and list of non-legislative resolutions without formal reply) adopted by the European Parliament at its May II 2022 part-session**

Line set out in SP(2022) 461.

The Commission approved the line proposed for the following point, for transmission to the European Economic and Social Committee:

– **Follow-up to opinions of the European Economic and Social Committee – Plenary session of February 2022**

Line set out in SC(2022) 27/2.

The Commission took note of the following points:

– **Article 241 of the Treaty on the Functioning of the European Union – Council Decision requesting the Commission to evaluate the effects and sustainability of the automatic salary update in a high inflation environment**

Information set out in SI(2022) 285.

– **Case pending before the German Constitutional Court concerning the German Act ratifying the European Union's Own Resources Decision 2020 – Attendance of a Commission representative at the hearing on 26 and 27 July 2022**

Information set out in SPI(2022) 46.

5. COORDINATION OF EXTERNAL ACTION (RCC(2022) 30)

The Commission took note of the operational conclusions in RCC(2022) 30 of the meeting of the Group for External Coordination (EXCO) held on Wednesday 13 July 2022.

6. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

INFRINGEMENTS – URGENT INDIVIDUAL CASE (C(2022) 5311; RCC(2022) 161)

The Commission adopted the decision in C(2022) 5311.

7. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

7.1. WRITTEN PROCEDURES APPROVED (SEC(2022) 287 ET SEQ.)

The Commission took note of the Secretariat-General’s memoranda recording decisions adopted between 11 and 17 July 2022.

7.2. EMPOWERMENT (SEC(2022) 288 ET SEQ.)

The Commission took note of the Secretariat-General’s memoranda recording decisions adopted between 11 and 17 July 2022.

7.3. DELEGATION/SUBDELEGATION OF POWERS (SEC(2022) 289 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedures between 11 and 17 July 2022 archived in D*e*cide.

7.4. SIGNIFICANT WRITTEN PROCEDURES (SEC(2022) 290 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 18 and 22 July 2022.

7.5. GRANTING OF A DELEGATION OF POWERS RELATING TO THE ADOPTION OF NATIONAL AND REGIONAL WORK PLANS UNDER REGULATION (EU) 2017/1004 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE ESTABLISHMENT OF A UNION FRAMEWORK FOR DATA COLLECTION IN THE FISHERIES SECTOR (C(2022) 5119)

The Commission decided to grant a delegation of powers to the Director-General of DG Maritime Affairs and Fisheries to adopt, on behalf of the Commission and under its responsibility, certain decisions subject to the conditions laid down in Articles 2 to 5 of the Decision.

The Commission adopted the decision in C(2022) 5119.

8. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2022) 291)

ADMINISTRATIVE MATTERS
(PERS(2022) 48)

8.1. DG EDUCATION, YOUTH, SPORT AND CULTURE – TRANSFER OF AN AD15 OFFICIAL UNDER ARTICLE 7 OF THE STAFF REGULATIONS

On a proposal from Mr HAHN, in agreement with the PRESIDENT, and after consulting Ms GABRIEL and Mr WOJCIECHOWSKI, the Commission decided to transfer, in the interest of the service, under Article 7 of the Staff Regulations, Mr Georg HAEUSLER, an AD 15 official and currently Director of the ‘Resources’ Directorate in DG Agriculture and Rural Development, to the post of Director of the ‘Culture, Creativity and Sport’ Directorate in DG Education, Youth, Sport and Culture.

This decision would take effect on 1 October 2022.

8.2. JOINT RESEARCH CENTRE – TRANSFER OF AN AD15 OFFICIAL UNDER ARTICLE 7 OF THE STAFF REGULATIONS

On a proposal from Mr HAHN, in agreement with the PRESIDENT, and after consulting Ms GABRIEL and Ms URPILAINEN, the Commission decided to transfer, in the interest of the service, under Article 7 of the Staff Regulations, Ms Jolita BUTKEVICIENE, an AD 15 official and currently Director of the ‘Latin America and the Caribbean; Relations with overseas countries and territories’ Directorate in DG International Partnerships, to the post of Director of the ‘Competences (Brussels)’ Directorate in the Joint Research Centre.

