EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2025) 2525 final

- English translation of the French version which is authentic -

Strasbourg, 17 June 2025

TEXTE EN

MINUTES

of the 2525th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 14 May 2025

(morning)

PV(2025) 2525 final

- *English translation of the French version which is authentic -*

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Single sitting: Wednesday 14 May 2025 (morning)

The sitting opened at 9.01 with Ms von der LEYEN, President, in the chair.

Present:

Ms von der LEYEN	President	
Ms RIBERA	Executive Vice-President	
Mr SÉJOURNÉ	Executive Vice-President	Items 1 to 8 (in part)
Ms KALLAS	High Representative / Vice-President	
Ms MÎNZATU	Executive Vice-President	
Mr FITTO	Executive Vice-President	
Mr ŠEFČOVIČ	Member	
Mr DOMBROVSKIS	Member	
Ms ŠUICA	Member	
Mr VÁRHELYI	Member	
Mr HOEKSTRA	Member	
Mr KUBILIUS	Member	
Ms KOS	Member	
Mr SÍKELA	Member	
Mr KADIS	Member	
Ms ALBUQUERQUE	Member	
Ms LAHBIB	Member	
Mr BRUNNER	Member	
Ms ROSWALL	Member	
Mr SERAFIN	Member	
Mr JØRGENSEN	Member	
Ms ZAHARIEVA	Member	
Mr McGRATH	Member	
Mr HANSEN	Member	
Mr MICALLEF	Member	

Absent:

Ms VIRKKUNEN	Executive Vice-President
Mr TZITZIKOSTAS	Member

The following also sat in:

Mr SEIBERT	Head of Cabinet to the PRESIDENT	
Mr CALLEJA CRESPO	Director-General, Legal Service	Items 7 to 9
Ms SPINANT	Director-General, DG Communication	
Ms RISO	Director-General, DG Budget	Item 8
Ms PINHO	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	
Mr ADAM	Deputy Head of Cabinet to the PRESIDENT	
Ms PETKOVA	Director of Coordination and Administration in the PRESIDENT's cabinet	
Ms REILLY	Member of the PRESIDENT's cabinet	Item 7
Mr TAQUET-GRAZIANI	Acting Head of Unit in the Secretariat-General	
Ms BUKA	Secretariat-General	

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

1. AGENDAS
(OJ(2025) 2525/FINAL; SEC(2025) 2525/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(2025) 2525)

The Commission considered the Secretary-General's report on the weekly meeting of Heads of Cabinet held on Monday 12 May 2025.

3. APPROVAL OF THE MINUTES
(PV(2025) 2520; PV(2025) 2520, PART II; PV(2025) 2521; PV(2025) 2521, PART II; PV(2025) 2522; PV(2025) 2522, PART II)

The Commission approved the minutes of its 2520th, 2521st and 2522nd meetings of 26 March, and 1 and 9 April 2025, and held over approval of the minutes of its 2523rd and 2524th meetings of 16 April and 6 May 2025 for a later date.

4. COORDINATION OF EXTERNAL ACTION
(RCC(2025) 216)

The Commission took note of the operational conclusions in RCC(2025) 216 of the meeting of the Group for External Coordination (EXCO) held on Wednesday 7 May 2025.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED (SEC(2025) 125 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 11 May 2025.

5.2. EMPOWERMENT (SEC(2025) 126 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 11 May 2025.

5.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2025) 127 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedures between 5 and 11 May 2025 archived in D*e*cide.

5.4. WRITTEN PROCEDURES SPECIFICALLY IDENTIFIED (SEC(2025) 128 AND /2)

The Commission took note of the written procedures specifically identified for which the time limit expired between 12 and 16 May 2025.

5.5. COMMISSION DECISION UPDATING A NUMBER OF EMPOWERMENTS IN THE LIGHT OF THE NEW ALLOCATION OF RESPONSIBILITIES AMONG THE MEMBERS OF THE COMMISSION (C(2025) 2946)

The Commission adopted the Decision in C(2025) 2946.

6. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2025) 129 AND /2)

ADMINISTRATIVE MATTERS (PERS(2025) 45 AND /2)

During the meeting, Mr SERAFIN presented three additional proposals for administrative decisions, which were submitted directly to the College for adoption.

It was proposed to appoint Mr Hugo MONTEIRO BRILHANTE SOBRAL as Deputy Director-General for Programme Implementation in DG Regional and Urban Policy, to transfer in the interest of the service, under Article 7 of the Staff Regulations, Mr Daniel CALLEJA CRESPO to the post of Head of the European Commission’s Representation in Madrid, Spain, and to authorise the internal publication of the vacancy notice for the post of Director-General in charge of the Commission’s Legal Service.

6.1. DG REGIONAL AND URBAN POLICY – APPOINTMENT OF A DEPUTY DIRECTOR-GENERAL AT GRADE AD15/16 (PERS(2025) 49 AND /2)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) and Article 29(1)(b) of the Staff Regulations for the post of Deputy Director-General, at grade AD15/AD16, for Programme Implementation in DG Regional and Urban Policy (PERS(2025) 49).

It took note of the opinions of the Consultative Committee on Appointments of 15 January and 19 February 2025 (PERS(2025) 49/2).

The Commission proceeded to compare the applicants’ qualifications for the post. On a proposal from Mr SERAFIN, in agreement with the PRESIDENT, and after consulting Mr FITTO, it then decided to appoint Mr Hugo MONTEIRO BRILHANTE SOBRAL to the post.

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

6.2. DG COMMUNICATION – AMENDMENT OF THE ORGANISATION CHART AND TRANSFER IN THE INTEREST OF THE SERVICE OF AN AD16 OFFICIAL

On a proposal from Mr SERAFIN, in agreement with the PRESIDENT, the Commission decided to transfer in the interest of the service, under Article 7 of the Staff Regulations, Mr Daniel CALLEJA CRESPO, an AD16 official currently Director-General of the Commission's Legal Service, to the post of Head of the European Commission's Representation in Madrid, Spain.

Consequently, by derogation from the Commission Decision on middle management staff (C(2016) 3288 final), the post of Head of the European Commission's Representation in Madrid would be upgraded to the level of senior management for the duration of Mr Daniel CALLEJA CRESPO's posting.

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

6.3. LEGAL SERVICE – AUTHORISATION OF THE INTERNAL PUBLICATION OF THE POST OF A DIRECTOR-GENERAL AT GRADE AD15/AD16
(PERS(2025) 50)

On a proposal from Mr SERAFIN, in agreement with the PRESIDENT, the Commission decided to authorise the internal publication, at grade AD15/AD16, of the vacancy notice set out in PERS(2025) 50 for the post of Director-General of the Commission's Legal Service, in accordance with Article 29(1)(a)(i) and (iii) of the Staff Regulations.

This decision would take effect immediately.

6.4. *DG HUMAN RESOURCES AND SECURITY – APPOINTMENT OF SPECIAL ADVISERS (PERS(2025) 46)*

The Commission took note of the information in point 1 of PERS(2025) 45 and, on a proposal from Mr SERAFIN, in agreement with the PRESIDENT, decided:

- to adopt the list of special advisers to the Commission;
- to ask the Director-General of DG Budget to inform immediately the budgetary authority;
- to authorise the Director-General of DG Human Resources and Security to implement this decision by signing contracts of employment on behalf of the authority empowered to conclude such contracts.

These decisions would take effect immediately.

6.5. *DG DEFENCE INDUSTRY AND SPACE – EXTENSION OF THE TERM OF OFFICE OF THE EXECUTIVE DIRECTOR OF THE EUROPEAN UNION AGENCY FOR THE SPACE PROGRAMME*

The Commission took note of the information set out in point 2 of PERS(2025) 45 and, on a proposal from Mr SERAFIN, in agreement with the PRESIDENT, and after consulting Mr KUBILIUS, decided:

- to propose to the Administrative Board of the European Union Agency for the Space Programme (EUSPA) to extend the term of office of Mr Rodrigo DA COSTA as Executive Director for five years with effect from 16 October 2025, in accordance with Article 89(2) of Regulation (EU) 2021/696;
- to ask Mr KUBILIUS, the Member of the Commission responsible, to

communicate this decision to EUSPA's Administrative Board.

