EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2023) 2459 final

- English translation of the French version which is authentic -

Brussels, 5 July 2023

TEXTE EN

MINUTES

of the 2459th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 7 June 2023

(morning)

PV(2023) 2459 final

- English translation of the French version which is authentic -

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Single sitting: Wednesday 7 June 2023 (morning)

The sitting opened at 9.08 with Ms von der LEYEN, President, in the chair.

Present:

Ms von der LEYEN	President	
Mr TIMMERMANS	Executive Vice-President	
Ms VESTAGER	Executive Vice-President	
Mr DOMBROVSKIS	Executive Vice-President	
Mr BORRELL i FONTELLES	High Representative / Vice-President	Items 9 (in part) to 13
Mr ŠEFČOVIČ	Vice-President	
Ms JOUROVÁ	Vice-President	
Ms ŠUICA	Vice-President	
Mr SCHINAS	Vice-President	Items 1 to 12 (in part)
Mr HAHN	Member	
Mr SCHMIT	Member	Items 1 to 10 (in part)
Mr GENTILONI	Member	
Mr WOJCIECHOWSKI	Member	Items 1 to 10 (in part)
Mr BRETON	Member	
Ms FERREIRA	Member	
Ms KYRIAKIDES	Member	Items 1 to 12 (in part)
Mr REYNDERS	Member	
Ms DALLI	Member	
Ms JOHANSSON	Member	
Mr LENARČIČ	Member	
Ms VĂLEAN	Member	Items 9 (in part) to 13
Mr VÁRHELYI	Member	Items 9 (in part) to 13
Ms URPILAINEN	Member	

Mr SINKEVIČIUS	Member	
Ms McGUINNESS	Member	Items 1 to 10 (in part)

Absent:

Ms SIMSON	Member

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

Mr BRIENS	Deputy Head of Cabinet to Mr BORRELL	Items 1 to 9 (in part)
Mr KADARIK	Deputy Head of Cabinet to Ms SIMSON	
Ms REILLY	Head of Cabinet to Ms McGUINNESS	Items 10 (in part) to 13

The following also sat in:

Mr SEIBERT	Head of Cabinet to the PRESIDENT	
Mr CALLEJA CRESPO	Director-General, Legal Service	
Ms AHRENKILDE HANSEN	Director-General, DG Communication	
Ms SPINANT	Deputy Chief Spokesperson of the Commission	
Mr LEARDINI	Deputy Secretary-General	
Ms PETKOVA	Director of Coordination and Administration in the PRESIDENT's cabinet	
Mr MOUSNIER	Head of Unit in the Secretariat-General	Item 9
Ms ALLOUIS-LE LOSTEC	Head of Unit in the Secretariat-General	
Ms BUKA	Secretariat-General	
Mr CHARLES	Secretariat-General	Items 1 to 9 (in part)

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

1. AGENDAS
(OJ(2023) 2459/FINAL; SEC(2023) 2459/FINAL)

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

2. WEEKLY MEETING OF HEADS OF CABINET
(RCC(2023) 2459)

The Commission considered the Secretary-General's report on the weekly meeting of Heads of Cabinet held on Monday 5 and Tuesday 6 June 2023.

3. APPROVAL OF THE MINUTES
(PV(2023) 2454; PV(2023) 2454, 2ND PART; PV(2023) 2455; PV(2023) 2455, 2ND PART)

The Commission approved the minutes of its 2454th and 2455th meetings of 26 April and 3 May 2023, and held over approval of the minutes of its 2456th, 2457th and 2458th meetings of 17, 24 and 31 May 2023 for a later date.

4. INTERINSTITUTIONAL RELATIONS
(RCC(2023) 118)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held by videoconference on Friday 2 June 2023 (RCC(2023) 118).

The Commission approved the lines proposed for the following points:

– **Amendment of Directive 2011/83/EU concerning financial services contracts concluded at a distance and repeal of Directive 2002/65/EC (Directive) – KOKALARI report – 2022/0147 (COD)**

Line set out in SI(2023) 172.

– **Establishment of a framework of measures for strengthening Europe's semiconductor ecosystem (Chips Act) (Regulation) – NICA report – 2022/0032 (COD)**

Line set out in SI(2023) 185.

– **Amendment of Directives 2011/61/EU and 2009/65/EC as regards delegation arrangements, liquidity risk management, supervisory reporting, provision of depositary and custody services and loan origination by alternative investment funds (Directive) – BENJUMEA BENJUMEA report – 2021/0376 (COD)**

Line set out in SI(2023) 191/2.

– **Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amendment of Regulations (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 (Regulation) – RADEV report – 2021/0240 (COD)**

Line set out in SI(2023) 192.

– **Amendment of Regulations (EC) Nº 767/2008, (EC) Nº 810/2009 and (EU) 2017/2226 of the European Parliament and of the Council, Council Regulations (EC) Nº 1683/95, (EC) Nº 333/2002, (EC) Nº 693/2003 and (EC) Nº 694/2003 and Convention implementing the Schengen Agreement, as regards the digitalisation of the visa procedure (Regulation) – NEMEC report – 2022/0132 (COD)**

Line set out in SI(2023) 193.