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

8.3. DG RESEARCH AND INNOVATION – TRANSFER OF AN AD14 OFFICIAL UNDER ARTICLE 7 OF THE STAFF REGULATIONS

On a proposal from Mr HAHN, in agreement with the PRESIDENT, and after consulting Ms GABRIEL and Mr GENTILONI, the Commission decided to transfer, in the interest of the service, under Article 7 of the Staff Regulations, Ms Michaela DI BUCCI, an AD 14 official and currently Director of the 'Resources and Performance Management' Directorate in DG Economic and Financial Affairs, to the post of Director of the 'Innovative Administration' Directorate in DG Research and Innovation.

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

8.4. SECRETARIAT-GENERAL – AMENDMENT OF THE ORGANISATION CHART

On a proposal from Mr HAHN, in agreement with the PRESIDENT, the Commission decided:

- to create a temporary post of Principal Adviser, which would be abolished upon departure of the jobholder;
- to transfer to this newly created post, in the interest of the service, under Article 7 of the Staff Regulations, Mr Didier HERBERT, currently Head of the European Commission Representation in The Hague;
- applying by analogy the provisions of Article 17(3) of Commission Decision (C(2016) 3288) on middle management staff, to allow Mr Didier HERBERT to continue to be entitled to the benefit provided for in the second paragraph of Article 44 of the Staff Regulations for a period of one year.

These decisions would take effect on 1 September 2022.

8.5. *DG HUMAN RESOURCES AND SECURITY – AUTHORISATION OF THE INTERNAL AND INTERINSTITUTIONAL PUBLICATION, AT GRADE AD14/15, AND EXTERNAL PUBLICATION, AT GRADE AD14, OF THE VACANCY NOTICE FOR A DIRECTOR POST (PERS(2022) 49)*

On a proposal from Mr HAHN, in agreement with the PRESIDENT, the Commission decided to authorise the publication, under Article 29(1)(a)(i) and (iii), Article 29(1)(b) and Article 29(2) of the Staff Regulations, of the vacancy notice in PERS(2022) 49 for the post of Director of the 'Workplace and Wellbeing' Directorate in DG Human Resources and Security.

This decision would take effect immediately.

8.6. *DG HUMAN RESOURCES AND SECURITY – AUTHORISATION OF THE INTERNAL AND INTERINSTITUTIONAL PUBLICATION, AT GRADE AD14/15, AND EXTERNAL PUBLICATION, AT GRADE AD14, OF THE VACANCY NOTICE FOR A DIRECTOR POST (PERS(2022) 50)*

On a proposal from Mr HAHN, in agreement with the PRESIDENT, the Commission decided to authorise the publication, under Article 29(1)(a)(i) and (iii), Article 29(1)(b) and Article 29(2) of the Staff Regulations, of the vacancy notice in PERS(2022) 50 for the post of Director of the 'HR for Specific Sites and Services' Directorate in DG Human Resources and Security.

This decision would take effect immediately.

8.7. *SECRETARIAT-GENERAL / DG BUDGET / DG HUMAN RESOURCES AND SECURITY – OPENING OF A EUROPEAN UNION DELEGATION IN OMAN (PERS(2022) 51)*

The Commission took note of the information in point 7 of PERS(2022) 48 and, on a proposal from Mr HAHN, in agreement with the PRESIDENT, and after consulting Mr BORRELL, Mr DOMBROVSKIS, Mr LENARČIČ, Ms URPILAINEN and Mr VÁRHELYI, decided:

– to agree to the opening of a European Union Delegation in Oman, based in Muscat;

– to take note of the financial statement in PERS(2022) 51 evaluating the budgetary impact of this measure, while underlining that its implementation would have to take into account existing budget constraints;

– to note that any decision connected with the above decision to open the delegation and relating to the adoption of the new organisation chart or amendments to existing ones, and any decision to (re)deploy Commission resources, would have to be adopted in accordance with the cooperation procedures agreed by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy and with internal procedures at the Commission.

These decisions would take effect immediately.

