



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2006)1766 final

Brussels, 29 November 2006

MINUTES
of the 1766th meeting of the Commission
held in Brussels
(Berlaymont),
on Wednesday 22 November 2006
(morning)

PV(2006)1766 final

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Single sitting: Wednesday 22 November 2006 (morning)

The sitting opened at 0925 hours with Mr BARROSO, President, in the chair. Item 11 (in part) was chaired by Ms WALLSTRÖM.

Present:

Mr BARROSO	President	Items 1 to 11 (in part)
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	
Mr KALLAS	Vice-President	
Mr DIMAS		
Mr ALMUNIA		Items 1 to 10
Ms HÜBNER		
Mr BORG		
Mr POTOČNIK		
Mr FIGEL'		
Mr KYPRIANOU		
Mr REHN		Items 1 to 8 (in part)
Mr KOVÁCS		
Ms KROES		
Ms FISCHER BOEL		
Mr McCREEVY		
Mr ŠPIDLA		
Mr MANDELSON		
Mr PIEBALGS		Items 1 to 11 (in part)

Absent:

Mr BARROT Vice-President

Mr FRATTINI Vice-President

Ms REDING

Ms GRYBAUSKAITĖ

Mr MICHEL

Ms FERRERO-WALDNER

The following sat in to represent absent Members of the Commission

Mr SAGREDO	A member of Mr BARROT's staff	Items 1 to 6 and 8 to 11
Ms SCHMITT	Deputy Chef de cabinet to Mr FRATTINI	Items 1 to 6 and 8 to 11
Mr STROHMEIER	Chef de cabinet to Ms REDING	Items 1 to 6 and 8 to 11
Mr QUEST	Deputy Chef de cabinet to Ms GRYBAUSKAITĖ	Items 1 to 6 and 8 to 11
Ms WEYAND	Chef de cabinet to Mr MICHEL	Items 1 to 6 and 8 to 11
Mr CHILD	Chef de cabinet to Ms FERRERO-WALDNER	Items 1 to 6 and 8 to 11

The following also sat in

Mr VALE DE ALMEIDA	Chef de cabinet to the President	Items 1 to 11 (in part)
Mr PETITE	Director-General, Legal Service	Items 1 to 6 and 8 to 11
Mr SØRENSEN	Director-General, DG Communication	Items 1 to 6 and 8 to 11
Mr LAITENBERGER	Commission Spokesman	Items 1 to 6 and 8 to 11
Mr THEBAULT	Deputy Chef de cabinet to the President	Items 1 to 6 and 8 to 11
Mr CABRAL	Adviser hors classe in the President's Office	Items 1 to 6, 8 and 9
Ms MARTÍNEZ ALBEROLA	A member of the President's staff	Item 10
M. HOLOLEI	Chef de cabinet to Mr KALLAS	Item 7
M. RAHUOJA	A member of Mr KALLAS's staff	Item 7
Ms ÅSENIUS	Deputy Chef de cabinet to Mr REHN	Items 8 (in part) to 11
Ms SCHREIBER	Chef de cabinet to Mr ŠPIDLA	Item 9

Secretary: Ms DAY, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

1. AGENDAS

(OJ(2006)1766/3 ; SEC(2006)1472/2)

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

2. WEEKLY MEETING OF CHEFS DE CABINET

(SEC(2006)1766)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 20 November.

3. MINUTES OF 1765TH MEETING (14 NOVEMBER)

(PV(2006)1765)

The Commission approved the minutes of its 1765th meeting.

4. INTERINSTITUTIONAL RELATIONS

4.1. *LEGISLATIVE MATTERS*

i) Action to be taken on legislative's opinions (SP(2006)5079)

The Commission decided to empower the Members responsible for the areas concerned, in agreement with the PRESIDENT and Ms WALLSTRÖM and any other Commission Members concerned, to adopt the amended proposals for transmission to Parliament and the Council as set out in SP(2006)5079.

4.2. *RELATIONS WITH THE COUNCIL* (SI(2006)1111)

The Commission took note of the information supplied in SI(2006)1111 relating to Council meetings held from 16 to 29 November.

ii) Results of the Economic and Financial Affairs Council – Budget (Brussels, 21 November) (SEC(2006)1545)

The Commission took note of the information note from Ms GRYBAUSKAITĖ in SEC(2006)1545.

**iii) Preparations for Council meeting (Economic and Financial Affairs)
on 28 November**

(SI(2006)1147)

- Proposal for a Council Decision granting a Community guarantee to the European Investment Bank against losses under loans and guarantees for projects outside the Community – COM(2006)324 – 2006/0107 (CNS)

The Commission authorised Mr ALMUNIA to seek a final agreement in the Council, following the line set out in SI(2006)1147.

**iv) Results of the informal meeting of ministers in charge of regional
affairs (Brussels, 21 November)**

(SEC(2006)1543)

The Commission took note of the information note from Ms HÜBNER in SEC(2006)1543.

**v) Results of the Education, Culture and Youth Council (Brussels,
13 and 14 November)**

(SEC(2006)1531)

The Commission took note of the information note from Mr FIGEL' in SEC(2005)1531.