– **Amendment of Directive (EU) 2019/1153 of the European Parliament and of the Council, as regards access of competent authorities to centralised bank account registries through the single access point (Directive) – RADEV report – 2021/0244 (COD)**

Line set out in SI(2023) 194.

– **Amendment of Directive 2010/40/EU on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport (Directive) – PLUMB report – 2021/0419 (COD)**

Line set out in SI(2023) 203.

– **Common procedure for international protection in the Union and repeal of Directive 2013/32/EU (Regulation) – KELLER report – 2016/0224 (COD)**

Line set out in SI(2023) 196.

– **EU Action Plan for the Western Mediterranean and Atlantic routes**

Line set out in SI(2023) 200/2.

– **Toolbox to address the use of commercial transport for irregular migration to the EU**

Line set out in SI(2023) 201/3.

– **Oral question O-000023/2023 – Extension of the mandate of the European Public Prosecutor's Office with regard to the criminal offence of violation of Union restrictive measures**

Line set out in SP(2023) 296.

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 2023**

  Information set out in SC(2023) 20/2.

The Commission took note of the following points:

– **Harmonised rules on artificial intelligence (Artificial Intelligence Act) and amendment of certain Union legislative acts (Regulation) – BENIFEI & TUDORACHE report – 2021/0106 (COD)**

  Information set out in SP(2023) 294/2.

– **E-evidence in criminal matters:**

  - **Harmonised rules on the appointment of legal representatives for the purpose of gathering evidence in criminal proceedings (Directive) – SIPPEL report – 2018/0107 (COD)**

  - **European production and preservation orders for electronic evidence in criminal matters (Regulation) – SIPPEL report – 2018/0108 (COD)**

  Compromise text in SP(2023) 290 and SP(2023) 291, further to note SI(2022) 493 already approved by the Commission on 21 December 2023 by written procedure.

– **European Union Drugs Agency (Regulation) – SANTOS report – 2022/0009 (COD)**

  Compromise text in SP(2023) 292, further to note SI(2023) 93 already approved by the Commission on 5 April 2023 by written procedure.

– **Batteries and waste batteries, repeal of Directive 2006/66/EC and amendment of Regulation (EU) Nº 2019/1020 (Regulation) – VARIATI report – 2020/0353 (COD)**

Compromise text in SP(2023) 293, further to note SI(2022) 519, which the Commission had already approved on 21 December 2022 by written procedure, and to note SI(2023) 1, which the Commission had already approved on 17 January 2023.

– **Establishment of a Single Market emergency instrument and repeal of Council Regulation Nº (EC) 2679/98 (Regulation) – SCHWAB report – 2022/0278 (COD)**

Information set out in SI(2023) 179.

– **Reporting of environmental data from industrial installations and establishment of an Industrial Emissions Portal (Regulation) – KANEV report – 2022/0105 (COD)**

Information set out in SI(2023) 198.

– **Asylum and migration management and amendment of Council Directive (EC) 2003/109 and the proposed Regulation (EU) XXX/XXX [Asylum and Migration Fund] (Regulation) – TOBE report – 2020/0279 (COD)**

Information set out in SI(2023) 197.

5. COORDINATION OF EXTERNAL ACTION (RCC(2023) 23)

The Commission took note of the operational conclusions in RCC(2023) 23 of the meeting of the Group for External Coordination (EXCO) held on Wednesday 31 May 2023.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED (SEC(2023) 191 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 30 May and 4 June 2023.

6.2. EMPOWERMENT (SEC(2023) 192 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 30 May and 4 June 2023.

6.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2023) 193 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedures between 30 May and 4 June 2023 archived in D*e*cide.

6.4. SIGNIFICANT WRITTEN PROCEDURES (SEC(2023) 194 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 5 and 9 June 2023, and of the finalisation written procedures.

7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2023) 195/2)

ADMINISTRATIVE MATTERS
(PERS(2023) 54/2)

7.1. SECRETARIAT-GENERAL – APPOINTMENT OF A DIRECTOR AT GRADE AD14/15 (PERS(2023) 31 TO /4)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the ‘Recovery and Resilience I’ Directorate (SG.RECOVER.A) in the Recovery and Resilience Task Force in the Secretariat-General (PERS(2023) 31 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 15 and 25 May 2023 (PERS(2023) 31/3 and /4).

The Commission proceeded to compare the applicants’ qualifications for the post. On a proposal from Mr HAHN, in agreement with the PRESIDENT, it then decided to appoint Ms Marie DONNAY to the post.

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

7.2. SECRETARIAT-GENERAL – APPOINTMENT OF A DIRECTOR AT GRADE AD14/15 (PERS(2023) 31 TO /4)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the ‘Recovery and Resilience III’ Directorate (SG.RECOVER.C) in the Recovery and Resilience Task Force in the Secretariat-General (PERS(2023) 31 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 15 and 25 May 2023 (PERS(2023) 31/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr HAHN, in agreement with the PRESIDENT, it then decided to appoint Mr Johannes LUEBKING to the post.