8.8. DG INTERNATIONAL PARTNERSHIPS – DATE OF EFFECT OF THE SECONDMENT OF AN AD14 OFFICIAL IN THE INTEREST OF THE SERVICE, UNDER ARTICLES 37 AND 38 OF THE STAFF REGULATIONS

The Commission took note of the information in point 8 of PERS(2022) 48 and, on a proposal from Mr HAHN, in agreement with the PRESIDENT, and after consulting Ms URPILAINEN, decided to bring forward to 1 August 2022 the date of effect of the Commission’s decision of 7 June 2022 (PV(2022) 2421) to second in the interest of the service Ms Sandra KRAMER to the post of Head of the European Union Delegation to South Africa, at the European External Action Service, and its decision of 17 June 2022 (PV(2022) 2422) regarding the amendment of the organisation chart of DG International Partnerships.

This decision would take effect immediately.

8.9. SECRETARIAT-GENERAL – COMMISSION DECISION APPOINTING THE MEMBERS OF THE INDEPENDENT ETHICAL COMMITTEE ESTABLISHED BY COMMISSION DECISION C(2018) 700 OF 31 JANUARY 2018 ON A CODE OF CONDUCT FOR THE MEMBERS OF THE EUROPEAN COMMISSION
(C(2022) 5097; PERS(2022) 52)

The Commission adopted the decision in C(2022) 5097 appointing Mr Allan ROSAS, Ms Elisabeth MORIN CHARTIER and Mr Jerzy PLEWA as members of the Independent Ethical Committee established by Commission Decision C(2018) 700 of 31 January 2018, for a three-year term from 20 July 2022.

The Commission also took note of the reference documents in PERS(2022) 52.

8.10. SECRETARIAT-GENERAL – COMMISSION DECISION ON POST TERM-OF-OFFICE ACTIVITY OF A FORMER MEMBER OF THE COMMISSION
(C(2022) 9000)

The Commission adopted the decision in C(2022) 9000.

The Commission decided that the professional activity envisaged by Mr Jean-Claude JUNCKER after leaving office as President of the Commission was 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.

This decision would take effect immediately.

9. COMMUNICATION TO THE COMMISSION ON THE INFORMATION TO HUNGARY, PURSUANT TO ARTICLE 6(7) OF REGULATION (EU, EURATOM) 2020/2092, ABOUT THE INTENTION TO MAKE A PROPOSAL FOR AN IMPLEMENTING DECISION ON THE APPROPRIATE MEASURES TO THE COUNCIL (C(2022) 5313 AND /2; RCC(2022) 160)

At the request of the PRESIDENT, Mr HAHN presented to the College the Communication to the Commission proposing that an ad hoc empowerment be granted with a view to adopting a written notification to be sent to the Hungarian authorities in accordance with Article 6(1) of Regulation (EU, Euratom) 2020/2092 on a general regime of conditionality for the protection of the Union budget.

Mr HAHN pointed out that the ad hoc empowerment would enable the Commission to begin the next stage of the conditionality process implemented with regard to Hungary.

The Commission had sent a notification to Hungary under the general conditionality regime at the end of April. The Hungarian authorities had replied to the notification at the end of June, leaving the Commission one month to analyse the reply as provided for in the Regulation and, on the basis of that analysis, to set out the next steps in the procedure, for which precise time limits were laid down in the Regulation.

Mr HAHN stated that, in their June reply to the concerns raised by the Commission, the Hungarian authorities had contested the Commission’s assessment and provided a number of clarifications, without proposing sufficient remedial measures.

In addition to the formal reply to the notification sent by Hungary on 27 June 2022 within the time limit set by the Commission in accordance with the Regulation, the Hungarian Minister for Justice had sent additional information to supplement the reply by letters of 30 June and 5 July. Moreover, on 19 July (at 22.39), Hungary had sent a further letter concerning a '*proposal for the adoption of remedial measures under Article 6(5) of Regulation 2020/2092 ... in order to respond to the conclusions set out in the Commission's written notification of 27 April 2022 in accordance with Article 6(1) of the Regulation*'. That letter could not be taken into account at such a late stage. The Commission was therefore obliged to press ahead with the procedure in accordance with EU law. Nevertheless, the Commission was willing to examine all relevant information in the case, as part of the next stages of the procedure under the Regulation, in line with the duty of sincere cooperation with the Hungarian authorities.