4.3. RELATIONS WITH PARLIAMENT

vi) Results of the November I plenary session

(SP(2006)5153)

The Commission took note of the information supplied in SP(2006)5153 relating to Parliament's part-session held in Strasbourg from 13 to 16 November.

5. MONITORING THE APPLICATION OF COMMUNITY LAW

5.1. STATES AID – INDIVIDUAL CASES – RECAPITULATIVE LIST (SEC(2006)1540; SEC(2006)1501)

The Commission adopted the decisions in the recapitulative list (SEC(2006)1540).

5.2. STATE AID – HORIZONTAL FILE

Community framework for state aid for research, development and innovation

(SEC(2006)1516 and /2; SEC(2006)1501)

The Commission

- adopted, in principle, the Community framework in SEC(2006)1516/2 ;
- empowered the Commission Member responsible for competition to adopt formally the Community framework after revision of the texts by the lawyer-linguists, in all the official Community languages, and to publish it in the Official Journal of the European Union.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED (SEC(2006)1473 et seq)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 13 and 17 November.

6.2. SENSITIVE WRITTEN PROCEDURES
(SEC(2006)1474 and /2)

The Commission took note of the sensitive written procedures for which the time limit expires between 20 and 24 November and of the "finalisation" written procedures initiated following the weekly meeting of Chefs de cabinet on 20 November.

6.3. EMPOWERMENT
(SEC(2006)1475 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 13 and 17 November.

6.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 13 and 17 November, as archived on the "Greffé 2000" (Registry) website.

**6.5. DELEGATION OF POWERS FOR THE IMPLEMENTATION OF THE
PROGRAMME TO ENCOURAGE THE DEVELOPMENT,
DISTRIBUTION AND PROMOTION OF EUROPEAN AUDIOVISUAL
WORKS (MEDIA PLUS – 2001-2006) AND OF THE TRAINING
PROGRAMME FOR PROFESSIONALS IN THE EUROPEAN
AUDIOVISUAL PROGRAMME INDUSTRY (MEDIA-TRAINING – 2001-
2006)**
(SEC(2006)1526)

The Commission decided to delegate to the Director-General responsible for the information society and the media the power to adopt, on behalf of the Commission and under its responsibility, certain measures for the Implementation of the MEDIA Plus and MEDIA-Training programmes, as set out in SEC(2006)1526.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2006)1476/2)

ADMINISTRATIVE MATTERS
(PERS(2006)158/3)

7.1. DG TRADE - AMENDMENT OF ORGANISATION CHART
(SEC(2006)1517)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr MANDELSON, the Commission decided:

- to convert a function of Chief Adviser to a function of Director;
- to transfer Ms Signe RATSO, currently Chief Adviser, to the function of Director, WTO, OECD, Food Sectors;
- to reorganise the Trade Directorate-General, at the latest by 31 December 2007, by eliminating one Directorate, in order to reduce the total number to eight, following the mobility, after a term of 5 years, of a Director in May 2007;
- to set up a Hearing Officer Unit;
- to set up a unit TRADE.A.1 (Policy coordination);
- to set up a unit TRADE.H.6 (Investigations V. Administrative Matters);
- to create a post of Adviser, to bring the number of advisers to two (out of a total of three allocated to DG TRADE);
- to approve the organisation chart in SEC(2006)1517.

These decisions would take effect on 1 January 2007.

**7.2. DG SANCO – ADOPTION OF A LIST FOR THE RECRUITMENT OF THE VICE-PRESIDENT OF THE COMMUNITY PLANT VARIETY OFFICE (CPVO)
(PERS(2006)115 and /2)**

The Commission took note of the procedure followed, as set out in point 2 of PERS(2006)158/3, and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr KYPRIANOU, decided:

- to approve the list of two candidates set out in PERS(2006)115/2;
- to consider this list as the Commission proposal under Article 43 of Regulation (EC)2100/94;
- to ask Mr KYPRIANOU to communicate this decision to the Council, accompanied by a brief summary about the various stages of the procedure followed in this case.

This decision would take effect immediately.

7.3. JCR – TERMINATION OF CONTRACT OF A TEMPORARY MEMBER OF STAFF – DIRECTOR

The Commission took note of the information set out in point 3 of PERS(2006)158/3, and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, was informed of the extension of 2,5 months of the period of notice of ten months preceding the termination of the contract of Mr Kari TÖRRÖNEN, Director of the Institute for Energy (Petten) of the Joint Research Centre.

**7.4. JRC – CLOSURE OF A SELECTION PROCEDURE AND INTERNAL (GRADE AD14/15) AND EXTERNAL (GRADE AD14, EU-25) PUBLICATION OF A VACANCY NOTICE FOR A DIRECTOR
(PERS(2006)55 to /4; (PERS(2006)160 and /2)**

The Commission took note of the procedure followed, as set out in point 4 of PERS(2006)158/3, and, on a proposal from Mr KALLAS, in agreement with

the PRESIDENT and Mr POTOČNIK, decided to close the selection procedure COM/2006/10027 without appointing anyone to the post. It also decided to authorise the internal publication, under Article 29 (1) (a) (i) and (iii) of the Staff Regulations, of the vacancy notice in PERS(2006)160, and the external publication, under Article 29 (2) of the Staff Regulations, of the vacancy notice in PERS(2006)160/2, for the function of Director of the Institute for Energy (Petten) of the Joint Research Centre.