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

7.3. DG ECONOMIC AND FINANCIAL AFFAIRS – APPOINTMENT OF A DIRECTOR AT GRADE AD14/15 (PERS(2023) 56 TO /3)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the 'Economies of the Member States I' (ECFIN.E) Directorate in DG Economic and Financial Affairs (PERS(2023) 56).

It took note of the opinions of the Consultative Committee on Appointments of 27 February and 30 March 2023 (PERS(2023) 56/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr HAHN, in agreement with the PRESIDENT, and after consulting Mr GENTILONI, it then decided to appoint Mr Jacob Wegener FRIIS to the post.

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

7.4. DG EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION – ADOPTION OF A LIST OF CANDIDATES FOR THE POST OF EXECUTIVE DIRECTOR OF THE EUROPEAN AGENCY FOR SAFETY AND HEALTH AT WORK, IN BILBAO (EU-OSHA), AT GRADE AD14 (PERS(2023) 57 TO /3)

On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Mr SCHMIT, the Commission decided:

– to approve the list of four candidates, presented in alphabetical order, set out in point 4 of PERS(2023) 54/2, for the post of Executive Director of the European Agency for Safety and Health at Work, in Bilbao, and to consider this list as the Commission proposal;

– to ask Mr SCHMIT, the Member of the Commission responsible, to communicate this decision to the Management Board of the European Agency for Safety and Health at Work.

These decisions would take effect immediately.

7.5. DG DEFENCE INDUSTRY AND SPACE – AMENDMENT OF THE ORGANISATION CHART (SEC(2023) 235)

On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Mr BRETON, the Commission decided:

– to create a new 'Resources and General Affairs' Directorate (DEFIS.R), reporting directly to the Director-General and consisting of three units;

– to change the name of the current 'Innovation and Outreach' Directorate (DEFIS.B) to 'Secure and Connected Space';

– to change the name of the current 'Space' Directorate (DEFIS.C) to 'Satellite Navigation and Earth Observation';

– to approve the new organisation chart set out in SEC(2023) 235.

Following the restructuring, the total number of directorates and units in DG Defence Industry and Space would increase from 3 to 4, and from 12 to 13 respectively.

These decisions would take effect on 1 July 2023.

7.6. DG COMMUNICATION – APPOINTMENT OF A HEAD OF A EUROPEAN COMMISSION REPRESENTATION

The Commission took note of the decision taken by the Appointing Authority to appoint Ms Klasja VAN DE RIDDER to the post of Head of the European Commission's Representation in The Hague in the Netherlands.

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

8. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

INFRINGEMENTS - URGENT INDIVIDUAL CASE
(SEC(2023) 44)

INFR(2023) 2088 – Poland – Violation of EU law, including the principle of democracy and the Charter of Fundamental Rights, by the Polish law on the State Committee for Russian influence
Decision: letter of formal notice under Article 258 of the Treaty on the Functioning of the European Union

The Commission agreed, on a proposal from the PRESIDENT, that the decision currently set out in SEC(2023) 44 would be formally approved by finalisation written procedure, the deadline for which was set at 10.00 on Thursday 8 June 2023 (PE/2023/3825).

9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON A

COMPREHENSIVE APPROACH TO MENTAL HEALTH (COM(2023) 298 TO /3; RCC(2023) 121)

The PRESIDENT began by noting that, prior to the COVID-19 pandemic, mental health problems already affected one in six people in the EU. However, the pressure on mental health had been exacerbated by the pandemic, Russia's war of aggression against Ukraine and the various crises that European society had recently had to face. She therefore thanked the Members of the College for shining a light on these crucial issues and proposing concrete measures relating to prevention and access to treatment.

Mr SCHINAS pointed out that mental health had been mentioned in the PRESIDENT's State of the Union address in 2022. He welcomed the collective work done in the Commission since that time to address mental health issues, which he considered to be part of a 'silent pandemic' in Europe, impacting both society and the economy. The Communication being presented that day went beyond diagnostics by highlighting the best practices that the EU could promote in the field of mental health, thereby adding to the European Health Union.

He emphasised the importance of destigmatising people with mental health problems and guaranteeing that they had access to healthcare and treatment, stressing that this was a truly cross-cutting issue that affected all sectors. A central register of health services in the Member States would also be created at EU level. Lastly, he was glad that the EU had made EUR 1.2 billion available to finance the work to be carried out.

In conclusion, Mr SCHINAS acknowledged that, while there was no miracle solution to address the many different mental health issues, the measures proposed that day marked the beginning of cross-cutting EU efforts to improve the prevention and treatment of mental health conditions.

Ms KYRIAKIDES said that mental health issues needed to be an integral part of the European Health Union so that all EU citizens could access preventive care, treatment and help with re-entering society and the labour market. She highlighted the impact of the pandemic on mental health, as well as the undeniable increase in anxiety triggered by the series of crises that the EU had faced.

She then turned to the 20 flagship initiatives identified, giving the examples of initiatives to address depression and suicide, particularly among younger people, cross-border exchange programmes for professionals, as well as initiatives focusing on the most vulnerable members of society and the psycho-social dimension of mental health issues. Moreover, she considered that a careful assessment was needed of the Member States' healthcare systems in order to make them more resilient and to provide comprehensive care for patients, particularly by simplifying access to healthcare.