Mr HAHN explained that the Commission intended to inform Hungary in writing that the proposed remedial measures were not sufficient. The Commission would ask Hungary to propose additional and more appropriate remedial measures within one month and would offer its support in devising satisfactory solutions.

The letter would also make it clear that, if the Hungarian authorities failed to put forward satisfactory remedial measures or if the measures proposed were inadequate, the Commission would be required to take steps to protect the budget. Mr HAHN added that the Commission would spell out which budget protection measures would be implemented in this case, and that it would consult Hungary on the proportionality of the measures envisaged.

In practice, this procedure under the Conditionality Regulation would inevitably overlap with the commitments made by Hungary when drawing up its national recovery and resilience plan. However, although the reform objectives were the same in both cases, they were separate exercises with different timelines, since the times limits linked to the conditionality regime were more specific and shorter.

Mr HAHN concluded by saying that the discussions with Hungary on appropriate remedial measures could start immediately, and that the Commission was willing to discuss with Hungary the adequacy of any remedial measure it might wish to put forward.

Following this presentation, the Commission decided:

- to adopt the Decision in C(2022) 5313/2;
- to empower Mr HAHN, the Member of the Commission responsible for the budget, to adopt, in agreement with the PRESIDENT, on behalf of the Commission and under its responsibility, the final text of the written notification to be sent to the Hungarian authorities in accordance with Article 6(1) of Regulation (EU, Euratom) 2020/2092 on a general regime of conditionality for the protection of the Union budget, in accordance with paragraphs 7 to 24 of the Communication;
- to instruct Mr HAHN to inform the European Parliament and the Council of the notification and its content without delay.

10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – SAVE GAS FOR A SAFE WINTER (COM(2022) 360 TO /3; RCC(2022) 156)

11. PROPOSAL FOR A COUNCIL REGULATION ON COORDINATED DEMAND REDUCTION MEASURES FOR GAS (COM(2022) 361 TO /3)

The PRESIDENT introduced the package of measures proposed that day for adoption, noting that it was the result of the debate on the challenges related to the

EU's energy supply that the College had held at its seminar on 11 July 2022.

She recalled some key figures: before Russia's invasion of Ukraine, natural gas accounted for almost 25% of the EU energy mix, of which 40% came from Russian deliveries. Russian supplies currently accounted for only 20% of the EU's gas supply, as Russia was weaponising its deliveries in its war of aggression against Ukraine. Europe needed to prepare itself without delay for further disruptions, or even a complete halt in Russian gas deliveries; 12 Member States were already suffering from a total or partial interruption of their supply.

She stressed the need to act on both the supply and demand sides of energy in order to anticipate a possible disruption of Russian gas supplies during the winter. As regards the supply side, she highlighted the initiatives that the Commission had already taken, in particular with the European Green Deal, the REPowerEU plan and the recent agreements concluded with many international partners aimed at the delivery of alternative quantities of gas.

However, in the event of a complete disruption of Russian gas supplies, these efforts would not be sufficient and a gradual reduction in overall demand for gas in the EU would be necessary, of the order of 15%, in order to guarantee security of supply, with the participation of all Member States and in a spirit of solidarity.

She then invited Mr TIMMERMANS, Ms SIMSON and Mr BRETON to present the details of the package proposed that day.

Mr TIMMERMANS referred to the unprecedented situation the EU was facing in terms of energy security. In this regard, he considered that this was a political strategy of the Russian President aimed at weakening and dividing the EU. The EU must therefore provide a political and determined response at European level and prepare for the possibility of a complete disruption of Russian gas supplies. This was why the EU needed to save its gas reserves during the summer in order to be able to heat homes and keep industry functioning during the winter.

Otherwise the EU would risk supply disruptions that would not only affect the countries where they were currently taking place but would affect each of the Member States, with serious consequences for the European economy as a whole. A political choice had to be made that day between an immediate triggering of solidarity between Member States and waiting for an emergency that would force them to show solidarity in much more complex circumstances. He also considered that the EU could guard against the risk of recession if it applied preventive reductions at the current stage.

