



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2023) 2456 final

- English translation of the French version which is authentic -

Strasbourg, 13 June 2023

TEXTE EN

MINUTES

of the 2456th meeting of the Commission

held in Brussels

(Berlaymont)

On Wednesday 17 May 2023

(morning)

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PV(2023) 2456 final

- English translation of the French version which is authentic -

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Single sitting: Wednesday 17 May 2023 (morning)

The sitting opened at 9.07 with Mr TIMMERMANS in the chair.

Present:

Mr TIMMERMANS	Executive Vice-President	
Ms VESTAGER	Executive Vice-President	
Mr BORRELL i FONTELLES	High Representative / Vice-President	Items 8/11 (in part)
Mr ŠEFČOVIČ	Vice-President	Items 8/11 and 12
Ms JOUROVÁ	Vice-President	
Ms ŠUICA	Vice-President	
Mr SCHINAS	Vice-President	
Mr HAHN	Member	
Mr SCHMIT	Member	Items 8/11 and 12
Mr GENTILONI	Member	
Mr WOJCIECHOWSKI	Member	
Mr BRETON	Member	
Ms FERREIRA	Member	Items 8/11 and 12
Ms KYRIAKIDES	Member	
Mr REYNDERS	Member	
Ms DALLI	Member	
Ms JOHANSSON	Member	
Ms VÁLEAN	Member	Items 8/11 and 12
Ms URPILAINEN	Member	
Mr SINKEVIČIUS	Member	
Ms McGUINNESS	Member	

(17 May 2023)

Absent:

Ms von der LEYEN	President
Mr DOMBROVSKIS	Executive Vice-President
Mr LENARČIČ	Member
Mr VÁRHELYI	Member
Ms SIMSON	Member

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

Mr FREIMANIS	Member of Mr DOMBROVSKIS's cabinet
Ms SIMKIĆ	Head of Cabinet to Mr LENARČIČ
Mr ANDREJKÓ	Member of Mr VÁRHELYI's cabinet
Mr GRASSI	Head of Cabinet to Ms SIMSON

The following also sat in:

Mr CALLEJA CRESPO	Director-General, Legal Service
Ms AHRENKILDE HANSEN	Director-General, DG Communication
Ms PETKOVA	Director of Coordination and Administration in the PRESIDENT's cabinet
Ms SPINANT	Deputy Chief Spokesperson of the Commission
Ms BUKA	Secretariat-General

Secretary: Ms JUHANSONE, Secretary-General, assisted by
Ms ALLOUIS-LE LOSTEC, Head of Unit in the Secretariat-General.

1. AGENDAS

(OJ(2023) 2456/FINAL; SEC(2023) 2456/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

The Commission took note of the Secretary-General's report on the weekly meeting of Heads of Cabinet held on Monday 15 May 2023.

3. APPROVAL OF THE MINUTES

(PV(2023) 2451; PV(2023) 2451, 2ND PART; PV(2023) 2452; PV(2023) 2452, 2ND PART; PV(2023) 2453; PV(2023) 2453, 2ND PART)

The Commission approved the minutes of its 2451st, 2452nd and 2453rd meetings of 22 and 29 March and 18 April 2023, and held over approval of the minutes of its 2454th and 2455th meetings of 26 April and 3 May 2023 for a later date.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2023) 109)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held by videoconference on Friday 12 May 2023 (RCC(2023) 109).

The Commission approved the lines proposed for the following points:

- **Generalised scheme of tariff preferences (GSP) – Application of a generalised scheme of tariff preferences and repeal of Regulation (EU)**

**N° 978/2012 of the European Parliament and of the Council (Regulation) –
HAUTALA report – 2021/0297 (COD)**

Line set out in SI(2023) 144.

- **Data Act – Harmonised rules on fair access to and use of data
(Regulation) – DEL CASTILLO VERA report – 2022/0047 (COD)**

Line set out in SI(2023) 148.

- **European Digital Identity framework – Amendment of Regulation (EU)
N° 910/2014 as regards establishing a framework for a European Digital
Identity (Regulation) – JERKOVIĆ report – 2021/0136 (COD)**

Line set out in SI(2023) 149.