Ms KYRIAKIDES concluded her presentation by welcoming the fact that EUR 1.2 billion in funding had been earmarked for the proposed initiatives. Nobody was immune to mental health problems and all Europeans could potentially find themselves dealing with problems such as anxiety, depression or eating disorders at some point in their lives.

Mr SCHMIT highlighted the psycho-social risks associated with work, noting that absenteeism from work was on the rise and that more than half of the working days lost in the European Union were actually linked to various forms of burnout.

Mental health problems also had a social and economic dimension, since they generated costs for European businesses and the healthcare systems in the Member States. Work was ongoing with the European Agency for Safety and Health at Work (EU-OSHA) to develop guidelines for companies. Efforts also needed to focus on preventing mental illness, although it was sometimes difficult to identify the causes. On that point, he welcomed the fact that the Swedish Presidency of the EU and the Commission had recently held a conference in Stockholm on health and safety at work.

Lastly, Mr SCHMIT referred to a new aspect of mental health that was linked to new technologies. He referred in particular to the 'right to disconnect', which was being negotiated with social partners who hoped to reach an agreement before the summer, as well as to the growing influence of algorithms on the organisation and monitoring of work.

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

– the importance attached by European citizens to the topic of mental health, as had been made clear at the Conference on the Future of Europe;

– the prevalence of loneliness in Europe, particularly among older people, and, given this situation, the case for considering intergenerational housing solutions;

– the demographic challenges facing the EU and the announcement of a future Commission initiative in this area, which would propose tools to tackle those challenges;

– concerns about children and adolescents, who were often more likely to develop depression, especially since the pandemic, and the psychological trauma inflicted on Ukrainian children in the context of Russia's war in Ukraine;

– the importance of avoiding stigmatising people with mental illnesses and of supporting families, workers and schools, focusing in particular on social networks and social integration;

– the need to collect accurate data on mental illnesses affecting Europeans, especially younger people, and the importance of proper communication on the topic;

– a reminder of the fact that mental health, beyond its personal dimension, was a societal issue that needed to be addressed in the best possible way, both in terms of prevention and available treatments;

- the contribution of the EU's new Digital Services Act, which should soon make it possible to assess the mental health risks associated with digital technologies, and the need to adequately protect minors;
- the fact that the mental health of people working in public life was increasingly fragile owing to greater pressure and exposure, in particular due to new technologies;
- the need to be attentive to and especially mindful of the various signs of psychological suffering, as it was often difficult to recognise these signs for what they were.

In conclusion, the PRESIDENT noted the need to collect more mental health data, in particular on the effects of the pandemic on people across Europe and the impact on Ukrainian children of Russia's war of aggression against Ukraine. She also highlighted the need to train professionals and provide information for parents and for children themselves.

Following these presentations, the Commission approved the Communication in COM(2023) 298/3 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.

10. JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – A NEW AGENDA FOR RELATIONS BETWEEN THE EU AND LATIN AMERICA AND THE CARIBBEAN (JOIN(2023) 17 TO /3; RCC(2023) 119)

At the invitation of the PRESIDENT, Mr BORRELL presented the Joint Communication on a renewed strategic partnership between the EU and Latin America and the Caribbean (LAC), based on a set of priorities and concrete actions in key areas. He began by highlighting the favourable political climate that prevailed in several countries in the region and welcomed the upcoming July summit between the EU and the Community of Latin American and Caribbean States (CELAC), the first to be held since 2015.

The EU and the Latin American and Caribbean States together represented 14% of the world's population and 21% of global GDP. The two regions were united by historical, economic and social ties and by shared values. However, this close relationship should never be taken for granted; it should be nurtured and developed for the mutual benefit of both sides.

Building on the 'Road to 2023' roadmap presented in July 2022, the proposed partnership with the Latin American and Caribbean States comprised six pillars. It was based on political engagement and on the development of trade, quality investment projects to promote a fair green and digital transition (notably as part of the Global Gateway strategy) and sectoral alliances in key areas such as justice and security, human rights, democratic principles and peace, as well as mobility and people-to-people exchanges, especially for young people.

There was a need to establish a political partnership at all levels, between the two regions, with sub-regions and with individual Latin American and Caribbean countries. Mr BORRELL stressed the importance of the PRESIDENT's imminent visit to the region, and the ongoing efforts to update partnership and cooperation agreements with a number of countries. Lastly, he proposed a permanent coordination mechanism between the EU and CELAC, with regular summits to strengthen the close ties between them.

Mr DOMBROVSKIS then outlined the trade dimension of the proposed partnership. The EU had until recently been the region's second biggest trading partner, but was now in third position, after China. Nevertheless, a vast network of bilateral and regional agreements was in place with the EU and its Member States that covered the entire continent and had contributed to a steep rise in trade. Apart from the ongoing negotiations with the Southern Common Market (Mercosur), the only countries with which the EU had not concluded an agreement to date were Venezuela, Cuba and Bolivia.