The situation was sufficiently urgent to invoke Article 122 of the Treaty, which specifically provided for a spirit of solidarity between Member States to be called on in the event of difficulties in the supply of energy. He considered that the Commission should therefore invite the Member States to implement immediate voluntary reductions in gas consumption, while providing for the possibility of introducing, in agreement with the Council, a compulsory reduction in demand if the situation worsened. A uniform demand reduction target had been chosen for all Member States because it was the simplest, quickest, fairest and most transparent path. Each Member State would therefore have to take measures concerning its own consumption by collaborating with the industry to this end. He stressed that households and other consumers would continue to be protected, but that they would also have to contribute to reducing overall gas consumption.

In the meantime, it was necessary to continue to diversify the EU's energy supplies. The European Energy Platform could support joint procurement and coordinate gas distribution across the EU and the deployment of renewable energy should continue to accelerate. He referred to a recent study by the International Monetary Fund (IMF), according to which the cost of the transition to renewable energy was currently lower than that of the continued use of fossil fuels.

Finally, Mr TIMMERMANS believed that if the EU was successful in implementing all of these efforts, Russia's attempt to target some Member States in order to weaken Europe as a whole would be doomed to failure. He concluded that a strong EU response was the only way forward and that unilateral measures taken in an uncoordinated manner could create serious distortions of the internal market, would be ineffective and could jeopardise the energy security of the EU as a whole. He therefore stressed the importance of Member States moving forward by showing solidarity and prioritising collective action.

Ms SIMSON focused her presentation on the practical consequences for Member States of the proposals made by the Commission. She considered that, if the EU was confronted with a winter scenario of average temperatures, in the absence of Russian gas, there would be a shortfall of around 45 billion cubic metres of gas, which was equivalent to 15% of its consumption from October to March. She pointed out that it would also be difficult, at the end of the winter of 2022/2023, to be able to rebuild sufficient gas reserves for the following winter, which was why the EU had to do its utmost to anticipate and prevent a shortage of gas.

The Commission had to send a clear warning to the Member States that the EU could find itself in a very difficult situation, and therefore had to have the necessary tools at its disposal to deal with the coming crisis. The Commission therefore needed to push for more robust and coordinated action at EU level from then on, as it would be too late and too complicated to design a strategy to reduce gas demand once supplies were cut off. She therefore proposed a European gas reduction plan based on three key messages: substitution, savings and solidarity.

With regard to substitution, Ms SIMSON explained that Member States should accelerate measures to replace gas with green energy or other alternative fuels whenever possible. These measures could yield substantial results, but would not cover the entire energy shortfall, meaning that action on the demand side, i.e. savings, would also be necessary. Such action could be very effective and could be implemented within a short period of time. Overall, high prices and the measures taken by public authorities had already reduced gas consumption by around 5%, but this was only part of the effort needed in the event of Russian gas supplies being cut off.

In this context, on the one hand a stronger policy signal was required to push Member States to take action before the winter, but on the other hand the EU did not have an appropriate framework under the current Security of Supply Regulation to handle such an unprecedented situation. For this reason, the proposal was to use a Regulation based on Article 122 of the Treaty to establish a demand-reduction plan through a two-stage approach.

As a first step, the Commission would ask the Member States to introduce, on a voluntary basis, measures to reduce gas demand by 15% compared with their own five-year historical average gas demand from 2016 to 2021. This reduction should be applied for eight months, from 1 August to the end of the heating season on 31 March.

Since voluntary action could prove to be uneven or insufficient, the Commission was also preparing an appropriate framework for the second stage, in which it could declare an EU alert at any time should there be a clear risk of disruption or imbalance that could lead to disruption of gas market supply. Were the Commission to trigger an EU alert, the Member States would be obliged to implement a binding target of a 15% reduction in demand. This reduction would bring the EU to the end of the heating season with a sufficient margin of gas reserves, enabling it to return to an adequate level of storage in October 2023.

Ms SIMSON noted that, in the spirit of solidarity, each Member State had to contribute to the joint effort by making the same reduction of 15%; this was an achievable target requiring mainly market-based action. The Member States could choose the measures they considered most effective, as they were best placed to select the options most relevant to their national economies.