- **Amendment of Regulation (EU) 2023/194 of 30 January 2023 fixing
for 2023 the fishing opportunities for certain fish stocks, applicable in
Union waters, for Union fishing vessels, in certain non-Union waters, as well
as fixing for 2023 and 2024 such fishing opportunities for certain deep-sea
fish stocks (Council Regulation) – 2023/0061 (NLE)**

Line set out in SI(2023) 147.

- **Recommendation for a Council Decision on the opening of negotiations on
an EU-UK Competition Cooperation Agreement before the Coreper
meeting on 24 May and adoption by the Council on 30 May**

Line set out in SI(2023) 143.

The Commission approved the line proposed for the following point, for
transmission to the European Parliament:

- **Commission replies to the legislative resolutions (and list of non-legislative
resolutions without formal reply) adopted by Parliament at its April**

part-session

Line set out in SP(2023) 260.

The Commission took note of the following points:

- **Protection of persons who engage in public participation from manifestly unfounded or abusive court proceedings ('Strategic lawsuits against public participation') (Directive) – WÖLKEN report – 2022/0117 (COD)**

Information set out in SI(2023) 146.

- **Amendment of Regulations (EU) N° 260/2012 and 2021/1230 as regards instant credit transfers in euro (Regulation) – HOOGEVEEN report – 2022/0341 (COD)**

Information set out in SI(2023) 151.

- **Results of Parliament's May I 2023 part-session**

Information set out in SP(2023) 244.

- **European Bank for Reconstruction and Development – Annual meeting 2023**

Information set out in SPI(2023) 22.

- **Meetings between European Parliament Committee Chairs, the Spanish Presidency and the Commission representative (Brussels, 2 and 4 May 2023): meetings with AGRI, EMPL, ENVI, IMCO, ITRE and TRAN**

Information set out in SPI(2023) 21.

- **Memorandum of Understanding on financial services regulatory cooperation between the EU and the United Kingdom**

Information set out in SI(2023) 150.

5. COORDINATION OF EXTERNAL ACTION

(RCC(2023) 21)

The Commission took note of the operational conclusions in RCC(2023) 21 of the meeting of the Group for External Coordination (EXCO) held on Thursday 11 May 2023.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2023) 165 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 14 May 2023.

6.2. EMPOWERMENT

(SEC(2023) 166 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 14 May 2023.

6.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2023) 167 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedures between 2 and 14 May 2023 archived in Decide.

6.4. SIGNIFICANT WRITTEN PROCEDURES

(SEC(2023) 168 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 15 and 17 May 2023.

6.5. GENERAL EMPOWERMENTS – COMMISSION DECISION GRANTING EMPOWERMENTS RELATING TO CERTAIN MEASURES TO BE TAKEN UNDER REGULATION (EU) 2022/1925 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON CONTESTABLE AND FAIR MARKETS IN THE DIGITAL SECTOR AND COMMISSION IMPLEMENTING REGULATION (EU) 2023/814 OF 14 APRIL 2023 ON DETAILED ARRANGEMENTS FOR THE CONDUCT OF CERTAIN PROCEEDINGS BY THE COMMISSION PURSUANT TO REGULATION (EU) 2022/1925 (C(2023)3339)

The Commission decided to grant empowerments to the Member of the Commission with responsibility for competition and the Member of the Commission with responsibility for communications networks, content and technology to adopt certain measures to apply and enforce Regulation (EU) 2022/1925 on contestable and fair markets in the digital sector, on behalf of the Commission and under its responsibility, subject to the conditions laid down in Articles 2 to 5 of the Decision.

The Commission adopted the Decision in C(2023) 3339.

**7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2023) 169)**

**ADMINISTRATIVE MATTERS
(PERS(2023) 47)**

7.1. SECRETARIAT GENERAL – TERMINATION OF THE SELECTION PROCEDURE FOR A PRINCIPAL ADVISER POST AT GRADE AD14/15

***AND TRANSFER OF AN AD14 OFFICIAL UNDER ARTICLE 7 OF
THE STAFF REGULATIONS***

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

- to terminate the selection procedure for the post of Principal Adviser, Data Protection Officer, in the Secretariat-General, without making an appointment;
- to transfer in the interest of the service, under Article 7 of the Staff Regulations, Ms Michelle SUTTON, currently Principal Adviser for Relations with internal and external stakeholders (IAS.PA01), to the post of Principal Adviser, Data Protection Officer, in the Secretariat-General.

Unless indicated otherwise, these decisions would take effect on 1 July 2023.