These decisions would take effect immediately.

7.5. JRC – EXTERNAL PUBLICATION (GRADE AD14, EU-25) OF A VACANCY NOTICE FOR A DIRECTOR (PERS(2006)140 to /3; PERS(2006)161)

The Commission took note of the procedure followed, as set out in point 5 of PERS(2006)158/3, and, on a proposal from M. KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, decided to authorise publication, under Article 29 (2) of the Staff Regulations, of the vacancy notice in PERS(2006)161 for the function of Director of the Institute for the Protection and Security of the Citizen (Ispra) of the Joint Research Centre.

This decision would take effect immediately.

7.6. JRC – APPOINTMENT OF AD14 DIRECTOR (EU-10) (PERS(2006)49 to /6)

The Commission had before it applications under Article 29 (2) of the Staff Regulations for the post of Director, Institutional and Scientific Relations - Brussels at the Joint Research Centre (PERS(2006)49 to /4).

The Commission took note of the opinions of the Consultative Committee on Appointments of 28 September and 12 October (PERS(2006)49/5 and /6).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT

and Mr POTOČNIK, it then decided to appoint Mr Krzysztof MARUSZEWSKI to the vacant post.

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

**7.7. JRC – APPOINTMENT OF AD15/16 DEPUTY DIRECTOR-GENERAL
(EU-25)
(PERS(2006)32 to /12)**

The Commission had before it applications under Article 29 (1) (a) (i) and (iii) and 29 (2) of the Staff Regulations for the post of Deputy Director-General in the Joint Research Centre (PERS(2006)32 to /10).

The Commission took note of the opinions of the Consultative Committee on Appointments of 4 and 28 September (PERS(2006)32/11 and /12).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, it then decided to appoint Ms Anneli PAULI to the post.

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

**7.8. AIDCO – APPOINTMENT OF AD15/16 DEPUTY DIRECTOR-GENERAL
(PERS(2006)77 to /5)**

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 the EuropeAid Cooperation Office (PERS(2006)77 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 31 August and 7 September (PERS(2006)77/3 to /5).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT

and Ms FERRERO-WALDNER, it then decided to appoint Mr Richard WEBER to the post.

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

7.9. DG DEV – APPOINTMENT OF AD15/16 DEPUTY DIRECTOR-GENERAL

(PERS(2006)85 to /5)

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 the Directorate-General for Development and Relations with African, Caribbean and Pacific States (PERS(2006)85 to 3).

The Commission took note of the opinions of the Consultative Committee on Appointments of 4 and 28 September (PERS(2006)85/4 and /5).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr MICHEL, it then decided to appoint Mr Bernard PETIT to the post.

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

7.10. DG MARKT – CLOSURE OF THE SELECTION PROCEDURES (INTERNAL, EXTERNAL AND INTERINSTITUTIONAL) FOR THE FUNCTION OF DIRECTOR-GENERAL

(PERS(2006)56; PERS(2006)69 to /9)

The Commission took note of the procedure followed, as set out in point 10 of PERS(2006)158/3, and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr McCREEVY, decided to close the selection procedures COM/2006/1787 and COM/2006/10028 without appointing anyone to the post.

These decisions would take effect immediately.

7.11. DG AGRI – APPOINTMENT OF AD14/15 DIRECTOR
(PERS(2006)128 to /4)

The Commission had before it applications under Article 29 (1) (a) (i) and (iii) of the Staff Regulations for the post of Director, Resource Management, in the Agriculture and Rural Development DG (PERS(2006)128 and /3).

The Commission took note of the opinions of the Consultative Committee on Appointments of 29 August and 7 September (PERS(2006)128/2 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered the applicants' ability, efficiency and conduct in the service. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FISCHER BOEL, it then decided to appoint Ms Monique PARIAT to the post.

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

7.12. DG EMPL – APPOINTMENT OF AD14 DIRECTOR (EU-10)
(PERS(2004)153; (PERS(2006)129 to /4)

The Commission had before it applications under Article 29 (2) of the Staff Regulations for the post of Director, Audit, Controls, Evaluation, in the Employment, Social Affairs and Equal Opportunities DG (PERS(2004)153, PERS(2006)129 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 31 August and 21 September (PERS(2006)129/3 and 4).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ŠPIDLA, it then decided to appoint Ms Viktorija SMATKO to the post.

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

**7.13. SJ – APPOINTMENT OF AD14/15 PRINCIPAL LEGAL ADVISER
(PERS(2006)72 to /3)**

The Commission had before it applications under Article 29 (1) (a) (i) and (iii) of the Staff Regulations for the post of Principal Legal Adviser, Quality of Legislation, in the Legal Service (PERS(2006)72).

