



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2022) 2438 final

- English translation of the French version which is authentic -

Strasbourg, 17 January 2023

TEXTE EN

MINUTES

of the 2438th meeting of the Commission

held in Strasbourg

(Winston Churchill building)

on Tuesday 22 November 2022

(afternoon)

PV(2022) 2438 final

- English translation of the French version which is authentic -

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Single sitting: Tuesday 22 November 2022 (afternoon)

The sitting opened at 13.12 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	Items 1 to 14 (in part)
Mr BORRELL i FONTELLES	High Representative / Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Ms JOUROVÁ	Vice-President	Items 1 to 14 (in part)
Ms ŠUICA	Vice-President	
Mr SCHINAS	Vice-President	
Mr HAHN	Member	Items 14 (in part) and 15
Ms GABRIEL	Member	
Mr SCHMIT	Member	
Mr GENTILONI	Member	Items 1 to 14 (in part)
Mr WOJCIECHOWSKI	Member	
Mr BRETON	Member	
Ms KYRIAKIDES	Member	
Mr REYNDERS	Member	
Ms DALLI	Member	
Ms JOHANSSON	Member	Items 1 to 14 (in part)
Mr LENARČIČ	Member	
Ms VÁLEAN	Member	Items 8/11 to 15
Mr VÁRHELYI	Member	Items 1 to 14 (in part)
Ms SIMSON	Member	Items 1 to 15 (in part)
Mr SINKEVIČIUS	Member	Items 1 to 15 (in part)
Ms McGUINNESS	Member	

Absent:

Ms FERREIRA	Member
Ms URPILAINEN	Member

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

Mr NOACK	A member of Mr HAHN's staff	Items 1 to 14 (in part)
Mr SAVIGNAT	A member of Ms URPILAINEN's staff	

The following also sat in:

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
Ms HOPMEIER	A member of the PRESIDENT's staff

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

1. AGENDAS

(OJ(2022) 2438/FINAL; SEC(2022) 2438/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) 2438)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 21 and Tuesday 22 November 2022.

3. APPROVAL OF THE MINUTES

The Commission decided to hold over approval of the minutes of its 2435th, 2436th and 2437th meetings of 22/26 October and 9 and 16 November 2022 until a later meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2022) 212)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held by videoconference on Friday 18 November 2022 (RCC(2022) 212).

The Commission approved the lines proposed for the following points:

- **Statute and funding of European political parties and European political foundations (Regulation – recast) – WIELAND & GOERENS report – 2021/0375 (COD)**

Line set out in SI(2022) 426/2.

- **Fit for 55 – Energy Efficiency (Directive – recast) – FUGLSANG report – 2021/0203 (COD)**

Line set out in SI(2022) 428.

- **Amendment of Regulation (EU) 2018/1727 of the European Parliament and the Council and Council Decision 2005/671/JHA, as regards the digital information exchange in terrorism cases (Regulation) – JAKI report – 2021/0393 (COD)**

Line set out in SI(2022) 429.

- **E-evidence in criminal matters**
 - **European production and preservation orders for electronic evidence in criminal matters (Regulation) — SIPPEL report – 2018/0108 (COD)**
 - **Harmonised rules on the appointment of legal representatives for the purpose of gathering evidence in criminal proceedings (Directive) – SIPPEL report – 2018/0107 (COD)**

Line set out in SI(2022) 432.

- **Establishment of the Union Secure Connectivity Programme 2023-2027 (Regulation) – GRUDLER report – 2022/0039 (COD)**

Line set out in SI(2022) 408.

- **Amendment of Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union (Council Decision) – FERNANDES & HAYER report – 2021/0430 (CNS)**

Line set out in SP(2022) 651.

- **Strengthening prevention through early detection: a new EU approach on cancer screening replacing Council Recommendation 2003/878/EC (Council Recommendation) – 2022/0290 (NLE)**

Line set out in SI(2022) 419.

- **Amendment of Regulation (EC) No 539/2001 listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement (Kosovo¹) (Regulation) – REUTEN report – 2016/0139 (COD)**

Line set out in SI(2022) 427.

- **Restrictive measures in Haiti (joint proposal for a Council Regulation) – 2022/0357 (NLE)**

Line set out in SI(2022) 435.

- **Oral question O-000043/2022 – Revision of the Medical Devices Regulation – How to ensure the availability of medical devices**

Line set out in SP(2022) 673.