***7.2. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF A LIST
OF CANDIDATES FOR THE POST OF DEPUTY HEAD OF THE
EUROPEAN UNION DELEGATION TO BOSNIA AND HERZEGOVINA
AT GRADE AD9/14
(PERS(2023) 48)***

On a proposal from Mr HAHN, in agreement with the PRESIDENT, the Commission decided to approve the list of candidates for the post of Deputy Head of the EU Delegation to Bosnia and Herzegovina (at grade AD9/14) set out in PERS(2023) 48.

The competent authority of the European External Action Service would make the final appointment on the basis of this list.

This decision would take effect immediately.

**7.3. DG HUMAN RESOURCES AND SECURITY – MEASURES IN PURSUIT
OF GENDER BALANCE AT MIDDLE MANAGEMENT LEVEL
(SEC(2023) 200)**

The Commission decided:

- to adopt the new targets for individual Directorates-General and Services for female appointments to a first middle management post for the remainder of the current Commission's term of office (2023-2024), as set out in Annex I (SEC(2023) 200);
- to invite the Directors-General to do their utmost to achieve the ratio of female appointments to male appointments indicated in the table in the above-mentioned Annex I, until they met their target for appointments to first middle management posts. First female appointments that had taken effect since 1 January 2023 were assigned to these new targets. Once their target for first female appointments had been met, the Directors-General should aim to maintain the gender balance. Directorates-General that had not been assigned a specific target were asked to do their utmost to achieve gender balance in first appointments whenever the opportunity arose;
- to authorise the Member of the Commission with responsibility for the budget and human resources, in agreement with the PRESIDENT, to update and adjust the specific targets for each Directorate-General, where necessary, in order to reach gender balance at middle management level before the end of the Commission's term of office;
- to instruct the Directorate-General for Human Resources and Security to:
 - closely monitor the progress made by Directorates-General and Services in achieving their gender balance targets;

- to check the gender balance of appointments to first middle management posts that did not contribute to achievement of their targets for first female appointments;
- to monitor closely the particular situation of Directorates-General in which the number of women in middle management posts was below the Commission average;
- to examine carefully the proposals for first appointments made by Directorates-General that did not have a specific target for female appointments to first middle management posts.

These decisions would take effect immediately.

7.4. ANNUAL ACTIVITY REPORT OF THE COMMISSION MEDIATION SERVICE FOR 2022
(SEC(2023) 178)

The Commission took note of the 2022 General Activity Report of the Mediation Service of the European Commission distributed as SEC(2023) 178.

- 8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – CUSTOMS REFORM – TAKING THE CUSTOMS UNION TO THE NEXT LEVEL**
(COM(2023) 257 AND /2; RCC(2023) 111)
- 9. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING THE UNION CUSTOMS CODE AND THE EUROPEAN UNION CUSTOMS AUTHORITY, AND REPEALING REGULATION (EU) N° 952/2013**

(COM(2023) 258 AND /2; SWD(2023) 140; SWD(2023) 141; SEC(2023) 198; RCC(2023) 111)

10. PROPOSAL FOR A COUNCIL REGULATION AMENDING REGULATION (EEC) N° 2658/87 AS REGARDS THE INTRODUCTION OF A SIMPLIFIED TARIFF TREATMENT FOR THE DISTANCE SALES OF GOODS AND REGULATION (EC) N° 1186/2009 AS REGARDS THE ELIMINATION OF THE CUSTOMS DUTY RELIEF THRESHOLD

(COM(2023) 259 AND /2; RCC(2023) 111)

11. PROPOSAL FOR A COUNCIL DIRECTIVE AMENDING DIRECTIVE 2006/112/EC AS REGARDS VAT RULES RELATING TO TAXABLE PERSONS WHO FACILITATE DISTANCE SALES OF IMPORTED GOODS AND THE APPLICATION OF THE SPECIAL SCHEME FOR DISTANCE SALES OF GOODS IMPORTED FROM THIRD TERRITORIES OR THIRD COUNTRIES AND SPECIAL ARRANGEMENTS FOR DECLARATION AND PAYMENT OF IMPORT VAT

(COM(2023) 262; RCC(2023) 111)

At the request of Mr TIMMERMANS, Mr GENTILONI presented the customs reform package to the College, noting that it was the most ambitious and comprehensive reform of the customs union since its creation in 1968.