The Commission took note of the opinions of the Consultative Committee on Appointments of 17 May and 22 June (PERS(2006)72/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr KALLAS, in agreement with the PRESIDENT, it then decided to appoint Mr Bevis CLARKE-SMITH to the post.

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

**7.14. INITIAL COMMUNICATION UNDER ARTICLE 50 OF THE STAFF
REGULATIONS**

The Commission decided to initiate the procedure laid down in Article 50 of the Staff Regulations with respect to an AD15 official.

**7.15. INITIAL COMMUNICATION UNDER ARTICLE 50 OF THE STAFF
REGULATIONS**

The Commission decided to initiate the procedure laid down in Article 50 of the Staff Regulations with respect to an AD15 official.

**7.16. OIB – TRANSFER OF THE DIRECTOR AND APPOINTMENT OF A
DIRECTOR AD INTERIM**

The Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, in accordance with Article 10 (3) of the Commission Decision of 6 November 2002 (2003/523/EC) establishing the Office for Infrastructure

and Logistics in Brussels, and after obtaining the opinion of the Management Committee of 17 November 2003, decided:

- to create a function of Chief Adviser in the Personnel and Administration DG;
- to transfer Mr Piet VERLEYSSEN to this function in the interest of the service;
- to appoint Mr Gabor ZUPKO, and AD14 official and currently Chief Adviser, to the post of Director *ad interim* of the Office for Infrastructure and Logistics in Brussels.

These decisions would take effect immediately.

**7.17. MOBILITY OF SENIOR MANAGEMENT STAFF (DIRECTOR-GENERAL, DEPUTY DIRECTOR-GENERAL, HEAD OF DELEGATION OR ADVISER HORS CLASSE IN GRADES AD16 AND AD15 ; DIRECTOR, HEAD OF DELEGATION OR CHIEF ADVISER IN GRADES AD15 AND AD14)
(SEC(2006)1547; SEC(2006)1548)**

The PRESIDENT and Mr KALLAS presented the decisions they were proposing to the Commission concerning the mobility of senior management officials, in line with the rules that the Commission had set itself in October 2004.

After its discussions, the Commission took the following decisions, set out in the document distributed as SEC(2006)1547, including the general and transitional provisions in point 6 of the document, concerning functions of Director-General, Deputy Director-General, Head of Delegation or Adviser *hors classe* in grades AD16 and AD15:

- creation of the following function:

Adviser *hors classe* in the Directorate-General for Trade, with effect from 1 January 2007. This function would be abolished after the departure of the jobholder.

- transfer of a Director-General in the interest of the service:

Mr Jorgen HOLMQUIST, currently Director-General of the Directorate-General for Fisheries and Maritime Affairs, was transferred to the function of Director-General of the Directorate-General for the Internal Market and Services, with effect from 1 January 2007.

- transfer of a Head of Delegation in the interest of the service:

Mr Carlo TROJAN, currently Head of Delegation to the International Organisations in Geneva, was transferred to the function of Adviser *hors classe* in the Directorate-General for Trade, with effect from 1 January 2007. M. Carlo TROJAN would be retiring on 31 January 2007.

- transfers of Deputy Directors-General in the interest of the service:

1. Mr Dirk AHNER, currently Deputy Director-General in the Directorate-General for Agriculture and Rural Development, was transferred to the function of Director-General of the Directorate-General for Regional Policy with effect from 1 January 2007, after the retirement of Mr Graham MEADOWS on 31 December 2006;
2. Mr Fokion FOTIADIS, currently Deputy Director-General in the Directorate-General for External Relations, was transferred to the function of Director-General of the Directorate-General for Fisheries and Maritime Affairs with effect from 1 January 2007, following the transfer of Mr Jorgen HOLMQUIST;
3. Mr Hervé JOUANJEAN, currently Deputy Director-General in the Directorate-General for External Relations, was transferred to the

function of Deputy Secretary-General, with effect from 1 January 2007, following the transfer of Mr Eckart GUTH;

4. Mr Eckart GUTH, currently Deputy Secretary-General, was transferred to the function of Head of Delegation to the International Organisations in Geneva with effect from 1 January 2007, following the transfer of Mr Carlo TROJAN.

– publication of the following functions:

1. Deputy Director-General in the Directorate-General for Agriculture and Rural Development, a function which would become vacant as a result of the transfer of M. Dirk AHNER ;
2. Director-General of the Official Publications Office of the European Communities, a function which would become vacant as a result of the retirement of Mr Thomas CRANFIELD on 31 July 2007. The Commission would fully involve the Management Board of the Publications Office, in accordance with the decision establishing the Publications Office;
3. Deputy Director-General in the Directorate-General for Regional Policy, a function which would become vacant as a result of the retirement of Mr Jean-Charles LEYGUES on 28 February 2007;
4. Deputy Director-General in the Directorate-General for External Relations, a function which would become vacant as a result of the transfer of Mr Hervé JOUANJEAN;
5. Deputy Director-General in the Directorate-General for External Relations, a function which would become vacant as a result of the transfer of Mr Fokion FOTIADIS.