- **Oral question O-000045 – Legal protection for rainbow families exercising free movement, in particular the Baby Sara case**

Line set out in SP(2022) 672.

- **European Competition Network (ECN) and Directive 1/2019 aiming to empower the competition authorities of the Member States to be more**

¹ This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution UNSCR 1244/1999 and the International Court of Justice Opinion on the Kosovo declaration of independence.

effective enforcers and to ensure the proper functioning of the internal market

Line set out in SPI(2022) 63.

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

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

Line set out in SP(2022) 658.

- **Commission replies to the non-legislative resolutions adopted by the European Parliament at its part-session of October I 2022**

Line set out in SP(2022) 656.

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 July 2022**

Line set out in SC(2022) 36/2.

The Commission took note of the following points:

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

Information set out in SI(2022) 415.

- **Establishment of the European Defence Industry Reinforcement through**

Common Procurement Act (Regulation) – KRASNODEBSKI report – 2022/0219 (COD)

Information set out in SI(2022) 444/2.

- **Improving working conditions in platform work (Directive) – GUALMINI report – 2021/0414 (COD)**

Information set out in SI(2022) 424.

- **Amendment of Directive 2009/148/EC on the protection of workers from the risks related to exposure to asbestos at work (Directive) – TRILLET-LENOIR report – 2022/0298 (COD)**

Information set out in SI(2022) 425.

- **Union guidelines for the development of the trans-European transport network, amendment of Regulation (EU) 2021/1153 and Regulation (EU) No 913/2010 and repeal of Regulation (EU) 1315/2013 (amended proposal for a Regulation) – THALER & RIQUET report – 2021/0420 (COD)**

Information set out in SI(2022) 431.

- **Corporate Sustainability Due Diligence and amendment of Directive (EU) 2019/1937 (Directive) – WOLTERS report – 2022/0051 (COD)**

Information set out in SI(2022) 430/2.

- **Plan/roadmap on the situation in the Central Mediterranean**

Information set out in SI(2022) 436/2.

- **2023 budgetary procedure – Outcome of the conciliation**

Information set out in SP(2022) 652.

- **Question time – Future legislative reform of the Economic Governance Framework in times of social and economic crisis**

Information set out in SP(2022) 671.

**5. COORDINATION OF EXTERNAL ACTION
(RCC(2022) 42)**

The Commission took note of the operational conclusions in RCC(2022) 42 of the meeting of the Group for External Coordination (EXCO) held on Wednesday 16 November 2022.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

**6.1. WRITTEN PROCEDURES APPROVED
(SEC(2022) 388 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 and 20 November 2022.

**6.2. EMPOWERMENT
(SEC(2022) 389 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 and 20 November 2022.

**6.3. DELEGATION / SUBDELEGATION OF POWERS
(SEC(2022) 390 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedures between 14 and 20 November 2022 archived in Decide.

6.4. SIGNIFICANT WRITTEN PROCEDURES

(SEC(2022) 391 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 21 and 25 November 2022.

6.5. GRANTING OF EMPOWERMENTS RELATING TO THE APPOINTMENT OF PHYTOSANITARY EXPERTS TO CARRY OUT CHECKS ON CERTAIN GOODS TO BE TRADED ACROSS THE GREEN LINE IN CYPRUS AND TO THE APPOINTMENT OF INDEPENDENT EXPERTS TO CARRY OUT INSPECTIONS TO ALLOW THE MOVEMENT OF CERTAIN ANIMAL PRODUCTS ACROSS THE GREEN LINE IN CYPRUS

(C(2022) 8543)

The Commission decided to grant empowerments to the Member of the Commission with responsibility for structural reform support 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) 8543.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2022) 392 AND /2)

ADMINISTRATIVE MATTERS

(PERS(2022) 82 AND /2)

**7.1. JOINT RESEARCH CENTRE – APPOINTMENT OF A DEPUTY
DIRECTOR-GENERAL AT GRADE AD15/16
(PERS(2022) 84 TO /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General in charge of Directorates B, C, D, E and F at the Joint Research Centre (PERS(2022) 84).

It took note of the opinions of the Consultative Committee on Appointments of 9 and 14 October 2022 (PERS(2022) 84/2 and /3).

The Commission then examined the applicants' qualifications for the post. On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Ms GABRIEL, it then decided to appoint Ms Salla SAASTAMOINEN to the post.