Mr GENTILONI stressed above all the importance of the customs union as an underestimated but crucial pillar of the EU and the single market. While the customs union fell within the competence of the EU, the Member States were responsible for ensuring that it functioned properly, with varying degrees of organisation and efficiency. Around 83 000 people worked in customs in the EU, and more than 1.3 billion declarations were made each year.

Mr GENTILONI also mentioned the importance of customs for trade, pointing out that the EU accounted for 14% of global trade. Of the EUR 80 billion in customs duties collected by the EU, excise duties and VAT represented EUR 55 billion and

customs accounted for EUR 25 billion. He pointed out that three quarters of that amount was allocated to the European Union as own resources – representing 8% of the EU budget – and thus highlighted the considerable influence of customs on the single market, consumer safety and the European budget.

However, the customs union was facing increasing pressure, not least due to a considerable increase in trade volumes, but also to challenges linked to Brexit, the COVID-19 pandemic and the implementation of EU sanctions in the context of Russia's war of aggression against Ukraine. Recent difficulties in monitoring the sanctions highlighted the scale of the problem.

Mr GENTILONI pointed out that the customs union was also under increased pressure due to the substantial increase in the amount of regulation to be enforced. Customs authorities now needed to take into account 370 pieces of EU legislation when checking goods, and that number was expected to increase further due to the green transition, including with the upcoming introduction of the carbon border adjustment mechanism (CBAM). Lastly, he stressed the pressure exerted on customs by criminal activity and the increase in e-commerce, which accounted for more than one billion parcels annually, the vast majority of which came from China.

These challenges were compounded by two major flaws in the European customs system, namely: (i) the excessive complexity of procedures, reflecting the economic realities of a pre-digital era, and (ii) the disparities – sometimes significant – in the implementation of customs measures by national administrations, which allowed certain operators to target entry points into the EU with lower levels of monitoring.

In response to those challenges, which complicated implementation of the EU's strategic objectives, Mr GENTILONI explained that the reform was based on two fundamental pillars.

The first pillar aimed to simplify customs procedures. The reform sought to unify customs processes so that economic operators would work under a common customs organisation, which would generate savings estimated at around

EUR 2 billion per year. Moreover, the numerous existing data systems would be replaced by a single platform, which was expected to result in close to EUR 1.5 billion of savings annually. Finally, a new category of trustworthy economic operators – the ‘Trust and Check’ traders - would be created, based on the system implemented under the Windsor Framework for Northern Ireland. Those traders would be able to put their goods into circulation in the EU without any active customs intervention.

The second pillar of the reform aimed to strengthen the customs union, in particular by using available data to close the customs revenue gap, which amounted to several billion euros per year. The plan to achieve this objective involved implementing a tailor-made customs regime for e-commerce, shifting responsibility to large platforms and removing the exemption from customs duties for goods worth less than EUR 150, which was widely exploited by fraudsters. In addition, a simplification of the customs duties system was envisaged, involving classification based on four main categories of goods to facilitate the operations of online platforms.

In order to achieve those objectives, Mr GENTILONI indicated that two key instruments would be put in place.

The new EU Customs Data Hub would provide a single portal enabling the customs union to be organised in a way that was more efficient and focused on priorities. Companies that wished to bring goods into the EU would be able to register all the information about their products and supply chains on a single digital platform. The cutting-edge technology used would provide authorities with an overview of supply chains and the movement of goods, through a combination of artificial intelligence and human intervention.

Mr GENTILONI also mentioned the creation of a new EU Customs Authority, which would provide technical assistance to access the huge amounts of data available via the hub, in particular in order to effectively manage the risk of customs

fraud. The aim was to simplify procedures, combat fraud and have an overview of customs across the EU. While the new system would significantly improve cooperation between customs authorities, Member States would nonetheless remain responsible for the application of the customs union legislation.

By implementing these measures, Mr GENTILONI stressed that the European Union was seeking to create a harmonised customs environment that promoted trade while ensuring the safety and protection of the EU's financial and non-financial interests.