– other decisions, by derogation to the mobility decision of November 2005:

1. Mr Klaus REGLING, currently Director-General of the Directorate-General for Economic and Financial Affairs, would remain in this function until 1 July 2008;
2. Mr Michel PETITE, currently Director-General of the Legal Service, would remain in this function until 1 June 2008;
3. Mr Peter ZANGL, currently Deputy Director-General in the Directorate-General for the Information Society and Media, would be subject to mobility in 2007.

The Commission also took the following decisions, set out in the document distributed as SEC(2006)1548, including the general and transitional provisions in item 6 of the document, concerning the functions of Director, Head of Delegation or Chief Adviser in grades AD15 and AD14:

– creation of the following functions:

1. Chief Adviser in the Directorate-General for Competition, with effect from 1 December 2006. This function would be abolished after the departure of the jobholder;
2. Chief Adviser in the Directorate-General for Employment, Social Affairs and Equal Opportunities, with effect from 1 January 2007. This function would be abolished after the departure of the jobholder;
3. Chief Adviser in the Directorate-General for Justice, Freedom and Security, with effect from 1 July 2007. This function would be abolished after the departure of the jobholder;
4. Chief Adviser in the Directorate-General for Taxation and Customs Union, with effect from 1 December 2006. This function would be abolished after the departure of the jobholder;

5. The function of Head of Delegation in Colombia was upgraded to Director level, with effect from 1 July 2007. This function would be downgraded to Unit Head level after the departure of the jobholder.

– abolition of the following function:

Chief Adviser responsible for the economic aspects of research in the Directorate-General for Research, with immediate effect.

– transfers of Directors or equivalent in the interest of the service:

1. Ms Mary MINCH, currently Director, International Affairs I, in particular Multilateral Negotiations in the Directorate-General for Agriculture and Rural Development, was transferred to the function of Director, International Cooperation in the Directorate-General for Research, with effect from 1 December 2006;
2. Mr Fernando CARDESA GARCIA, currently Director, Latin America in the EuropeAid Cooperation Office, was transferred to the function of Head of Delegation in Colombia, with effect from 1 July 2007;
3. Mr Angel TRADACETE COCERA, currently Director, Information, Communication and Media in the Directorate-General for Competition, was transferred to the function of Chief Adviser in the same Directorate-General, with effect from 1 December 2006;
4. Mr David COYNE, currently Director, Lifelong Learning: Education and Training Policies in the Directorate-General for Education and Culture, was transferred to the function of Director, ESF, Monitoring of corresponding national Policies I, Coordination in the Directorate-General for Employment, Social Affairs and Equal Opportunities, with effect from 1 January 2007;
5. Mr Juergen KRÖGER, currently Director, Economic Studies and Research in the Directorate-General for Economic and Financial

Affairs, was transferred to the new function of Director, Economies of the Member States I, in the same Directorate-General, with effect from 1 January 2007;

6. Mr Jan Høst SCHMIDT, currently Director, Structural Reforms and Lisbon Strategy; Economic Evaluation in the Directorate-General for Economic and Financial Affairs, was transferred to the function of Director, Resources in the same Directorate-General, with effect from 1 July 2007;
7. Ms Alexandra CAS GRANJE, currently Director, Resources in the Directorate-General for Economic and Financial Affairs, was transferred to the function of Director, Latin America in the EuropeAid Cooperation Office, with effect from 1 July 2007;
8. Mr Pierre MIREL, currently Director, Croatia, Former Yugoslav Republic of Macedonia, Turkey in the Directorate-General for Enlargement, was transferred to the function of Director, Albania, Bosnia and Herzegovina, Montenegro, Serbia, Kosovo Issues » in the same Directorate-General, with effect from 1 January 2007;
9. Mr Augusto BONUCCI, currently Director, Resources in the Directorate-General for Enlargement, was transferred to the function of Director, Resources in the Directorate-General for Energy and Transport, with effect from 1 January 2007;
10. Mr Xavier PRATS MONNE, currently Director, ESF, Monitoring of corresponding national Policies I, Coordination in the Directorate-General for Employment, Social Affairs and Equal Opportunities, was transferred to the function of Director, Employment, Lisbon Strategy, International Affairs in the same Directorate-General, with effect from 1 January 2007;

11. Mr Antonis KASTRISSIANAKIS, currently Director, Employment, Lisbon Strategy, International Affairs in the Directorate-General for Employment, Social Affairs and Equal Opportunities, was transferred to the function of Director, International Affairs and Tariff Matters in the Directorate-General for Taxation and Customs Union, with effect from 1 January 2007;
12. Mr Bernhard JANSEN, currently Director, Social Dialogue, Social Rights, Working Conditions, Adaptation to Change in the Directorate-General for Employment, Social Affairs and Equal Opportunities, was transferred to the function of Director, Staff Regulations: Policy, Management and Advice in the Directorate-General for Personnel and Administration, with effect from 1 January 2007;
13. Ms Luisella PAVAN-WOOLFE, currently Director, Equality between Men and Women, Action against Discrimination, Civil Society in the Directorate-General for Employment, Social Affairs and Equal Opportunities, was transferred to a function of Chief Adviser in the same Directorate-General, with effect from 1 January 2007;
14. Mr Raoul PRADO, currently Director, Resources, Communication in the Directorate-General for Employment, Social Affairs and Equal Opportunities, was transferred to the function of Director, Resources in the Directorate-General for Regional Policy, with effect from 1 January 2007;
15. Mr David WHITE, currently Director, Innovation Policy in the Directorate-General for Enterprise and Industry, was transferred to the function of Director, Lifelong Learning: Education and Training Policies in the Directorate-General for Education and Culture, with effect from 1 January 2007;
16. Ms Belinda PYKE, currently Director, Management and Resources in the Directorate-General for Enterprise and Industry, was transferred to