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

**7.2. EUROPEAN ANTI-FRAUD OFFICE – APPOINTMENT OF A DEPUTY
DIRECTOR-GENERAL AT GRADE AD15/16
(PERS(2021) 118 TO /4)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General 'Operations & Investigations' at the European Anti-Fraud Office (PERS(2021) 118 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 28 September and 27 October 2022 (PERS(2021) 118/3 and /4).

The Commission then examined the applicants' qualifications for the post. On a proposal from Mr HAHN, in agreement with the PRESIDENT, it then decided to appoint Mr Andreas SCHWARZ to the post.

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

**7.3. DG INFORMATICS – APPOINTMENT OF A DIRECTOR AT GRADE AD14/15
(PERS(2021) 105 TO /4)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii), Article 29(1)(b) and Article 29(2) of the Staff Regulations for the post of Director of the 'IT Security' Directorate at DG Informatics (PERS(2021) 105 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 28 September and 5 October 2022 (PERS(2021) 105/3 and /4).

The Commission then examined the applicants' qualifications for the post. On a proposal from Mr HAHN, in agreement with the PRESIDENT, it then decided to appoint Mr Grzegorz MINCZAKIEWICZ to the post.

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

**7.4. DG CIVIL PROTECTION AND HUMANITARIAN AID OPERATIONS (ECHO) – INTERNAL AND INTERINSTITUTIONAL PUBLICATION (AT GRADE AD14/15) AND EXTERNAL PUBLICATION (AT GRADE AD14) OF THE VACANCY NOTICE FOR A DIRECTOR
(PERS(2022) 83)**

On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Mr LENARČIČ, 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 set out in

PERS(2022) 83 for the post of Director of the ‘General Affairs’ Directorate at DG Civil Protection and Humanitarian Aid Operations (ECHO).

This decision would take effect immediately.

- 8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN CENTRAL BANK, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK – ANNUAL SUSTAINABLE GROWTH STRATEGY 2023**
(COM(2022) 780 TO /3; RCC(2021) 219)
- 9. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – ALERT MECHANISM REPORT 2023**
(COM(2022) 781 AND /2; SWD(2022) 381; RCC(2022) 219)
- 10. RECOMMENDATION FOR A COUNCIL RECOMMENDATION ON THE ECONOMIC POLICY OF THE EURO AREA**
(COM(2022) 782 TO /3; (SWD(2022) 382 AND /2; RCC(2022) 219)
- 11. PROPOSAL FOR A JOINT EMPLOYMENT REPORT BY THE COMMISSION AND THE COUNCIL**
(COM(2022) 783 AND /2; RCC(2022) 219)

The PRESIDENT asked Mr DOMBROVSKIS and Mr GENTILONI to present to the College the autumn package of the European Semester of EU economic and social policy coordination.

Mr DOMBROVSKIS pointed out that the EU economy had recovered very rapidly following the recession prompted by the COVID-19 pandemic and that the

employment rate was currently at its highest level for decades. The economic outlook had changed significantly, however, since Russia's invasion of Ukraine, largely because of the rise in inflation fuelled by energy prices. Overall, the rate of economic growth was likely to decline in 2023, falling from 3.3% in the current year to a mere 0.3% next year.

This was a critical time and it was vital for the EU to coordinate its policies effectively, using the European Semester as a compass. The four dimensions of the Semester remained relevant: fairness, productivity, environmental sustainability and macroeconomic stability. He then listed the immediate priorities within the context of the Semester: (i) rebalancing energy supply and demand to ensure affordable prices; (ii) ensuring a fair distribution of the costs of the crisis, with support for vulnerable households and companies; and (iii) aligning fiscal and monetary policies to tackle inflation, with a consistent macroeconomic policy mix.

With regard to balancing energy supply and demand, he noted that a series of urgent measures had been taken to address the surge in energy prices, while negotiations between the co-legislators on the REPowerEU plan were ongoing and might be completed by the end of the year.

With respect to fairness in shouldering the costs caused by the crisis, he pointed out that 70% of the support measures adopted by the Member States in 2022 were not targeted, meaning that they came at a high price for their budgets and did not reduce demand for energy. The recommendations drawn up for the euro area suggested creating a two-tier model for energy pricing, under which vulnerable consumers would pay a subsidised energy price up to a certain level of consumption, above which the normal market rate would apply. This would make it possible to cover basic energy requirements, while preserving price signals.