The priority was to conclude the trade agreement negotiated with the four Mercosur countries, Argentina, Brazil, Paraguay and Uruguay, which had major economic and geopolitical potential. A second priority was the updating of the trade and development agreements with Chile and Mexico, the first two countries in the region to have established trade agreements with the EU more than 20 years ago. Mr DOMBROVSKIS reported that the negotiations with Chile had been concluded and the agreement should be signed by the end of 2023, while the negotiations with Mexico were nearing conclusion.

As for the EU's trade agreements with three Andean countries (Colombia, Peru and Ecuador) and with Central America, they had been applied provisionally for the last 10 years, pending ratification by all EU Member States. The Joint Communication before the College thus called for the rapid ratification of the various agreements, the inclusion of sustainability provisions in existing agreements and enhanced implementation of the agreements in order to realise their full potential. In this connection, Mr DOMBROVSKIS pointed out that EU technical support was available for operational implementation.

He also referred to the alignment of the two regions when it came to multilateral trade agreements, in particular in the context of the reform of the World Trade Organization (WTO). Lastly, he highlighted the concerns expressed by a number of countries in the region about the effect on their economies of the EU's environmental policies, which were sometimes perceived as a form of green protectionism. The Commission was open to discussing this issue and to seeking joint solutions with a view to applying environmental measures in the mutual interest of both sides. Mr DOMBROVSKIS concluded by stressing the importance of these countries in the EU's supply diversification strategy, particularly with regard to critical raw materials.

Ms URPILAINEN reminded the College that the current Commission's initial geopolitical priority had been to strengthen relations between the EU and the African continent, without neglecting the rest of the world. Building on their natural partnership based on historical and cultural ties, the EU and Latin America should now become partners of choice. She welcomed the recent visits to the region by several Members of the Commission and the upcoming visit by PRESIDENT.

The EU and its Member States were the top donor and investor in the region, with the Global Gateway initiative boosting a fair green and digital transition and reducing inequalities thanks to strengthened bilateral and regional partnerships. Moreover, while the development aid budget primarily targeted the poorest populations, there were numerous opportunities for cooperation with mid-income countries.

The renewed partnership would in particular provide opportunities for environmental initiatives, such as the production of green hydrogen and the protection of the Amazon, and digital initiatives such as 5G connectivity and electric buses. Ms URPILAINEN stressed the enthusiasm of the EU's partners to cooperate on these issues and the importance of mobilising all instruments, including public-private partnerships, within 'Team Europe' to achieve maximum mutual benefit.

Ms URPILAINEN pointed out that Latin America and the Caribbean shared the same values as the EU, and were important allies in tackling global challenges at multilateral level. The EU was committed to achieving the goals of the 2030 Agenda for Sustainable Development, in particular with an eye to the Sustainable Development Goals (SDGs) summit scheduled for September in New York. It was essential to drive forward the discussions on a new Global Financial Pact, including the reform of the Multilateral Development Banks, taking into account the proposals of the Bridgetown Initiative. With this in mind, she noted the agreement between European Development Ministers and stressed that a discussion with Finance Ministers would be important in view of the EU-CELAC summit in July.

The post-Cotonou agreement, the negotiation of which had been completed two years previously, should also be finalised before the summit. This was the EU's biggest partnership with the southern countries, placing the Caribbean region at the heart of the EU's multilateral partnership, alongside Africa and the Pacific. The agreement was essential for the success of the Global Gateway strategy, as the European Investment Bank would no longer have a mandate for its activities in the African, Caribbean and Pacific countries once it expired at the end of June, thus creating a legal vacuum.

Lastly, Ms URPILAINEN said that this partnership, which was primarily people-centred, would boost mobility and create new opportunities to bring citizens closer in both regions, especially young people. To this end, she welcomed the fact that the EU-CELAC summit was preceded by a civil society forum, a youth Day and a business round table. These opportunities for increased cooperation between stakeholders would pave the way for proposing recommendations for the summit and she invited the Members of the College to take part.

She concluded by mentioning another summit on a New Global Financial Pact to be held in Paris on 22 and 23 June, pointing out that it would coincide with the Ukraine Recovery Conference scheduled for 21 and 22 June in London.

Referring to the New Global Financial Pact, the PRESIDENT said that developed countries had undertaken to collectively mobilise USD 100 billion per year to support developing countries in their climate transition. She pointed out that there was a two-year delay in analysing the progress made by donor countries towards this target, which meant that the available results related to 2021. While the European Union had, with its contribution of USD 27 billion, met its financial commitments in relation to the fight against climate change in 2021, the EUR 100 billion target had not been reached.