To provide guidance for the Member States and ensure a consistent approach, the Commission was also presenting an action plan containing recommendations on best practices for fuel switching and priority criteria for reducing demand in the industrial sector. To ensure effective implementation of these reductions, the

Commission would also set up a system of close monitoring and peer pressure between Member States.

A shutdown of Russian gas supplies would be an EU-wide problem, and no one would be immune from the effects of the economic crisis and industrial disruption that came with a gas crisis. European economies and industrial supply chains were deeply integrated in the single market, and no Member State, even those with the most diversification, could rule out supply disruption. It was therefore up to all Member States to show solidarity and take action together. Some Member States had expressed a preference for a broader plan with more solidarity through EU financial support or joint purchases of gas and hydrogen. However, the introduction of financial solidarity mechanisms would take time and require a favourable political context.

Ms SIMSON noted that even if gas supply was not the main subject of the measures proposed that day, which were broadly focused on the demand side, it was nevertheless the necessary complement to these measures. In this respect, the EU Energy Platform was beginning to deliver results, in particular the agreement that had just been signed with Azerbaijan and the ongoing discussions with Algeria. However, it would not be possible to rely on this work to replace all Russian gas, as there was insufficient supply available on the world market and Europe did not have adequate terminal capacity to receive the quantities required by the end of the year.

Ms SIMSON acknowledged that asking for a reduction in demand was never an easy message to deliver, but by following this path the EU could reasonably expect to get through the winter and maintain supply to all households, essential services and protected customers. In the absence of certainty as to weather conditions and developments in the supply of liquefied natural gas (LNG), she considered it wise for the Commission to send a bold message now rather than be timid and regret it later.

In conclusion, Ms SIMSON felt that this winter would be a test for the EU, and that it was up to the Commission to show the Member States the way and to demonstrate resolve.

Mr BRETON pointed out that the current situation was characterised by a hybrid threat from Russia, using as its weapons gas, inflation at nearly 10%, falling growth forecasts and, more generally, a high degree of concern about the geopolitical and climate context. On this basis, he thought that it was now more than ever necessary to maintain European solidarity and unity so that no one was left behind, whether households, employees or businesses. To prepare for a winter without Russian gas, the EU had to focus its approach on the proposed triad of substitution, solidarity and energy savings.

With regard to substitution, Mr BRETON considered it essential to make every effort now to find alternatives to Russian gas for electricity production, heating and industry. In this respect, he welcomed the new diversification partnerships negotiated by the PRESIDENT, while noting that substitution implied not only changing from one source of gas to another, but also speeding up the transition from gas to other energy sources. In his view, this transition had to involve green energy wherever possible, but should also include other energy sources where necessary. He therefore encouraged the Member States to consider all possible options, including extending the lifespan of nuclear power stations and temporarily increasing the use of coal, to break away from Russian gas.

On solidarity, Mr BRETON explained that in order for it to work, each Member State had to live up to its responsibilities. The Member States seeking to benefit from EU solidarity would first have to show that they had implemented at national level all the measures required to reduce demand for Russian gas. Indeed, this was the subject of the governance mechanisms included in the proposal for a Regulation presented that day.

Finally, concerning savings, there was an urgent need to provide clear guidelines for the worst-case scenarios. This was a *sine qua non* condition to ensure the continuity of European value chains and the provision of essential goods and services, and to maintain production capacity. In this context, he intended to make every effort to find workable alternatives in the EU in order to avoid plants being closed, ensure the integrity of the internal market, and protect jobs and preserve the standard of living for Europeans. Finally, he assured the meeting that since the start of the war he had been in constant contact with industry and national governments, and would continue to be on the ground as much as necessary to take stock of the situation in each Member State.