As for the consistency between fiscal policy and monetary policy, an overall neutral fiscal stance was recommended. Mr DOMBROVSKIS said that the Opinions on euro-area Member States' draft budgetary plans were focused in particular on

increases in current expenditure, which should not exceed their medium-term growth potential, and on the degree of targeting of support measures.

Among the countries with high debt, he pointed to an excessive increase in expenditure in Belgium, with a similar risk noted for Portugal. Among the countries with medium or low debt, he was of the opinion that current expenditure was rising too rapidly in Austria, Lithuania, Germany, Estonia, Luxembourg, the Netherlands, Slovenia and Slovakia. Additional measures needed to be adopted in terms of fiscal policy in those countries.

With regard to macroeconomic imbalances, he argued that new imbalances might emerge as a result of the slowdown in economic growth and the increase in inflation and interest rates. In-depth reviews were needed of 17 Member States, seven more than the previous year.

To conclude, he stressed that, beyond the immediate priorities, the Commission had not forgotten its goal of competitive sustainability for the EU in the long term and the European Semester ensured consistency between these objectives.

Mr GENTILONI spoke of the difficult balance to maintain within the framework of the European Semester package presented that day against a backdrop of low growth and rising prices. He emphasised, on the one hand, the consequences of an expansionary fiscal stance when inflation was a cause for concern and, on the other hand, the additional costs to public finances of measures aimed at ensuring economic, social and environmental sustainability.

He then presented the three parts of the package, the first of which was the draft Council Recommendation on the economic policy of the euro area. It contained five main recommendations: (i) refraining from general fiscal expansion, by opting for targeted support, (ii) supporting public investment and reform, (iii) protecting employee purchasing power, while limiting the second-round effects on inflation, (iv) ensuring temporary, targeted support to viable businesses, and (v) maintaining macro-financial stability and the flow of credit to the economy.

The second part of the package was the Alert Mechanism Report, the general idea of which this year was to impart a more forward-looking orientation to the procedure on macroeconomic imbalances by concentrating more on emerging risks than on the imbalances noted in the past.

The third part was the Commission's assessment of the draft budgetary plans of the euro-area Member States. Eleven Member States were not fully complying with the country-specific recommendations issued by the Council in July and were therefore asked to come into line with the recommendations as part of their budget process.

According to DG ECFIN's estimates, the cost of the energy support measures would amount to 1.3% of GDP in 2022 and 0.9% in 2023 for the euro area as a whole. However, in a great many of the draft budgetary plans, such measures were anticipated over the first quarter of next year only. If the energy crisis were to continue beyond that point and the existing measures to be extended over the whole of 2023, their budgetary cost would amount to 2% of GDP. The Commission therefore suggested drawing up a two-tier system for energy prices and coordinating the individual initiatives taken by Member States to prevent them from going off in different directions.

To conclude, Mr GENTILONI pointed out that it was difficult, but important, to maintain the trend in current expenditure below medium-term growth potential, particularly in the highly indebted Member States. He added that, according to the draft budgetary plans, nationally-financed public investment had been maintained or even increased, a highly positive trend in his view, in contrast to what had been seen during the financial crisis, probably thanks to the Recovery and Resilience Facility and other common initiatives at European level. He noted that no Commission assessments existed for Latvia and Italy, the draft budgetary plans of which should soon be submitted by the new governments of both countries.

Mr SCHMIT then took the floor, saying that the European Semester package formed a comprehensive, balanced and coherent whole. He referred in particular to

the importance of the employment and social concerns in the Annual Sustainable Growth Survey and in the euro-area recommendations. The issue of fairness, which was one of the four dimensions of sustainable competitiveness, was particularly important given the successive crises that the EU was currently experiencing. He also underlined the political consensus on the need to better target budget support measures and to link them with energy-saving measures.

In terms of social policies, there was a need to support people on the path to the twin green and digital transitions, taking into account in particular the need for upskilling and reskilling measures. He acknowledged the difficulty of striking a balance between the need to fight inflation and continuing with major economic transformations requiring significant investment. He referred to the recent discussions on the EU economic governance framework and the importance of including employment and social aspects.

Mr SCHMIT then went on to present the main elements of the draft Joint Employment Report. He pointed out that the labour market situation was still very favourable, despite certain developments that could be regarded as worrying. The EU as a whole had recorded the highest employment rates in the wake of the pandemic, but labour market prospects remained rather uncertain due to inflationary pressures, slower growth and the radical changes in some sectors.