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

- the broad support of the College for a package considered essential;
- the simplification and significant savings in administrative and compliance costs that would result from the reform;
- the importance of technology and data management, as illustrated in particular by the recent customs negotiations with the United Kingdom;
- the need for closer collaboration with trusted operators that would allow the EU to focus more on risky operators and less known actors;
- the opportunity to improve and modernise global customs systems along the lines of the European reform, by leveraging the ‘Brussels effect’ by which EU rules became global standards;
- the savings generated by the planned simplification that would, under the next Multiannual Financial Framework (MFF), reduce the share of customs revenue allocated to the Member States for operational customs costs in order to increase their contribution to the EU budget beyond the current 8%;

- the need for effective border controls as part of the fight against criminal activities and VAT fraud, particularly by the European Public Prosecutor’s Office;
- the importance of collecting data on the circumvention of sanctions, in close cooperation with the customs authorities of the Member States;
- the need to support Member States in the implementation and harmonisation of their customs systems through the Technical Support Instrument (TSI), and the usefulness of an ‘Erasmus programme for civil servants’ to facilitate exchanges of experience and best practice between national customs authorities;
- the role that the European Institute of Public Administration could play in this regard.

Following these presentations, the Commission:

- approved the Communication in COM(2023) 257/2, for transmission to the European Parliament, the Council and the European Economic and Social Committee, and, for information, to the European Data Protection Supervisor and the national parliaments;
- adopted the proposal for a Regulation in COM(2023) 258/2 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the national parliaments, and, for information, to the European Data Protection Supervisor, together with the impact assessment, the summary thereof and the opinion of the Regulatory Scrutiny Board in SWD(2023) 140, SWD(2023) 141 and SEC(2023) 198, the contents of which were noted;
- adopted the proposal for a Council Regulation in COM(2023) 259/2 for transmission to the Council and, for information, to the European Parliament, the European Economic and Social Committee, the European Data Protection

Supervisor and the national parliaments;

- adopted the proposal for a Council Directive in COM(2023) 262, for transmission to the European Parliament, the Council, the European Economic and Social Committee and the national parliaments, and, for information, to the European Data Protection Supervisor.

12. OTHER BUSINESS

12.1. MEASURES TO PROMOTE GENDER BALANCE AT MANAGEMENT LEVEL

In conjunction with item 7.3 on administrative matters, Mr TIMMERMANS asked Mr HAHN to provide the College with additional information on the measures taken to achieve gender balance at management level in the Commission and on the results achieved.

Mr HAHN began by reminding the College of the very clear commitment made by the PRESIDENT to achieve gender balance at all management levels by the end of this Commission's term of office. This ambition was now an integral part of the Commission's human resources strategy adopted in April 2022.

He considered that the measures taken previously had proved to be effective, with the proportion of women holding middle and senior management posts now standing at 45.2% and 47.8% respectively, up from 36.6% and 41.5% in 2019.

This progress had been achieved through a combination of measures including training and talent development, the appointment of deputies to all heads of unit and directors, and setting precise targets for first appointments

of women to middle management in order to build up a reserve for senior management.

Mr HAHN added that new targets for gender equality in middle management for the period 2023-2024 had now been proposed, stressing that appointments would always have to be based on merit.

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

- the recognition of the substantial progress made within the Commission in terms of gender balance in management positions, through tailored strategies, including mentoring, and target setting;
- the need to also achieve greater gender parity in all function groups and in particular in support functions in which the proportion of women was still high;
- a reminder by some that gender balance was only one dimension of a more holistic approach to reflecting the diversity of our societies that must also cover geographical and cultural balance and provide for the inclusion of minorities and the most vulnerable groups.

Concluding the discussion, Mr HAHN noted that certain geographical imbalances had indeed been identified and that measures were planned with the Member States concerned to remedy the situation without however introducing specific quotas.

Mr TIMMERMANS spoke of the advisability of carrying out a more in-depth analysis of the situation with regard to inclusion as a basis for appropriate measures to ensure that the Commission administration reflected the diversity of European society as a whole.

The Commission took note of this information.

12.2. RESULTS OF THE FIRST MEETING OF THE EU-INDIA TRADE AND TECHNOLOGY COUNCIL

Ms VESTAGER reported on the outcome of the first meeting of the EU-India Trade and Technology Council, which had taken place in Brussels on 15 and 16 May. Geostrategic challenges had heightened the EU and India's common interest in ensuring security, prosperity and sustainable development based on shared values. It was clear from the meeting that both sides were strongly committed and very keen to deliver concrete results based on this new form of cooperation.