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

- congratulations on the excellent work done and strong support for the strategy, seen as comprehensive and balanced;
- the cultural proximity of the EU to the countries of Latin America and the Caribbean, offering many opportunities for cooperation with that region;
- the positive relations developed with the administrations of Latin American and Caribbean countries in recent years, which explained why these countries were now much more inclined to cooperate with the EU and to support its positions;
- the significant regional diversity, which required an approach tailored to the specificities of each country rather than a one-size-fits-all approach;
- the rewarding visits which several Members of the College had made to the region, and the expectations created by the PRESIDENT's visit;
- the sometimes complex trade relations between Latin American and Caribbean countries and China, most often characterised by obligations that created economic dependence;
- consideration, however, of the very specific alternatives offered by countries such as China, which should induce the EU to develop a more attractive offer and make more efforts and investments in the region as part of a coordinated approach within Team Europe;
- the perception in some of these countries that various EU Member States were pursuing their own agendas that might undermine the EU's overall geopolitical approach by delaying the implementation of the Mercosur trade agreement;
- the great interest shown by most Latin American and Caribbean countries in taking part in the green transition despite the existence of economic constraints;
- the need for a frank and open dialogue on the sensitive issue of EU deforestation legislation, regarded by the EU as essential to meet its climate commitments in

line with global and regional climate change targets and the rules of the World Trade Organization;

- the international discussions brought about by the EU's Carbon Border Adjustment Mechanism, and the willingness expressed by certain third countries to establish or expand their own emissions trading market;

- acknowledgement, in the context of the Green Deal, that 85% of global lithium reserves were located in Chile, Argentina and Bolivia, with significant nickel reserves in Brazil;

- the welcome launch of an EU digital alliance with Latin America and the Caribbean, as illustrated in practice by the installation of the EllaLink optical submarine cable linking the European and South American continents, as well as the creation of common data highways to improve the use of data;

- the upcoming complex discussion on Special Drawing Rights (SDRs) to be held at the Paris summit on the New Global Financial Pact, which should garner better understanding of the vulnerability of low-income countries in terms of debt;

- the need to adapt the current financial system to the new geopolitical context in view of the willingness by G7 Finance Ministers to consider reforms.

The PRESIDENT ended by expressing the hope that the Mercosur agreement could be rapidly completed and then ratified. She also underlined how ingenuous the European Emissions Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM) were in that they were able to influence the positions of the EU's trading partners without imposing direct constraints. Polluters should bear the costs of pollution, but they had a choice between innovation or setting up their own emissions trading systems in order to generate revenue that they could then invest in their own economic and social transition. This approach would benefit not only the climate but also economic stakeholders.

Following these presentations, the Commission approved the Joint Communication in JOIN(2023) 17/3 for transmission to the European Parliament and the Council and, for information, to the national parliaments.

11. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN COURT OF JUSTICE, THE EUROPEAN CENTRAL BANK, THE EUROPEAN COURT OF AUDITORS, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS: PROPOSAL FOR AN INTERINSTITUTIONAL ETHICS BODY (COM(2023) 311 TO /3; RCC(2023) 124)

The PRESIDENT asked Ms JOUROVÁ to present the Commission's proposal to set up an interinstitutional ethics body.

Ms JOUROVÁ pointed out that the setting up of such a body was one of the tasks entrusted to her by the PRESIDENT at the beginning of the current Commission's term of office. The proposal, while subject to certain legal limitations, sought to set up a new body not provided for in the Treaties and based on an interinstitutional agreement. Ms JOUROVÁ added that, before presenting this proposal, she had held numerous consultations, in particular with the other eight institutions that made up the institutional framework provided for in Article 13 of the Treaty on European Union (TEU).

She explained that several conceptual issues had required some reflection, including: (i) the definition of the concept of ethics, (ii) the relationship between the moral integrity of the individual and the institution that that individual represented, and (iii) whether it was appropriate to establish a single set of common ethical standards for nine institutions that were very different in their functions and composition. She stated that the Commission's answer to the latter question was in the affirmative, since, despite institutional differences, the ethical aspects were universal.

In this regard, she reminded the College of the downward trend in citizens' trust in the European institutions, as revealed by the latest Eurobarometer surveys. European citizens had legitimate expectations of their politicians, in particular with regard to integrity, the fight against abuse of power, corruption and hidden privileges. The proposed body should therefore be a permanent structure for defining clear standards for exercising the highest political and institutional functions in the Union.

Ms JOUROVÁ then explained that the proposed body was not intended to replace the individual institutions' internal services responsible for disciplinary proceedings and individual sanctions, nor subsume the responsibilities of the European Anti-Fraud Office (OLAF), the European Public Prosecutor's Office (EPPO) or national prosecutors. She also pointed out that this body would establish minimum standards, but that each institution would remain free to apply stricter internal rules.

She explained that the body would work towards establishing common standards in eight key areas, namely: (i) interests and assets to be reported, (ii) ancillary or external activities of members of the institutions, (iii) acceptance of gifts, offers of accommodation and travel offered by third parties, (iv) members' acceptance of awards, decorations or honours during their term of office, (v) lobbying conditionality and transparency measures, (vi) activities and publications of former members after their term of office, (vii) monitoring of compliance, including the imposition of sanctions for infringements within each institution, and (viii) disclosure of information gathered under the previous points.