There was a need to encourage a strong, proactive employment policy focusing on skills development in order to facilitate transitions across sectors. In some Member States unemployment rates were relatively high while at the same time there were labour shortages due to labour mismatches, low levels of digital skills, lack of participation by women and high numbers of young people not in employment, education or training. Stronger support for upskilling and reskilling policies would give the EU the opportunity to remedy certain shortages in the economy.

Lastly, Mr SCHMIT addressed the delicate balance between wage levels and inflationary pressures. For the first time since the COVID-19 crisis, purchasing power had contracted across the EU this year. The EU should therefore support collective bargaining to allow companies that could pay higher wages to do so. Special attention should be paid to people on low incomes or lower average incomes in order to avoid a rise in the number of people at risk of poverty.

He ended by welcoming the coherence of the measures proposed in the context of the European Semester.

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

- the very good balance struck by the Semester exercise, which was taking place in tough economic times and in a changing environment;
- the difficulties reported by European employers' associations when it came to companies pursuing investments, owing to volatile energy prices, inflation and indexation of salaries;
- the need for the EU to provide a structured and coordinated response to these challenges, for instance a mechanism to help prevent investments from being shifted outside European industrial ecosystems;
- congratulations on the explicit recognition in the Semester of the demographic challenges facing the EU, in particular population ageing, depopulated regions and migration flows – trends that could have implications for public finances and economic growth;
- the corresponding need for the EU to address these challenges, for instance by adopting initiatives to foster talent and manage talent circulation in European regions, and to share best practices.

The PRESIDENT concluded by thanking the Members of the College responsible as well as concerned services for the excellent quality of the package presented.

Following these presentations, the Commission:

- approved the Communication in COM(2022) 780/3 for transmission to Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, and, for information, to the national parliaments;
- adopted the Report in COM(2022) 781/2 for transmission to Parliament, the Council and the European Economic and Social Committee and, for information, to the European Central Bank, the Committee of the Regions, the European Investment Bank and the national parliaments, together with the staff working document distributed as SWD(2022) 381, the contents of which were noted;
- adopted the Recommendation for a Council Recommendation in COM(2022) 782/3 for transmission to the Council and, for information, to Parliament, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions, the European Investment Bank and the national parliaments, together with the staff working document distributed as SWD(2022) 382/2, the contents of which were noted;
- approved the draft Joint Report in COM(2022) 783/2 for transmission to Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, and, for information, to the national parliaments.

**12. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT
AND THE COUNCIL ON PROGRESS IN ROMANIA UNDER THE
COOPERATION AND VERIFICATION MECHANISM
(COM(2022) 664 AND /2; RCC(2022) 220)**

Ms JOUROVÁ presented to the College the report on progress made by Romania under the Cooperation and Verification Mechanism (CVM). This mechanism had been put in place as a transitional measure when Romania joined the European Union in 2007 in order to facilitate reform of the country's judicial system and step up the fight against corruption.

The mechanism had been established by a Commission decision setting four benchmarks to be met by Romania, namely the strengthening of the judiciary, the establishment of institutions dealing with integrity issues in the public sector, the fight against high-level corruption and the fight against corruption at local level.

Ms JOUROVÁ explained that, since then, work on each of the benchmarks had continued on the basis of the recommendations made by the Commission, with regular reports under the Cooperation and Verification Mechanism. She stressed the excellent cooperation with the Romanian government and administration, which had participated fully in the mechanism, relying on guidance from the Commission for the design and implementation of reforms deemed necessary.

In January 2017, the Commission had carried out a comprehensive assessment of the progress made by Romania over the 10 years during which the mechanism had been in place and had made 12 specific recommendations to be implemented in an irreversible manner in order for it to be terminated.

However, the backsliding caused by the harmful justice reforms of 2017-2019 had compelled the Commission to issue eight additional recommendations on the revision of these reforms. Romania had followed these recommendations from 2019 onwards, allowing the Commission to identify substantial progress on all the benchmarks in its June 2021 report.

Ms JOUROVÁ noted that, since then, further positive steps had been taken, and the reform process had been speeded up, in particular since spring 2022. She explained that the report presented that day took stock of all the remaining recommendations and concluded that they had been followed. She therefore considered that Romania had made sufficient progress in honouring the commitments made at the time of its accession to the Union.