Ms VESTAGER said that the ministerial meeting had been followed by meetings of three working groups, two on technology and one on trade.

The discussions on technology had focused on investments in semiconductor production, high performance computing resources, quantum computing, technological governance and the technologies needed for the green transition. One of the issues raised was the digital skills gap in the EU, whereas 38 million engineers were trained every year in India. The recast of the EU Blue Card scheme was mentioned in this context as it would facilitate the granting of work permits and the legal migration of highly qualified workers to the EU.

Ms VESTAGER said that both parties had undertaken to deepen their cooperation on trustworthy artificial intelligence, in particular through voluntary compliance with certain rules before the adoption of European legislation in this area. The participants had also discussed digital technologies as an inclusion mechanism allowing more people to actively participate in social and professional life.

The main trade issue discussed at the Council had been economic security. With its population of 1.4 billion people, India was a huge country that offered many opportunities for companies wishing to diversify their activities.

The Commission's discussions on economic security would continue on 20 June with the adoption of a strategy to feed into talks between EU leaders at the next European Council meeting.

Lastly, Ms VESTAGER referred to the meeting which she and Ms URPILAINEN had had with the Indian Foreign Minister, Mr Subrahmanyam JAISHANKAR, on the margins of the Trade and Technology Council. They had discussed in particular a joint EU-India initiative aimed at fostering technological interoperability, which could then be extended to other third countries. With an eye to the next ministerial meeting, the Commission could propose three projects to be discussed under this joint initiative.

Mr TIMMERMANS congratulated Ms VESTAGER and the other Members of the College involved in this meeting for this promising start to deepening cooperation between India and the EU on a number of strategic issues of common interest.

The Commission took note of this information.

12.3. HIGH-LEVEL DIALOGUE BETWEEN THE EUROPEAN UNION AND THE UNITED STATES ON HEALTH

Ms KYRIAKIDES informed the College that the first high-level meeting on health between the European Union and the United States was taking place that day in Brussels.

The EU and the US would set up a working group with the aim of establishing close cooperation in order to address three challenges: (i) combating cancer, including paediatric and lung cancer; (ii) responding to global health threats; and (iii) strengthening the global health architecture and pandemic preparedness.

Ms KYRIAKIDES ended by extolling the dynamism of EU-US collaboration in the field of health.

The Commission took note of this information.

**12.4. ANNUAL ACTIVITY REPORTS OF THE COMMISSION
DEPARTMENTS FOR 2022
(INFO(2023) 21)**

Mr HAHN drew the College's attention to the conclusion of the Commission departments' Annual Activity Reports for 2022. These reports were a key source of data and information for drafting the Commission's Annual Management and Performance Report for the EU budget.

In its Annual Management and Performance Report for the EU budget, the Commission would focus in particular on the response to the Russian war of aggression against Ukraine and the many related events. Its analysis would demonstrate that, in 2022, the Commission had continued to use all available flexibility in terms of budget management while maximising the use of EU resources to meet the significant challenges it had had to face. The report would also show that the EU budget remained a key tool for steering European recovery after the pandemic and accelerating the transition to a green, digital and more competitive European Union.

As regards financial management, Mr HAHN said that, despite certain reservations, all Authorising Officers by Delegation had provided reasonable assurance. Moreover, the total number of reservations had fallen from 16 to 15 compared to the previous year, and their total financial impact had been reduced from EUR 987 million to EUR 877 million.

The Annual Report would also provide a clear and concise description of the Commission's governance in terms of internal management and checks,

including the checks and audits carried out under the Recovery and Resilience Facility.

In this context, Mr HAHN underlined the importance for the Members of the College to be ready to engage with the European Court of Auditors and provide the necessary justifications for the set-up of the Recovery and Resilience Facility. The Annual Management and Performance Report would showcase the excellent work carried out in managing and monitoring the Facility, thus making it possible to respond in detail to the Court of Auditors' questions.

Finally, he informed the Members of the College that the Annual Report should be adopted by the College together with the mid-term review of the Multiannual Financial Framework.

The Commission took note of this information and of the note distributed as INFO(2023) 21.

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At the end of the meeting, the College expressed its gratitude and appreciation for the remarkable work carried out by Ms GABRIEL as European Commissioner during two consecutive Commission mandates. They wished her every success in the continuation of her political career in the Bulgarian government.

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The meeting closed at 10.04.