The ethics body would be composed of one representative from each EU institution or advisory body mentioned in Article 13 of the Treaty on European Union (TEU): the European Parliament, the European Council, the Council, the Commission, the Court of Justice of the European Union, the European Central Bank, the Court of

Auditors, the European Economic and Social Committee and the Committee of the Regions. Ms JOUROVÁ stated that, upon request, the European Investment Bank would also be able to participate in the Interinstitutional Agreement. Each representative, who would preferably be a Vice-President of the concerned institution, would serve on the body for a maximum of five years. The Chair of the body would be designated alternately from among the representatives of the institutions and would hold this position for one year. In addition, five independent experts would be appointed as observers for a period of three years.

With regard to the interinstitutional negotiation process, Ms JOUROVÁ informed the College that a letter would be sent by the PRESIDENT to the other institutions. A first meeting had been scheduled for early July to start work on setting up the body. Ms JOUROVÁ stressed the need for all institutions to take full ownership and, in this context, did not exclude the possibility of making changes to the proposal during interinstitutional discussions.

She also noted that the proposal provided for a period of three months after the initial agreement for setting up the body, with specific deadlines for the various steps to be taken. She expressed her optimism that a first set of ethical standards could be established before the next European Parliament elections.

Ms JOUROVÁ concluded her presentation by stressing the importance of the initiative and the usefulness of the proposed body, which would be able not only to develop high common ethical standards but also improve them over time.

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

– the College’s full support for the initiative and the importance of having a debate on ethics in the European institutions, in order to strengthen citizens’ trust in the Union;

- the sometimes significant differences between the European institutions and, consequently, the need to define common ethical standards which could be applied effectively;

- a reminder of the ethical standards already applicable in each institution, which should now be harmonised in order to strengthen their implementation and increase transparency;

- the fact that the Commission had often set an example in terms of ethical standards and that it should now promote upward harmonisation;

- the right balance found in the text between, on the one hand, the standards relating to the political accountability of the members of the institutions and, on the other hand, the independence of the European public service, whose ethical standards were regulated by the Staff Regulations;

- the clear distinction to be made between the new ethics body and existing bodies with the power to investigate and take decisions in response to criminal acts, such as the European Public Prosecutor's Office or national judicial systems.

The PRESIDENT wrapped up the discussion by thanking Ms JOUROVÁ and stressing that there were currently no common ethical standards for the members of the European institutions and that the proposal to harmonise these standards represented a major step forward.

Following this presentation, the Commission agreed, on a proposal from the PRESIDENT, that the Communication in COM(2022) 311/3 would be formally adopted by the finalisation written procedure, the deadline for which was set at 10.00 on Thursday 8 June 2023 (PE/2023/3749).

12. STATEMENT OF ESTIMATES OF THE COMMISSION FOR 2024 – PREPARATION OF THE 2024 DRAFT BUDGET (SEC(2023) 250 TO /3; RCC(2023) 123)

Mr HAHN presented to the College the draft EU budget for 2024, amounting to EUR 189.3 billion, which was intended to provide essential financing for the EU's political priorities. The preparation of this budget had started in December 2022 and was based on a wide-ranging consultation exercise involving all Commission departments. Mr HAHN added that this draft budget was in line with the current financial framework and could therefore be implemented as of 1 January, once it had been approved.

The draft budget for 2024 faced two major challenges, namely the unprecedented financing costs resulting from NextGenerationEU borrowing and the increasing costs of legal obligations under Heading 7, which concerned the operating expenditure of the European public administration. He explained that the increase in costs was mainly due to higher interest rates and accelerating inflation. More specifically, he stressed that, due to the sharp increase in interest rates, the cost of financing NextGenerationEU had almost doubled compared to the initial amount foreseen in the 2024 budget.

In order to meet these additional costs, he pointed out that the Commission had had to adopt a cautious approach towards all institutions for 2024. He added that, despite the drastic measures envisaged to limit the increase in costs, the latter remained high and forced the Commission to use almost all available budget flexibility.

Mr HAHN also noted that, while the Member States were facing the same challenges and were themselves suffering from higher interest rates, inflation and higher energy prices, they had also been able to partially reduce their debt by reflecting the increase in inflation in their respective budgetary revenues. This was not the case for the EU budget, and the Commission also capped the increase in non-wage costs at 2% in a legally binding way. This was bound to become problematic when inflation rose above this rate.

Mr HAHN noted that the increase in salaries concerned the European public administration as a whole and was indexed to the evolution of civil servants' salaries in 10 Member States, as well as to the cost of living in Brussels and Luxembourg, in accordance with a formula established in 2013. Since that year, the real wages of EU officials had increased by only 0.1%. In this context, Mr HAHN explained that the Commission was adopting a cautious approach by keeping staff numbers stable.

He pointed out that budgetary constraints posed particular challenges for the European External Action Service (EEAS), which was exposed to surging inflation in many third countries. The budgetary situation of the EEAS was expected to worsen by 2025, and it would therefore be duly considered in the upcoming revision of the EU's Multiannual Financial Framework (MFF) and in the next financial framework from 2027.