However, the report also identified areas in which certain shortcomings remained and where the implementation of reforms should therefore be pursued. Ms JOUROVÁ therefore considered it important that the Romanian authorities make a clear commitment at the highest level to pursue these reforms, which would ultimately have to be fully implemented. She said that the Romanian President, Mr Klaus IOHANNIS, had undertaken to do so in his reply to a letter from the PRESIDENT.

She explained that Romania would now be monitored in the context of the Rule of Law Report, like all other Member States. The framework provided by this cycle of rule of law reports was all the more appropriate, given that, as of this year, the reports contained recommendations and covered areas that were also covered by the Cooperation and Verification Mechanism.

In addition, Romania had committed itself to achieving a number of objectives directly related to the rule of law in the context of its national recovery and resilience plan, which would also contribute to ensuring that ongoing reforms, such as the reform of the penal codes, filled existing gaps in legislation and enhanced the effectiveness of the fight against corruption.

Ms JOUROVÁ stressed that the Cooperation and Verification Mechanism did not end with this report and explained that a formal Commission decision was needed to terminate it. The next steps would be to consult the Council on the report, as required by the decision establishing the mechanism, and, although this was not required, to consult the European Parliament, in order to take its comments into

account before the Commission took a final decision.

However, Ms JOUROVÁ felt that the Commission could now declare that Romania was at the same stage of the process as Bulgaria, for which a report concluding that the benchmarks had been satisfactorily met had been adopted in 2019.

She also pointed out that the Commission was taking that day's decision in a context where the rule of law landscape in the EU had changed considerably, and in which the Commission had considerably strengthened and expanded its toolbox with the annual rule of law cycle, the conditionality mechanism and the national recovery and resilience plans. Moreover, infringement procedures, which remained a particularly effective tool to ensure the application of EU law, were also applicable in relation to respect for the rule of law.

Ms JOUROVÁ concluded that, with these new instruments, the Commission now had a solid basis for continuing to monitor and support Romania.

She also pointed out that ending the Cooperation and Verification Mechanism and replacing it with the EU Rule of Law Report allowed for further streamlining of tools and resources within the Commission.

Lastly, she welcomed the fact that, over the past 16 years, the use of the mechanism had enabled the Commission to support Romania in its efforts to implement important reforms and set up new institutions, enabling it now to fully integrate the annual rule of law report cycle.

Following this presentation, the Commission adopted the report in COM(2022) 664/2 for transmission to the European Parliament and the Council and, for information, to the national parliaments.

**13. COMMISSION IMPLEMENTING DECISION ON THE REQUEST FOR REGISTRATION OF THE EUROPEAN CITIZENS' INITIATIVE ENTITLED 'EUROPEAN DAY OF "WHATEVER IT TAKES"', PURSUANT TO REGULATION (EU) 2019/788 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
(C(2022) 8511)**

Ms JOUROVÁ presented the Commission Implementing Decision being tabled for approval by the College concerning the registration of a European citizens' initiative entitled, in the authentic language (English), 'European Day of "Whatever it Takes"'.

According to the organisers, the aim of the initiative was to designate 26 July as the European Day of 'Whatever it Takes', with reference to the statement by former President of the European Central Bank, Mr Mario DRAGHI, on the measures needed to combat the economic and monetary crisis. The organisers wished to mark this day as a 'symbolic act of Europeanism'.

Ms JOUROVÁ stressed that the College's task that day was to decide only on the registration of the initiative and not at this stage to analyse its substance or political suitability.

Noting that the request fell within the powers conferred on the Commission, she pointed out that if, within 12 months, the initiative received the minimum support required, in other words at least one million signatures from citizens from at least one quarter of the Member States, the Commission would then examine the substance of the proposal. The Commission would have a period of six months to submit its reasoned decision whether or not to take any action.

Following this presentation, the Commission confirmed that the citizens' initiative 'European Day of "Whatever it Takes"' met the requisite conditions for registration. It therefore decided, in accordance with C(2022) 8511, to inform the group of organisers and authorised Ms JOUROVÁ to sign the reply on behalf of the College,

in the authentic language (English), to send it to the group of organisers of the initiative, and to publish it, for information, in the *Official Journal of the European Union*.

The Commission also agreed to transmit this decision, for information, to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments.