These decisions would take effect immediately.

6.6. DG HEALTH AND FOOD SAFETY – ADOPTION OF A LIST OF CANDIDATES FOR THE POST OF EXECUTIVE DIRECTOR OF THE EUROPEAN FOOD SAFETY AUTHORITY, AT GRADE AD14 (PERS(2025) 47 AND /2)

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

– to approve the shortlist of candidates, set out in point 3 of PERS(2025) 45, for the post of Executive Director of the European Food Safety Authority (EFSA) in Parma, and to consider this list as the Commission proposal;

– to ask Mr VÁRHELYI, the Member of the Commission responsible, to communicate this decision to EFSA's Management Board.

These decisions would take effect immediately.

6.7. 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(2025) 3060; PERS(2025) 48)

The Commission adopted the decision set out in C(2025) 3060 appointing Ms Elisabeth MORIN-CHARTIER, Ms Alexandra PRECHAL and Ms Gertrud INGESTAD 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 2025.

The Commission also took note of the reference documents in PERS(2025) 48.

6.8. SECRETARIAT-GENERAL – EUROPEAN COMMISSION DECISIONS ON POST TERM-OF-OFFICE ACTIVITIES OF FORMER MEMBERS OF THE COMMISSION (C(2025) 9014; C(2025) 9015)

The Commission decided that the professional activities envisaged by Mr Paolo GENTILONI and Ms Stella KYRIAKIDES after leaving office as Members of the Commission were compatible with Article 245(2) of the Treaty on the Functioning of the European Union and with the Code of Conduct for Commissioners, subject to certain conditions and obligations.

The Commission adopted the decisions set out in C(2025) 9014 and C(2025) 9015.

6.9. DG HUMAN RESOURCES AND SECURITY – DECLARATION OF COMMISSIONER SERAFIN ON NON-PERMANENT STAFF (SEC(2025) 134)

The Commission took note of Mr SERAFIN’s declaration in SEC(2025) 134.

6.10. SECRETARIAT-GENERAL – 2024 ANNUAL REPORT OF THE CORPORATE MANAGEMENT BOARD (SEC(2025) 154)

The Commission took note of the 2024 annual report of the Corporate Management Board in SEC(2025) 154.

7. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 2021/2115 AS

REGARDS THE CONDITIONALITY SYSTEM, TYPES OF INTERVENTION IN THE FORM OF DIRECT PAYMENT, TYPES OF INTERVENTION IN CERTAIN SECTORS AND RURAL DEVELOPMENT AND ANNUAL PERFORMANCE REPORTS AND REGULATION (EU) 2021/2116 AS REGARDS DATA AND INTEROPERABILITY GOVERNANCE, SUSPENSIONS OF PAYMENTS, ANNUAL PERFORMANCE CLEARANCE AND CONTROLS AND PENALTIES (COM(2025) 236 AND /2; SWD(2025) 236 AND /2; RCC(2025) 33)

The PRESIDENT introduced this third ‘omnibus’ package to reduce the administrative and regulatory burden, specifying that this proposal for a Regulation aimed at simplifying the Common Agricultural Policy (CAP) and boosting farmers’ competitiveness.

Mr FITTO pointed out that this proposal sought to reduce regulatory burdens while streamlining current agricultural policies. In this respect, he stressed the strategic importance of agriculture and farmers to the EU’s economic competitiveness and security. He also reminded the College that, in its Communication ‘A Vision for Agriculture and Food’, the Commission had highlighted the importance of empowering farmers to act as entrepreneurs without unnecessary administrative burdens.

He then referred to the extensive consultations of farmers and other stakeholders, which had revealed a need to strengthen the competitiveness of EU farms, reduce the burden on both farmers and public administrations, and allocate scarce resources more efficiently to meet changing needs.