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

– the need for a solidarity-based and effective response to deal with a difficult and unprecedented situation;

– the importance of the Commission mobilising all of its policies and of it working collectively to draw up guidelines for its departments in order to strengthen coordination and anticipate events as effectively as possible;

– the limited options for ensuring that any gas not used as a result of the EU's joint efforts could be stored in order to shore up its reserves;

– a reminder of the fact that some Member States had already cut their gas consumption or changed their energy mix since the start of the war in Ukraine;

– the risk, therefore, that proposing a single demand-reduction figure of 15% for all could lead to difficult discussions in the Council, since the situation was sometimes considerably different from one Member State to another, hence the need for flexibility margins;

– the desire for the Commission to be more ambitious on the gas supply side too, for example by assessing the options for making the Energy Platform a more robust and binding instrument, setting out plans for joint procurement, introducing a potential cap on gas prices or considering a mandatory price reduction in the event of a more serious emergency situation;

– the need to take into account the varying levels of fiscal space in the Member States, particularly in terms of their ability to support households and businesses at this difficult juncture;

– the varying situations in the Member States with regard to their levels of gas consumption and the degree of diversification of their sources of supply;

– the political courage shown by the Commission in putting forward this solidarity-based proposal which the Member States now needed to take ownership of for themselves;

– the relevance of Article 122(1) of the Treaty as the legal basis for the proposal for a Regulation, which set out clearly the respective roles that the Commission and the Council should have in this situation;

– the crucial importance of preserving the unity of the EU, and a reminder of the fact that the EU was being watched closely and that any potential divisions would be exploited;

– the high economic costs, according to some, of cutting gas consumption, especially in a year when Europe was being affected by drought, leading to shortages of hydroelectric energy;

– the much higher costs, according to others, of the EU failing to stand together at a time when gas was being used as a political weapon against the EU;

– the need to mitigate, again in a spirit of solidarity, the economic and social impact of these measures in order to prevent a major recession;

– an observation to the effect that, while the choice of national energy mix remained a national competence, the Commission needed to encourage collective efforts to find solutions;

– the political advisability of the Commission and the Council examining the overall situation in the longer term in order to promote a common approach to energy policy looking beyond the current situation;

– the important role of innovation and of innovative alternative energy sources as a means of mitigating the impact of a reduction in consumption.

The Director-General of the Legal Service confirmed that the proposal for a Regulation was fully justified by the conditions set out in Article 122(1) of the Treaty on the Functioning of the European Union and that it was the Council's role to approve the proposal by means of a qualified majority vote.

In response to some of the comments made during the discussion, Mr BRETON acknowledged that the Member States would certainly face difficult decisions when it came to reducing demand. In the event of shortages, any decisions with regard to potential rationing would need to be taken in consultation with each sector in order to identify the concrete measures that would allow their needs to be met.

For her part, Ms SIMSON stressed that the measures in this instance were preventive, the aim being to avoid an emergency situation and ensure that enough gas was in storage to get through the winter. The Regulation on the security of gas supply already set out specific measures to be taken if gas reserves fell too low. However, the Commission was not announcing an alert level that day.

Moreover, the REPowerEU plan had already addressed the diversification side of energy supply and the EU's work with alternative gas suppliers was ongoing. She suggested that everyone, including the best protected consumers, should contribute to this joint effort, for example by avoiding using electricity at peak times of the day.

Lastly, Mr TIMMERMANS set out the many challenges to be addressed with regard to energy. The energy market had three components: supply, demand and how supplies reached areas of demand. In his view, any change in one of these components had an impact on the others, especially, for example, when certain supplies were no longer available and it became necessary to look at demand and make collective savings.

He also pointed out that, in his conversations with the Member States, nobody had referred to any special circumstances. However, if special circumstances did exist and the Member States could not deal with them individually, the circumstances would be addressed with the requisite flexibility.

In conclusion, the PRESIDENT said that that day's proposal was based on the College's discussions during its seminar, a wide-ranging public debate and the various scenarios modelled by the IMF. She stressed the importance of taking action on gas supply and said that the EU had recently increased its non-Russian gas imports by 75%. However, she explained that these efforts would not suffice and that only a 15% reduction in the overall demand for gas by April 2023 would guarantee sufficient supplies for the coming winter and the one after that.

Following these presentations, the Commission:

- approved the Communication in COM(2022) 360/3 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and, for information, to the national parliaments;

- adopted the proposal for a Council Regulation in COM(2022) 361/3 for transmission to Council, and, for information, to the European Parliament, the European Economic and Social Committee, the Committee of the Regions and the national parliaments.