**14. PROPOSAL FOR A COUNCIL REGULATION ESTABLISHING A MARKET CORRECTION MECHANISM TO PROTECT CITIZENS AND THE ECONOMY AGAINST EXCESSIVELY HIGH PRICES
(COM(2022) 668 TO /4; RCC(2022) 221)**

The PRESIDENT thanked the Commission departments and cabinets that had worked tirelessly to prepare the proposal in a very short time. Russia's war of aggression against Ukraine and the weaponisation of energy supplies by Russia had led to an unprecedented energy crisis in the European Union, with energy prices soaring on the back of gas prices. While Russia had been the leading global supplier of pipeline gas before the war, and the EU the leading consumer of that gas, over the last 9 months Russia had cut its pipeline supplies to the EU by 80%.

The idea of a market correction mechanism had first been mentioned, as a measure of last resort, in the Commission Communication of March 2022 on security of supply and affordable energy prices, and that had been before gas prices had peaked over the summer. The PRESIDENT hailed the measures introduced thus far as a success, as they had restricted price rises and calmed the financial markets.

However, she explained that, although the EU had enough gas in storage to ensure sufficient supplies for the current winter, reports from the International Energy Agency (IEA) predicted significant challenges for the upcoming filling season in 2023. Russia could continue to reduce gas flows to the EU or even cut them off

completely. Moreover, a recovery in China's economic activity once pandemic-related health restrictions had been lifted could also reduce the volume of gas available on the global market.

The PRESIDENT noted that the idea of introducing an instrument that enabled automatic intervention in the gas markets in the event of extreme price hikes had been addressed again in the proposal for an emergency Regulation adopted by the Commission on 18 October as part of the package of measures to enhance solidarity between the Member States through better coordination of gas purchases, exchanges of gas across borders and reliable price benchmarks.

As for the other measures proposed to tackle high energy prices and guarantee security of supply, she referred in particular to joint purchasing of gas in the EU, the intra-EU solidarity rules that would apply automatically to the Member States in the event of supply shortages, the temporary intra-day volatility management mechanism ('circuit breaker') and the new tools to improve transparency with regard to the use of gas infrastructure.

She reminded the College that numerous discussions had taken place in the Council on the question of an energy price cap and that, at its meeting held on 20 and 21 October, the European Council had issued a clear request for the Commission to present additional practical measures as a matter of urgency to tackle the energy crisis. While there were differences of opinion between the Member States on the matter, the conclusion of the Energy Council held on 25 October had been unequivocal with regard to the need to develop a market correction mechanism, which was the subject of the legislative proposal being tabled that day.

It was the first European intervention in the market on such a scale, which was why strict safeguards were needed to guarantee market stability and security of supply. On that point, she referred to the need for close and ongoing monitoring of the impact of the mechanism by the competent authorities, namely the European Securities and Markets Authority (ESMA) and the European Central Bank (ECB),

in order to prevent any disruption to the energy and financial markets.

Lastly, she noted that the 30 billion cubic metre shortfall in gas expected for 2023 was further evidence of the need to continue work in parallel on more structural measures, such as the roll-out of renewable energy projects, particularly by simplifying authorisation procedures for these projects.

The PRESIDENT then asked Mr TIMMERMANS and Ms SIMSON to present the details of the proposal to the College.

Mr TIMMERMANS began by emphasising the risks of intervening in price formation in a market as essential and complex as the energy market. He stressed the need to exercise great vigilance and welcomed the overall balance achieved in the proposal between, on the one hand, strict safeguards that limited the likelihood of adverse consequences for supply security in the EU, and, on the other hand, efforts to reduce demand, guarantee intra-European gas flows and maintain financial stability.

With that in mind, he highlighted two key aspects of the proposal. First, he emphasised the crucial importance of the level of the safety ceiling on gas prices and stressed the consequences of lowering that ceiling, which could significantly undermine guarantees put in place to limit the risks of the mechanism.

Second, he took the view that reducing demand and increasing sustainable sources of energy were the only means of addressing the reduction in supply. In that connection, he said that, as soon as the Council adopted the mechanism, the Commission would propose that a Union alert should be declared in accordance with the proposal for a Regulation on coordinated demand-reduction measures for gas adopted by the Commission on 20 July, which would trigger mandatory reductions in the EU. To ensure that the most vulnerable consumers did not shoulder the burden of these reductions, measures would need to be put in place to share the burden fairly across society.