Finally, Mr FITTO considered that the measures contained in that day’s proposal reflected a balanced approach to the economic, environmental and social factors which the CAP had to take into account. He thanked all the Members of the Commission and their services for their contributions in striking this complex balance.

Mr HANSEN stressed the main objective of the measures presented that day, which was to significantly reduce the red tape faced by farmers in their daily work. He added that these measures would also reduce the burden on national authorities, who would enjoy a greater degree of discretion in deciding how to achieve the agreed objectives.

He pointed out that this proposal addressed the concerns expressed on the ground in the 14 Member States he had visited so far and that these exchanges would continue in the other Member States. On this basis, he considered that the proposed text struck a good balance between, on the one hand, the preservation of the objectives of the CAP and, on the other, the need to take account, when pursuing these objectives, of the diversity of agricultural situations and practices, notably organic farming.

Mr HANSEN explained that the proposal was based on the four key concepts of simplification, resilience, competitiveness and digitalisation. He gave a few concrete examples of the simplifications that would be implemented. First, the process of applying for direct aid for small farmers would be made easier with the introduction of a simplified payment scheme. Second, unnecessary levels of regulation would be removed so as to make it easier for farmers to understand and implement the rules relating to environmental requirements. Third, Member States would have the possibility to provide financial incentives for farmers to comply with demanding practices such as the obligation to ensure good agricultural and environmental conditions to protect wetlands and peatlands (GAEC 2). Fourth, the principle of one single control per year would be introduced, which would require Member States to coordinate the timing of the different national inspections.

Mr HANSEN stressed that the measures proposed that day also aimed at strengthening the resilience and competitiveness of the agricultural sector and harnessing the potential of digitalisation to reduce reporting burdens on farmers. In future, farmers would be required to fill out fewer forms, while Member States would enjoy a streamlined approval process for their national CAP strategic plans.

Mr HANSEN estimated that the proposed changes could generate annual savings of up to EUR 1.58 billion for farmers and EUR 210 million for national administrations. He concluded his presentation by mentioning that, beyond the CAP, other cross-cutting policies created challenges for farmers, for example in the fields of the environment or health. Consequently, he was looking forward to working with the other Members of the College on drawing up the next simplification package relating to these policies, which was planned for the end of the year.

Mr DOMBROVSKIS stressed that the agricultural package being presented that day represented another important step in the implementation of the Commission's ambitious simplification programme. He reminded the College of the importance of agriculture and the wider agri-food sector for the EU's economy, autonomy and security, particularly in a context of growing global uncertainty. It was therefore essential that European farmers be able to benefit from simpler and more proportionate rules that were better tailored to their needs.

He pointed out that the Commission had been in comprehensive dialogue with farmers' representatives and other stakeholders, as well as with the Member States, to better target the measures needed to address the major challenges faced by farmers. These consultations had served as the basis for that day's legislative proposal.

Mr DOMBROVSKIS explained that with this proposal the Commission wanted to expand the simplified payment scheme in order to considerably reduce the administrative burden associated with the application procedure for direct payments. The proposal also aimed to remove needless levels of regulation to facilitate farmers' understanding and implementation of the rules relating to environmental requirements. Moreover, it reduced the pressure and burden on farmers with regard to inspections and other farm visits by introducing the principle of one single control per year. Finally, it harnessed the potential of digitalisation and digital tools to reduce the reporting burden on farmers and national administrations.

Mr DOMBROVSKIS concluded that the package was balanced, focusing on simplification for farmers while preserving the EU’s environmental and social objectives. He confirmed the need for the Commission to continue the simplification work it had begun in other, broader areas which also affected agriculture and farmers.