12. OTHER BUSINESS

12.1. LATEST DEVELOPMENTS IN EXTERNAL RELATIONS

The PRESIDENT asked Mr BORRELL to brief the College on the latest developments in external relations.

Mr BORRELL began by reporting on recent developments in the war in Ukraine, which was continuing relentlessly and causing many casualties, with Russia continuing its ruthless military offensive.

In this context, the EU had to step up its efforts to set the record straight with partner countries regarding responsibilities in the war in Ukraine and the global food crisis it had triggered.

He noted that, at the Foreign Affairs Council on 18 July, the Member States had agreed to reach out more to international partners, adding that EU delegations in third countries would have to play a key role in this exercise.

Mr BORRELL then mentioned the other main points that had been discussed at the last Foreign Affairs Council, referring first of all to the positive developments concerning the preparations for the Association Council with Israel, with which the EU had agreed to work on a joint agreement before setting a date.

He also mentioned the importance of cooperating more with Latin American countries and of working to conclude trade agreements with Mexico, Chile and, above all, the Mercosur countries. In this respect, he pointed out that China was currently the main trading partner for all Latin American countries.

Finally, Mr BORRELL briefly referred to the approval by the Foreign Affairs Council of conclusions on digital diplomacy, as well as to the deterioration of the situation in Sri Lanka which, in his view, was a clear example of the many challenges that developing countries were currently facing.

In response to Mr BORRELL's comment on the need to reach out to partner countries in order to better explain the origin of the war in Ukraine and the resulting global food crisis, Mr REYNDERS briefly mentioned that he had visited The Hague for the Conference on accountability for war crimes committed in Ukraine, where more than 40 countries were represented and which, in his view, was therefore an appropriate forum to refute the Russian narrative on the origin and, above all, the effects of the war.

In this context, Mr WOJCIECHOWSKI briefed the College on the latest efforts to strengthen food security. He pointed out in particular that Russia was actively working to destroy agricultural goods and plots of land in Ukraine, which not only had a negative impact on Ukrainian food exports to third countries, but could also lead to famine in Ukraine. It was therefore essential to extend the derogations from the agricultural policy, allowing farmers to produce the same crop and to include non-productive areas for a period of one year.

Mr VÁRHELYI briefly noted that, in terms of significant developments in external relations, the first intergovernmental conferences had taken place the previous day with Albania and North Macedonia to launch accession negotiations.

The Commission took note of this information.

12.2. FOREST FIRES IN EUROPE

The PRESIDENT asked Mr LENARČIČ to give an overview of the situation regarding forest fires in Europe, particularly in France, Greece, Spain and Portugal.

Mr LENARČIČ pointed out that this year had been worse than the previous year, which itself was the worst ever recorded in terms of forest fires.

He added that the EU had so far received five requests for assistance, four of which came in the space of a week, and said that, despite the difficulties, it had been able to respond to all calls for help.

He pointed out that little or no assistance would be possible without the *RescEU* programme, and in this context called for it to be maintained and strengthened.

An agreement had been reached with the company holding the patent so that ‘Canadair’ aircrafts – the most suitable model for fighting fires in Europe – would be produced in larger quantities to meet the needs of the Member States.

During the brief discussion that followed, Ms FERREIRA noted that, in the most recent negotiations on the multiannual financial framework, the European Union Solidarity Fund, set up to deal with major natural disasters in Europe, had been merged with the Emergency Aid Reserve, which was designed to finance humanitarian operations in third countries. The common budget now had to be shared between the two priorities after having been reduced.

She pointed out that it was currently very difficult to decide where to mobilise the funds available in the event of an emergency, and that she expected these funds to be reduced further for the reimbursement of related damage.

In conclusion, the PRESIDENT referred to the constraints linked to the EU budget, while acknowledging the ongoing climate crisis and the need to be able to deal with it and combat its effects. In this context she stressed that the EU’s carbon dioxide emissions had never been as high as they were in the current year, and added that the European Green Deal would undoubtedly help the EU to address the challenges resulting from climate change.

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 11.49.