Lastly, he referred to the forecasts from experts at the International Energy Agency, the European Central Bank and the European Network of Transmission System Operators for Gas for winter 2023, which would be more difficult and harder to predict than winter 2022. A likely reduction in Russian gas flows would increase the EU's dependence on the goodwill of liquefied natural gas (LNG) exporters and its exposure to spot market fluctuations. Against that backdrop, he considered that a targeted mechanism with sufficient safeguards could prevent the financial markets from overheating.

Ms SIMSON noted that this was the fifth emergency Regulation on the basis of Article 122 of the Treaty on the Functioning of the European Union that year, illustrating the seriousness of the energy crisis. The EU's efforts to diversify supply, reduce demand and increase the filling of its gas storage facilities had made it possible to limit the damage that year, but this would probably not be the case the following year.

Russia's actions had had the effect of reducing the availability of gas in the EU, and energy prices in the EU were currently much higher than in other regions of the world. However, not all price differences could be explained by market dynamics, such as the extreme price increase on the 'Title Transfer Facility' (TTF) market in the second half of August, which had not followed global trends.

The proposed price correction mechanism was intended to protect EU businesses and households from specific episodes of excessive increases in the price of gas, when European prices were disconnected from international market prices. The proposal presented that day was therefore intended to clarify the outstanding elements of Article 23 of the proposal for an emergency Council Regulation adopted by the Commission on 18 October.

As the conditions for activation were set in advance, Ms SIMSON stressed that the mechanism could be triggered automatically by the Agency for the Cooperation of Energy Regulators (ACER), after verification that the conditions were met. These

conditions combined static and dynamic elements, with a safety ceiling for prices of EUR 275 for month-ahead TTF derivatives, and a spread of at least EUR 58 between TTF prices and the reference price for liquefied natural gas (LNG).

The price levels had been set in order to avoid the historic peaks reached in August that year whilst minimising the risk of damage to security of supply. Ms SIMSON also highlighted the risks of a mechanism that had never been used on European markets and the importance of the guarantees included in the proposal.

Furthermore, other measures had been put in place by the EU to limit intra-day variation, namely the ‘circuit-breaker’ mechanism and the development of a new reference price with ACER, to reflect more accurately the price of LNG transactions in the EU. A key aspect of the proposed Regulation was to make the EU more resilient, to prepare it for the following winter, and to enable implementation of the other measures proposed to improve the situation.

Finally, Ms SIMSON noted that energy ministers would meet on 24 November for their tenth meeting of the year. Discussions within the Energy Council were complex; in this context she stressed the importance of a united European response in order to make progress collectively on the various strands of work.

At the end of the discussion which followed these presentations, the Commission adopted the proposal for a Regulation in COM(2022) 668/4, for transmission to the Council and the European Central Bank and, for information, to the European Parliament and the national parliaments.

15. OTHER BUSINESS

15.1. OUTCOME OF THE 2022 CLIMATE CHANGE CONFERENCE (COP27)

The PRESIDENT asked Mr TIMMERMANS to report to the College on the outcome of the 2022 Conference on Climate Change (COP27) held in Sharm El-Sheikh, Egypt, from 6 to 20 November.

Mr TIMMERMANS said that at the start of COP27 many developing countries had had a negative perception of Europe's commitments regarding climate and the rest of the world.

The conference had made it possible to correct this perception by showing that, with the legislative proposals under negotiation, the EU was on track to fulfil and even surpass the objectives set under the European Green Deal.

He also highlighted the EU's leading role in the compromise on a new 'loss and damage' fund, with specific conditions in terms of contributions and eligibility, and in particular an expansion of the donor base to include the largest emitters. The proposed fund would enable the EU to start to work directly with the most vulnerable countries without having to go through the G77, which, in his view, could help further to strengthen Europe's relations with Africa and small island States.

The PRESIDENT thanked Mr TIMMERMANS for his report and for his excellent contribution to the success of COP27.

15.2. OUTCOME OF THE G20 SUMMIT OF 15 AND 16 NOVEMBER 2022

Finally, the PRESIDENT informed the College of the outcome of the G20 Leaders' Summit held in Bali, Indonesia, on 15 and 16 November 2022.

This was the first G20 summit since the Russian invasion of Ukraine. Following several successive ministerial meetings, an agreement had been reached on the first G20 joint declaration, which included a strong statement on Russia's war of aggression against Ukraine.

The close cooperation within the G20 had shown that the fight against Russia's toxic narrative on the war was bearing fruit. In this context, she stressed the importance for the EU of continuing to invest time and effort to improve dialogue with developing countries.

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 15.52.