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

– strong support for the objectives of the proposal, in particular the reduction of the administrative burden and financial pressure on farmers;

– a call for an even more ambitious timetable for simplification and support for farmers;

– the importance of supporting the transition to sustainable agricultural practices by working to reduce emissions from the sector while valuing farmers’ contribution to economic competitiveness and food security;

– the need for a proactive commitment to ensure effective implementation of the proposed measures while anticipating possible challenges with which Member States might be faced;

– recognition of the specific characteristics of rural areas and the importance of taking into account demographic trends, in particular the lack of attractiveness of the farming profession for younger generations;

– support for a diversified approach taking into account the variety of farming realities, including the specific needs of young farmers and rural areas;

– the need to continue efforts in favour of a more sustainable agricultural system while avoiding the addition of new unjustified administrative or regulatory burdens;

– some concerns about the potential impact of the measures on competitiveness and costs for farmers and about the practical implications for Member States.

Following these presentations, the Commission approved the proposal for a Regulation in COM(2025) 236/2 for transmission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions, the European Data Protection Supervisor and the national parliaments, together with the staff working document distributed as SWD(2025) 236/2, the contents of which were noted.

8. ORIENTATION DEBATE ON THE NEXT MULTIANNUAL FINANCIAL FRAMEWORK (SEC(2025) 153)

The PRESIDENT opened the orientation debate on the EU's next Multiannual Financial Framework (MFF) for 2028 to 2034, sharing the experience gained from the current 2021-2027 MFF. She stressed the importance of drafting an ambitious proposal that could secure the backing of the Member States and the European Parliament. With that in mind, she invited the College to debate this matter openly, looking at three main points: the design of the future MFF, its scope and the question of new own resources.

The limits of the EU budget had become apparent, particularly when dealing with the COVID-19 pandemic and the series of crises witnessed during the Commission's previous term of office. She pointed to the rigidity of the current financial framework, which had been unable to adjust to the rapid change in priorities brought about by these crises.

The current financial framework was also too fragmented and too uniform. To illustrate this excessive fragmentation, she referred to the complexity of accessing funding for similar objectives, with funding spread across various instruments that had different eligibility criteria and timeframes. On the issue of the limitations caused by the fact the budget was too uniform, she stressed the need to improve the way in which the specific needs of the various Member States and regions were taken into account. Shared priorities such as decarbonisation, competitiveness and the digital transition were dealt with in different ways in the various regions of the EU, meaning that a uniform approach would be neither realistic nor effective. She therefore called for the next MFF to be designed in a way that was more flexible, smart and innovative.

In a context where resources were limited, the PRESIDENT also stressed the need to maximise the impact of every euro invested at EU level. In that connection, she pointed to the added value of an approach that combined investment and reforms, an approach whose effectiveness had been demonstrated by the NextGenerationEU recovery plan.

Furthermore, the Competitiveness Fund would make it possible to better structure strategic investments by streamlining existing instruments, providing a single entry point and ensuring consistent progress monitoring for projects, from the design phase through to market launch. A similar approach was being considered for the EU's external action budget, which could be made more transparent and consistent by setting up a single global fund to cover all the regions of the world.

The PRESIDENT reiterated the fact that upholding the rule of law would remain a prerequisite for accessing European funding to ensure that European taxpayers' money was used fairly and properly. Positive incentives could be considered to encourage adherence to this fundamental EU principle.

Finally, she turned to the issue of own resources, pointing out that, thanks to the NextGenerationEU recovery plan, the EU had temporarily been able to mobilise a budget equivalent to 1.8% of European gross domestic product (GDP), which had made it possible to address the challenges stemming from the crises. However, the MFF still stood at around 1% of GDP and the resources borrowed under

NextGenerationEU would have to be paid back. She therefore invited the Members of the College to share their ideas regarding potential additional own resources.

The PRESIDENT then gave the floor to Mr SERAFIN, who she encouraged to work with the College to draw up an ambitious proposal by July.

Mr SERAFIN highlighted that the aim of that day's debate was to supplement technical expertise with the political assessment of the College as a whole. Several politically sensitive points had already been identified and these now needed to be further explored over the coming weeks in order to finalise the Commission's proposal.