the function of Director, Equality between Men and Women, Action against Discrimination, Civil Society in the Directorate-General for Employment, Social Affairs and Equal Opportunities, with effect from 1 January 2007;

17. Ms Denise SORASIO, currently Director, Internal Security and Criminal Justice in the Directorate-General for Justice, Freedom and Security, was transferred to a function of Chief Adviser in the same Directorate-General, with effect from 1 July 2007;

18. Mr Jean-Marie SEYLER, currently Director, Resources in the Directorate-General for Regional Policy, was transferred to the function of Director, Interventions in Bulgaria, Poland, Portugal, Romania, Slovenia and IPA/ISPA in the same Directorate-General, with effect from 1 January 2007;

19. Mr Lluís RIERA FIGUERAS, currently Director, Interventions in Bulgaria, Poland, Portugal, Romania, Slovenia and IPA/ISPA in the Directorate-General for Regional Policy, was transferred to the function of Director, Development Policy: Thematic Issues in the Directorate-General for Development and Relations with African, Caribbean and Pacific States, with effect from 1 January 2007;

20. Mr Manuel ARNAL MONREAL, currently Director, International Affairs and Tariff Matters in the Directorate-General for Taxation and Customs Union », was transferred to a function of Chief Adviser in the same Directorate-General, with effect from 1 December 2006.

– publication of the following functions:

1. Director, International affairs I, in particular Multilateral Negotiations in the Directorate-General for Agriculture and Rural Development, a function which would become vacant as a result of the transfer of Ms Mary MINCH and would be published internally;

2. Director, Europe, Southern Mediterranean, Middle East and Neighbourhood Policy in the EuropeAid Cooperation Office, a function which was vacant following the appointment of Mr Richard WEBER to the function of Deputy Director-General and would be published internally;
3. Director, Information, Communication and Media in the Directorate-General for Competition, a function which would become vacant as a result of the transfer de Mr Angel TRADECETE COCERA and would be published internally;
4. Director, Economic Studies and Research in the Directorate-General for Economic and Financial Affairs, a function which would become vacant as a result of the transfer of Mr Juergen KRÖGER and would be published externally without delay, reserved for EU-10;
5. Director, Structural Reforms and Lisbon Strategy; Economic Evaluation in the Directorate-General for Economic and Financial Affairs, a function which would become vacant as a result of the transfer of Mr Jan Høst SCHMIDT and would be published later;
6. Director, Economies of the Member States II in the Directorate-General for Economic and Financial Affairs, a function which would be created on 1 January 2007 with the reorganisation of the Directorate-General and would be published internally;
7. Director, Resources, Finances, Legal Matters in the Directorate-General for Humanitarian Aid, a function which was currently vacant and which would be published internally;
8. Director, Resources in the Directorate-General for Enlargement, a function which would become vacant as a result of the transfer of Mr Augusto BONUCCI and would be published internally;

9. Director, Resources, Communication in the Directorate-General for Employment, Social Affairs and Equal Opportunities, a function which would become vacant as a result of the transfer of Mr Raoul PRADO and would be published internally;
10. Director, Innovation Policy in the Directorate-General for Enterprise and Industry, a function which would become vacant as a result of the transfer of Mr David WHITE and would be published internally;
11. Director, Management and Resources in the Directorate-General for Enterprise and Industry, a function which would become vacant as a result of the transfer of Ms Belinda PYKE and would be published internally;
12. Chief Adviser in the Directorate-General for the Information Society and Media, a function which would be published externally early in 2007, reserved for EU-10 ;
13. Director, Internal Security and Criminal Justice in the Directorate-General for Justice, Freedom and Security, a function which would become vacant as a result of the transfer of Ms Denise SORASIO and which would be published externally early in 2007, reserved for EU-10;
14. Director, Territorial Cooperation, Urban Actions and Outermost Regions in the Directorate-General for Regional Policy, a function which would become vacant as a result of the retirement of Ms Elisabeth HELANDER and would be published internally;
15. Director, Strategy, Coordination and Analysis in the Directorate-General for External Relations, a function which was currently vacant and would be published externally without delay (EU-25);
16. Director, Interinstitutional and Legal Matters – Framework Programme in the Directorate-General for Research, a function which

would become vacant as a result of the departure of Mr Richard ESCRITT and would be published later;

17. Director, Industrial Technologies in the Directorate-General for Research, a function which was currently vacant and would be published internally;

18. Director, Trans-European Networks – Energy and Transport in the Directorate-General for Energy and Transport, a function which was currently vacant and would be published internally.