With regard to the expected level of payments in 2024, Mr HAHN explained that the apparently large margin for payments was due to the current point in the implementation cycle of long-term projects under cohesion policy, as seen in previous Multiannual Financial Frameworks. However, he pointed out that the decrease in payments was expected to be larger than in the previous period, as cohesion programmes had only been adopted in 2022; indeed, some of them had been adopted very late in the year or even at the beginning of 2023. In this regard, he stressed the importance of accelerating the implementation of the new programmes under shared management.

Finally, Mr HAHN reminded the College of the very strict timetable for the annual budget negotiations. A first trilogue was already planned in July, once the Council had delivered its opinion, and another trilogue would be held before the European Parliament announced its official position in the autumn. He added that a specific Conciliation Committee would be convened later in the autumn, with a view to reconciling the positions of the European Parliament and the Council and reaching an agreement on the budget, which would then have to be approved by both institutions. This period would run from 24 October to 13 November. In the meantime, and as was the case every year, the Commission would also present an amending letter to the draft budget at the beginning of October.

Mr HAHN concluded his presentation by stressing that a timely agreement on the 2024 budget was essential to ensure continuity in the financing of EU policies.

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

- the greater need for humanitarian aid and the need to preserve the Union's capacity to provide assistance in crisis situations both within the EU and beyond its borders;
- the specific difficulties faced by the European External Action Service (EEAS) due to its presence in 145 countries – some of which were experiencing a much higher inflation rate than that recorded in the EU – and the substantial increase in the tasks entrusted to it;
- in the context of the major challenges facing the EU budget, the advisability of considering an exemption from the 2% cap on the increase in non-wage costs;
- for some, the possible extension of the date of final payments under the Cohesion Funds in order to facilitate the implementation of the programmes.

At the end of the discussion, Mr HAHN said that some of the points raised would be examined in the context of the mid-term revision of the Multiannual Financial Framework, which was scheduled for adoption in June. He thanked the College as a whole for its support for a draft budget for 2024 prepared in a complex environment requiring difficult but necessary choices and trade-offs. However, he reiterated that the Commission's proposal still provided the resources needed to meet current challenges and finance the EU's political priorities. Finally, he stressed the considerable effort involved in preparing a budget comprising almost 40 000 budget lines.

Following this presentation, the Commission:

- adopted the statement of estimates of the Commission for 2024 as set out in document I, distributed as SEC(2023) 250/3, and documents II, III, IV and V, distributed as SEC(2023) 250/2, as a basis for drawing up the draft general budget of the European Union for the 2024 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 2024 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 2024 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.

13. OTHER BUSINESS

LATEST DEVELOPMENTS IN EXTERNAL RELATIONS

Mr BORRELL informed the College of developments following the destruction of the Nova Kakhovka hydroelectric power plant in Ukraine. He noted that Russian attacks on Ukrainian civilian infrastructure had reached an unprecedented level with the destruction of the power plant in the early hours of Tuesday 6 June. He explained that an explosion inside the engine hall had completely destroyed the dam and made it impossible to repair.

Although the specific persons responsible could not be identified at this stage, he said that the flooding would prevent any military movement downstream of the Kakhovka dam, which would significantly reduce the front line and allow the Russian army to redeploy its forces to other areas. He also noted that the dam water was quickly submerging downstream areas, which made it necessary to evacuate around 16 000 people from around 80 Ukrainian-controlled settlements, including parts of the city of Kherson.

The flooding was also causing significant environmental damage, in particular by displacing a large part of the mines placed by Russia on the riverbanks to defend itself against a Ukrainian counter-offensive. The entire flooded area would therefore be contaminated by unexploded mines, which would significantly impact humanitarian operations.

He also noted that, according to the International Atomic Energy Agency (IAEA) and the Ukrainian Nuclear Safety Regulator, there was no immediate safety risk as regards the Zaporizhzhia nuclear power plant. He explained that the cooling water reservoir of the plant was separate from that of Kakhovka and that all reactors were currently shut down, thus limiting the use of cooling water.

In response to the attack, Mr BORRELL said that he had issued a joint statement with Mr LENARČIČ, stressing that Russia’s attacks on Ukraine’s critical civilian infrastructure may constitute war crimes.

Mr LENARČIČ pointed out that the destruction of the Kakhovka hydroelectric plant had already been foreseen as Russian forces had occupied the power plant since the beginning of the conflict and had placed explosive mines there before withdrawing from it. The plant was one of the few crossing points between the two banks of the Dnipro, which explained its strategic interest. The Commission had started working with the Ukrainian authorities the previous year to assess different scenarios concerning the possible destruction of the power plant on the basis of satellite images provided by Copernicus, the European Earth Observation System. One of these scenarios was now becoming reality. As of that morning, 11 of the 28 sections of the dam had collapsed, submerging vital electricity-generating equipment.

The Commission was in close contact with the Ukrainian authorities in order to meet their needs for assistance. In the longer term, he mentioned the risk of drinking water sources being permanently contaminated by floods caused by the destruction of the dam, and the major environmental impact on the entire affected region.

Mr REYNDERS reported on his contact with the Ukrainian Prosecutor General in order to assess the extent to which the destruction of the hydroelectric power plant could be classified as ecocide and justify an investigation by the International Criminal Court (ICC).

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 11.52.