He stressed the importance of increasing the budget's long-term flexibility and of simplifying its design, while ensuring that resources were better targeted towards strategic priorities such as competitiveness and security. A balance needed to be struck between flexibility and predictability, particularly for funds pre-allocated to the Member States and commitments to third countries.

In that connection, he echoed certain concerns that had been voiced regarding the role of the regions in the future MFF, and mentioned several avenues to be explored, such as creating a large reserve, allowing greater room for manoeuvre when allocating funds to policies or objectives, and introducing indicative envelopes for the regions in national and regional partnership plans.

On the rule of law prerequisite, he stressed the importance of consolidating the mechanisms that were already in place to better protect end beneficiaries, be they students, researchers, regions or civil society players.

He then turned to the question of own resources, pointing out that they would be vital as a means of ensuring the EU had a budget that was commensurate with the challenges being faced, particularly in terms of competitiveness, convergence and security. The proposals put forward by the previous Commission needed to be updated to include new and balanced ideas, while preserving sustainability for citizens and businesses.

Mr SERAFIN also stressed the importance of stepping up external communication efforts now, before the negotiations began. He noted that the report recently adopted by the European Parliament contained encouraging signs of convergence. He also considered that it was essential to maintain the collaborative approach that had been in place from the outset, and to keep the regions at the heart of the financial framework.

In conclusion, he shared what he had gleaned from his many discussions with the Member States, noting that expectations converged. In particular, these discussions had revealed that the EU budget needed to be based on clearly defined and fully justified priorities, with competitiveness coming first, followed by defence. Across the board, there was also commitment to the role of the regions. On own resources, he noted that the proposals already put forward by the Commission would need to be adjusted to secure the backing of the Member States. New own resources were essential to ensure the EU budget was equipped to deal with current and future challenges. In conclusion, the MFF proposal that would be presented to the College in July would be ambitious but realistic and would provide a solid basis for negotiating with the co-legislators.

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

On the design of the next MFF

– a consensus around the need for a more flexible design for the next MFF, experience with NextGenerationEU having demonstrated the importance of being able to adapt to unforeseen circumstances, while still striking a balance with the predictability needed for long-term investments;

- endorsement of the view that the current budget was too fragmented, with the existence of multiple funds subject to different rules and criteria making access to funding more difficult and reducing its impact;

- the need for a rationalisation of the budgetary landscape beyond merely merging instruments, with close attention paid to the risks of setting up mega-funds without real added value;

- the need to strike a balance between modernising programmes and preserving instruments that had proved effective;

- the value of a steering mechanism for non-pre-allocated funds, based on the European Semester but not restricted to it, so as to allow broader policy coordination;

On the duration of the MFF

- consideration of the optimal duration of the MFF, comparing the current seven-year cycle, that fostered stability for structural investments, with a five-year cycle aligned with the term of office of EU institutions, which would allow policy choices to match budgetary programming;

- concerns about shortening the cycle, in particular about the risks of over-politicising the budget and losing predictability for beneficiaries, while pointing out that worldwide instability posed a challenge irrespective of the duration chosen;

- the operational challenges of a shorter duration in view of the difficulty of preparing and negotiating the financial framework and the time required for the effective use of funds;

- the alternative option of increasing flexibility and mid-term review mechanisms in the current seven-year framework so as to reconcile stable planning with greater capacity to adapt to geopolitical, economic and social circumstances;

On national and regional partnerships

- support for a new partnership structure with the Member States and the regions, while preserving the basic principles of the cohesion policy;

- the importance of an effective division of work between central government and regional authorities, seeking to balance local buy-in with operational effectiveness;

- the need to create indicative envelopes for specific policies in national and regional partnership plans;

- the recommendation to maintain the distinction between three categories of region (less developed, more developed, in transition) and the principle of differentiated allocation, which had proven effective in reducing regional disparities;

- the need to take particular account of demographic trends, with 75% of citizens living in urban areas, creating the twin challenges of urban overpopulation and rural depopulation;