– Other decisions:

1. Ms Rosalie ZOBEL, currently Director, Components and Systems in the Directorate-General for the Information Society and Media, would remain in this function until her retirement on 31 March 2008;

2. Ms Elisabeth HELANDER, currently Director, Territorial Cooperation, Urban Actions and Outermost Regions in the Directorate-General for Regional Policy, would remain in this function until her retirement on 30 April 2007;

3. Mr Richard ESCRITT, currently Director, Interinstitutional and Legal Matters – Framework Programme in the Directorate-General for Research, would remain in this function until his departure on 31 August 2007;

4. Ms Agne PANTELOURI, currently Director, Consumer Affairs in the Directorate-General for Health and Consumer Protection, would be subject to mobility in 2008.

8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN CENTRAL BANK – THE EU ECONOMY: 2006 REVIEW – STRENGTHENING THE EURO AREA: KEY POLICY PRIORITIES (COM(2006)714 TO /4; SEC(2006)1490 TO /3; SEC(2006)1494)

Mr ALMUNIA presented the communication he was tabling for approval. He reminded the meeting of the annual report on the European economy on which the communication was based, and said that this year's report dealt with the process of adjustment that had been taking place within the economic and monetary union since 1999.

Mr ALMUNIA said that the report gave a positive account of the introduction of the single currency. The euro was now a strong and stable currency, widely used and respected in international markets, and its exchange rate was followed with interest by monetary authorities and operators. Moreover, the euro area's overall economic performance had been good, particularly in terms of public finances and the trade balance. However, certain aspects should give pause for thought and even concern. These were the fall in growth in the euro area, the causes of which needed to be analysed, and the excessive divergences between the euro area countries, particularly as regards economic performance, inflation and competitiveness. The reasons for these divergences were numerous and related in particular to the widely divergent situations in the euro zone countries before the introduction of the single currency.

Mr ALMUNIA then spoke of the policy review contained in the report. He emphasised the importance of combining sound macroeconomic policies and structural reforms in the euro area. It was essential to ensure that public finances were consolidated during favourable budget years. The importance of the efficient functioning of the financial markets had been confirmed and the integration of these markets needed to be stepped up. He also emphasised that price and salary

developments had to take into account the evolution of the fundamental, and reflect productivity gains.

Lastly, since these principles had long been known but were not always put into practice, Mr ALMUNIA emphasised the need to ensure that economic policies were duly coordinated both within the euro area and within the EU. The asymmetry caused by the fact that a considerable number of EU Member States had not yet adopted the single currency would continue for some years to come. It was therefore essential to consider how best to integrate in the political debate of the EU as a whole, and in particular the euro area, the questions relating to better coordination in the preparation of the national budgets and the structural reforms, which could improve the functioning of economic and monetary union. This would not be an easy task, but all European citizens, both inside and outside the euro area, rightly expected the euro to be used as a genuine means of furthering integration and the European project, over and above its purely practical role as a means of payment.

The Commission held a brief exchange of views, during which it discussed in particular the following issues:

- the importance of emphasising the complementarity between macroeconomic policies and structural reforms in the context of the Lisbon Strategy and, more generally, the need for close coordination between political and economic considerations;
- the need to take all these factors into account in the annual report on the implementation of the Lisbon Strategy to be put before the Commission by the end of the year, in preparation for the spring 2007 European Council;
- the need to insist on better coordination of economic policy within the EU and the euro area; the mechanisms were now in place but the system was not yet fully operational owing to resistance on the part of some Member States;

- the need to carry out an assessment as soon as possible of the consistency between the various policies being implemented in the EU, particularly structural and macroeconomic policies;
- the interdependence of the economies of the various Member States and the possibility of addressing this question in depth in the 2006 convergence report to be submitted to the Commission by the end of the year;
- the importance of the smooth operation of the internal market for the European economy;
- the reasons for the differences between inflation rates within the euro area, particularly the heavy investment in infrastructure in certain small countries;
- the good general performance of the euro, on which more emphasis could be placed in a future Commission communication;
- the economic consequences of German reunification at the beginning of the 1990's, which might continue to have an impact for some time to come.

The PRESIDENT concluded the exchange of views by emphasising the importance of continuing the efforts to improve the operation of the euro area. Attention should be paid not only to coordinating economic policy and structural reforms, which would be further discussed in the report on the Lisbon Strategy to be presented by the Commission at the spring European Council, but also to improving coordination within the euro area itself. The overall objective was still the prosperity of European citizens. If the potential for growth was fully exploited in the euro area, this would make it all the more attractive for the Member States who had not yet joined, and these States would have even more incentive to ensure that they were duly prepared to become members in accordance with the criteria laid down.

Following its discussions, the Commission approved the communication set out in COM(2006)714/4, for transmission to European Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and the European Central Bank, and to the national parliaments, together with the 2006 EU Economy

Review contained in the staff paper distributed as SEC(2006)1490 and /3, the contents of which were noted.