On conditionality and protection of fundamental values

- the reaffirmation that upholding the rule of law was a non-negotiable condition of access to EU funding, with a preference for a preventive approach and clear rules rather than ‘smart conditionality’, which was too unpredictable;

- support for a consistent and proportional approach to conditionality, in particular to ensure protection for final beneficiaries, and a reminder that the horizontal enabling conditions would soon be expiring;

- the importance of preserving macroeconomic conditionality for executing budget rules, with the option of suspending funding in the event of non-compliance with the excessive deficit procedure;

- the proposal to broaden the scope of conditionality to include the Charter of Fundamental Rights;
- support for more of a performance-based allocation, modelled on NextGenerationEU, with payments conditional on the achievement of clearly defined milestones, while also avoiding too much red tape linked to the co-existence of performance monitoring mechanisms and standard budgetary control requirements;

On the Competitiveness Fund and strategic investments

- support for the proposed Competitiveness Fund, with the recommendation to broaden its scope to address the EU's overall economic resilience and remedy the various market failures, which were not always linked only to innovation constraints;
- the importance of adapting this Fund to the realities of 27 Member States, of adhering to the State aid rules, in particular to avoid overcompensation, and to provide for dedicated windows for specific priorities;
- the need to overcome structural barriers to marketing European innovations and to put the right conditions in place to ensure that EU funding generated tangible economic benefits for its citizens;
- the recommendation to focus the EU budget on strategic trans-European projects with high European added value and social impact, in particular in the fields of energy, transport, space, health, water security and adjustment to climate change;
- the inclusion of defence as a priority area under the Competitiveness Fund, with particular focus on the EU's eastern border;
- in the field of defence, the importance of strengthening the EU's industrial base through joint procurement and of adopting a structured approach around three

pillars: the European Defence Industry Programme (EDIP), military mobility, and the Instrument for Security Action for Europe (SAFE), thereby bringing European added value to existing national capacity;

On external action and enlargement

- the need to anticipate enlargement in the design of the MFF, in particular by introducing a budgetary margin that could be automatically activated on the accession of new Member States;

- the observation that the overall budgetary impact of enlargement would be relatively limited, except in the case of Ukraine, hence the proposal to create a specific envelope for Ukraine outside the MFF ceilings, which would combine support for reconstruction and preparation for accession;

- support for more consistent EU external action through the Global Europe Fund, based around indicative allocations per major geographic region, while acknowledging the diversity of views on the degree of integration of existing instruments;

- the recommendation to maintain budgetary flexibility mechanisms that allowed a rapid response to crises or geopolitical developments, in particular by making targeted redeployment of funds easier and re-introducing the principle of returning decommitted funds to their original budget heading;

- the proposal to keep a specific legal basis for humanitarian aid, and support for increasing operational synergies between internal and external disaster relief policies;

- the importance of a more targeted approach to external funding, with greater conditionality linking the granting of EU funds to specific commitments from partner countries, in particular in terms of migration management and consistency with the EU’s common foreign and security policy;

- the need to optimise the network of EU delegations in accordance with EU strategic priorities, adapting the work of delegations to take account of developments in EU interests and of regional geopolitical challenges;

On own resources

- a consensus on the need to develop ambitious new own resources and on the importance of increasing the size of the budget, as the status quo would effectively amount to a significant reduction, given the need to repay the funds obtained through NextGenerationEU;

- examination of various potential sources of revenue, including a levy on VAT transactions, a digital tax, customs fees, taxes related to electronic waste, an adjustment of the European Travel Information and Authorisation System (ETIAS) fees, or an innovative levy on harmful products, paying close attention to administrative feasibility and political acceptability;

- a reflection on the value of directing taxation towards what the EU wanted to discourage rather than towards virtuous economic activities, with different views on the allocation of revenue from the Emissions Trading System (ETS) and the examination of similar mechanisms such as nature certificates;

- the attention to be paid to balancing the introduction of new tax revenue and the reassessment of existing budgetary priorities, as well as to the overall impact on taxpayers and consumers;

- the importance of administrative simplification and the digitalisation of customs to improve the collection of duties;