**9. GREEN PAPER – MODERNISING LABOUR LAW TO MEET THE CHALLENGES OF THE 21ST CENTURY
(COM(2006)708 TO /4; SEC(2006)1495)**

Mr ŠPIDLA introduced the Green Paper which he was tabling for approval. He thanked the Commission Members and their respective departments for their cooperation and for the excellent result secured. He gave a brief summary of the background to the initiative, emphasising the importance of the contributions made by the Commission's breakfast debate on policy in October 2006, as well as the prior consultations with the social partners.

Mr ŠPIDLA referred to the sensitivity of this issue and pointed out that the Green Paper raised it in order to stimulate public debate, but also in a sufficiently balanced way to take account of the opinions of the social partners. He emphasised the importance of encouraging constructive public debate on questions such as flexicurity in the context of the Lisbon Strategy.

Mr ŠPIDLA announced that the public consultation on this Green Paper would last for four months, until the end of March 2007. The contributions from Member States, the social partners and other interested parties would then be studied and taken into account in a communication on flexicurity to be presented in June 2007.

The Commission held an exchange of views, covering the following questions in particular:

- the need for a modern, flexible, fair and inclusive European labour market;
- the challenge posed by globalisation and the reform of the labour market;
- the risks and opportunities arising from new forms of work;

- the major role of the Green Paper in stimulating public debate on this question.

The PRESIDENT concluded the exchange of views by referring to the outstanding quality and balance of the Green Paper, for which he thanked the Commission Members and Mr ŠPIDLA in particular, as well as the departments concerned. He reminded the meeting of the importance, for the preparation of this document, of the discussion at the Commission's breakfast debate last October. He felt that the Green Paper would stimulate an in-depth public debate in the coming months on this subject which, while sensitive, was important for growth and employment in Europe.

Subject to linguistic revision of the German version, the Commission approved the Green Paper in COM(2006)708/4, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

10. RELATIONS WITH THIRD COUNTRIES

10.1. PREPARATIONS FOR THE 18TH EU / RUSSIA SUMMIT (HELSINKI, 24 NOVEMBER)

On the eve of the summit between the EU and Russia on Friday 24 November in Helsinki, Mr KYPRIANOU informed the Commission Members of the dispute between Poland and the Russian Federation on Russia's suspension of imports of certain agricultural products from Poland. This dispute risks jeopardising the approval by the Council, before the summit, of the negotiating directives with a view to the conclusion of a new agreement between the EU and Russia.

While emphasising that this was a bilateral dispute, Mr KYPRIANOU gave a brief account of his contacts with the Russian authorities on this issue and of

the Commission's efforts in the past months, at various levels, to find a constructive and satisfactory solution for both parties.

The Commission held a brief exchange of views on this question, during which the following aspects were raised:

- the need to affirm the Commission's support for Poland while trying to persuade the Polish authorities to undertake to remedy a number of technical shortcomings identified by the Commission's departments in plant health checks on certain food products in transit;
- the importance of making every effort in the coming hours in order to find a balanced and sustainable solution to the question that would ultimately lead Russia to lift all restrictions on trade with Member States.

The PRESIDENT concluded by reiterating the Commission's support for Poland and for the current efforts of the Council Presidency to find a solution that would enable the Council ahead of the summit, to approve the negotiating mandate that was currently being compromised.

The Commission took note of this information.

**10.2. VISIT TO CHINA (BEIJING AND CHENGDU, 6 TO 10 NOVEMBER)
(SEC(2006)1530)**

The Commission took note of the information note from M. MANDELSON in SEC(2006)1530.

**10.3. VISIT TO TURKEY (ISTANBUL, 14 TO 17 NOVEMBER 2006)
(SEC(2006)1542)**

The Commission took note of the information note from Mr KYPRIANOU in SEC(2006)1542.

11. OTHER MATTERS

11.1. TWELFTH CONFERENCE OF THE PARTIES TO THE RIO CONVENTION ON CLIMATE CHANGE AND SECOND MEETING OF THE PARTIES TO THE KYOTO PROTOCOL (NAIROBI, 4-17 NOVEMBER 2006) (SEC(2006)1532)

The Commission took note of the information note from Mr DIMAS in SEC(2006)1532.

11.2. JOB CUTS AT VOLKSWAGEN'S PLANT IN BRUSSELS

The Commission discussed Volkswagen's announcement of a large-scale restructuring at its plant in Forest, Brussels. Following a brief exchange of views, it noted:

- the problems faced by the automobile construction industry in Europe, the rapid structural changes and overcapacity in the industry;
- the need for the Commission, while not interfering with the companies' decisions, to show its support and make a detailed study of the Community instruments available to mitigate the adverse consequences for the workers affected by the restructuring, including aid under the European Social Fund and the cohesion policy;
- in this connection, the importance of the flexicurity approach advocated by the Commission (see item 9 of these minutes) in supporting the workers;
- the obligation for the companies concerned to comply with Community rules in their handling of the restructurings, particularly as regards informing and consulting workers.

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 1135 hours.