On cross-cutting themes and sectoral priorities

- the need to integrate climate policies across the board in the budget, with an ambitious objective of greening spending;

- the value of a proactive approach to demographic challenges, due to their increasing impact on the labour market, social welfare systems and territorial cohesion;

- the importance of using all budgetary instruments to support the European social model, by investing in education, skills and the fight against poverty, with strong ownership at national and regional level;

- the need to maintain strategic programmes that were known to be highly visible to citizens and success stories of the European project, including Erasmus+, Creative Europe and LIFE – in particular preserving aspects related to the circular economy, biodiversity and water resilience;

- preserving Horizon Europe as a clearly identified programme within the Competitiveness Fund, ensuring the necessary stability for long-term and international research, as almost a quarter of its budget came from associated countries;

- support for civil society and media freedom, including by exploring mechanisms to ensure a fairer business environment that was essential for the proper democratic functioning of the EU;

- the establishment of an enhanced crisis preparedness and response mechanism, including the modernisation of the Union Civil Protection Mechanism, the creation of a dedicated budget line, and a single legal act to enable rapid actions, as well as future-proofing medical capabilities and the ability to respond to chemical, biological, radiological and nuclear (CBRN) threats, as developed under NextGenerationEU;

- the inclusion of challenges related to migration, border management and security, with a coordinated approach and a common spending target amongst Member States, adequate funding for the relevant agencies, and better coordination of internal and external dimensions;

– the importance of a stable framework for the Common Agricultural Policy, integrating food security as a horizontal objective, safeguarding annual direct payments, and strengthening resilience mechanisms to meet emerging challenges;

– support for investments in strategic trans-European infrastructure, including electricity transmission networks and interconnectors, and extending them to candidate and partner countries, while ensuring that funding benefited the EU economy first and foremost.

The PRESIDENT closed the discussion by acknowledging the fruitfulness of the exchanges. She stressed the importance of strongly conveying the message that it was in the EU's interest to invest in an ambitious long-term budget. To this end, she called for efforts to focus on priorities that prepared the EU for future challenges and brought real added value to Europe as a whole. She also stressed the importance of adapting and modernising all programmes, taking into account the current geopolitical context and bearing in mind the strategic horizon of the next MFF that would apply until 2034.

9. OTHER BUSINESS

LATEST DEVELOPMENTS IN EXTERNAL RELATIONS

Ms KALLAS briefed the College on the latest developments in the EU's external relations.

She began by referring to several events linked to Russia's war of aggression against Ukraine, making special mention of the discussions scheduled for 15 May in Istanbul, Türkiye, between Russia and Ukraine. She also mentioned the informal meeting of European Foreign Ministers which had taken place on 8 May in Warsaw, the meeting between the British and European Foreign Ministers, which had taken place in London on 12 May, and the Coalition of the Willing meeting on 14 May in

Kyiv.

Ms KALLAS also welcomed the adoption in Lviv on 9 May of a statement by the international coalition approving the creation of a special tribunal for the crime of aggression against Ukraine. She noted that the 27 EU Member States had expressed their unequivocal support for an immediate, comprehensive and unconditional ceasefire.

As regards the Middle East, she expressed her concern at the humanitarian aid blockade in Gaza, which she said would be raised at the meeting of the Council of Foreign Affairs Ministers on 15 May. She also referred to developments in Syria, including the lifting of sanctions announced by the US and, on the EU side, continued discussions in the Council on this matter. She then reported on the ceasefire brokered between India and Pakistan.

Lastly, Ms KALLAS mentioned that the third meeting of the Foreign Ministers of the European Union and the African Union would be held in Brussels on 21 May. She invited the Members of the College to use this as an opportunity to hold bilateral meetings with their African counterparts.

Ms KOS briefly mentioned her visit to Moldova from 9 to 11 May, highlighting the upcoming political and electoral challenges in the region and the need to counter Russian disinformation on security, identity and the economy.

The Commission took note of this information.

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The meeting closed at 12.25.