



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2007) 1811 final

Strasbourg, 11 December 2007

MINUTES
of the 1811th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 5 December 2007
(morning)

PV(2007)1811 final

TABLE OF CONTENTS

List of participants	7-10
1. AGENDAS (OJ(2007)1811/3; SEC(2007)1610/2).....	10
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2007)1811)	10
3. MINUTES OF 1703RD MEETING (28 NOVEMBER 2007) (PV(2007) 1810)	11
4. MONITORING THE APPLICATION OF COMMUNITY LAW	11
4.1. STATE AID – INDIVIDUAL CASE (SEC(2007)1652/2; SEC(2007)1653).....	11
4.2. INFRINGEMENTS – INDIVIDUAL CASES POSTPONED BECAUSE OF NON- AVAILABILITY OF DOCUMENTS – REGULARISATION (SEC(2007)1634)	11
5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS	11
5.1. WRITTEN PROCEDURES APPROVED (SEC(2007)1611 ET SEQ.).....	11
5.2. SENSITIVE WRITTEN PROCEDURES (SEC(2007)1612)	11
5.3. EMPOWERMENT (SEC(2007)1613 ET SEQ.)	12
5.4. DELEGATION AND SUBDELEGATION OF POWERS	12
5.5. DELEGATION OF POWERS RELATING TO DECISIONS IN THE AREA OF AVIATION AGREEMENTS (SEC(2007)1630).....	12
6. PROCLAMATION OF THE CHARTER OF FUNDAMENTAL RIGHTS OF THE EUROPEAN UNION (SEC(2007)1638)	12
7. COMMISSION DECISION CONCERNING A PROCEEDING UNDER ARTICLE 81 OF THE EC TREATY AND ARTICLE 53 OF THE EEA AGREEMENT (CASE COMP/F/38.629 – CHLOROPRENE RUBBER) (C(2007)5910 TO /8; SEC(2007)1648)	13

8. COMMISSION DECISION CONCERNING A PROCEEDING UNDER
ARTICLE 8(1) OF COUNCIL REGULATION (EC) 139/2004 ON THE
CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS
AND ARTICLE 57 OF THE EEA AGREEMENT (*CASE COMP/M.4647*
– AEE/LENTJES) (C(2007)5842 TO /7)14

9. COMMISSION DECISION CONCERNING A PROCEEDING UNDER
ARTICLE 21 OF COUNCIL REGULATION (EC) NO 139/2004 ON
THE CONTROL OF CONCENTRATIONS BETWEEN
UNDERTAKINGS (*CASE COMP/M.4685 – ENEL/ACCIONA/ENDESA*)
C(2007)5913 AND /2).....15

10. COMMISSION COMMUNICATION TO PARLIAMENT, THE
COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE
COMMITTEE OF THE REGIONS – A STRATEGY FOR A STRONGER
AND MORE COMPETITIVE EUROPEAN DEFENCE INDUSTRY
(COM(2007)764 TO /3; SEC(2007)1596; SEC(2007)1597;
SEC(2007)1606; SEC(2007)1617)15

11. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON
SIMPLIFYING TERMS AND CONDITIONS OF TRANSFERS OF
DEFENCE-RELATED PRODUCTS WITHIN THE COMMUNITY
(COM(2007)765 TO /3; SEC(2007)1593; SEC(2007)1594;
SEC(2007)1605; SEC(2007)1617)15

12. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON
THE COORDINATION OF PROCEDURES FOR THE AWARD OF
CERTAIN PUBLIC WORKS CONTRACTS, PUBLIC SUPPLY
CONTRACTS AND PUBLIC SERVICE CONTRACTS IN THE FIELDS
OF DEFENCE AND SECURITY (COM(2007)766 AND /2;
SEC(2007)1598; SEC(2007)1599; SEC(2007)1602 SEC(2007)1617)16

13. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – A STRONG EUROPEAN NEIGHBOURHOOD POLICY (COM(2007)774 AND /4; SEC(2007)1626).....	20
14. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – EFFECTIVE CONSULAR PROTECTION IN THIRD COUNTRIES: THE CONTRIBUTION OF THE EUROPEAN UNION (ACTION PLAN 2007-2009) (COM(2007)767 TO /4; SEC(2007)1600 TO /3; SEC(2007)1601 TO /3; SEC(2007)1604; SEC(2007)1603; SEC(2007)1628)	25
15. COMMISSION RECOMMENDATION ON REPRODUCING THE TEXT OF ARTICLE 20 TEC IN PASSPORTS (C(2007)5841 TO /3; SEC(2007)1600 TO /3; SEC(2007)1601 TO /3; SEC(2007)1604; SEC(2007)1603; SEC(2007)1628)	25
16. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – TOWARDS A COMMON IMMIGRATION POLICY (COM(2007)780 TO /4; SEC(2007)1632 TO /3; SEC(2007)1633)	27
17. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2007)1614/3)	32
17.1. DG ECONOMIC AND FINANCIAL AFFAIRS – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2007)100 TO /6)	32
17.2. DG RELEX – APPOINTMENT OF AD14 HEAD OF DELEGATION (PERS(2007)66 TO /7)	32
17.3. DG PERSONNEL AND ADMINISTRATION – APPOINTMENT OF ADDITIONAL RAPPORTEURS FOR FILLING SENIOR MANAGEMENT VACANCIES (PERS(2007)114 AND /2).....	33

17.4. DG PERSONNEL AND ADMINISTRATION – AMENDMENT OF THE COMPILATION DOCUMENT ON SENIOR OFFICIALS POLICY	34
18. POLICY DEBATE ON SOVEREIGN WEALTH FUNDS (SEC(2007)1656)	34
19. RELATIONS WITH THIRD COUNTRIES	38
19.1. VISIT TO BRAZIL (BRASILIA, JUAZEIRO, RECIFE, OLINDA, 28 NOVEMBER – 1 DECEMBER 2007) (SEC(2007) 1650)	38
19.2. VISIT TO BOSNIA AND HERZEGOVINA (SARAJEVO, 3 AND 4 DECEMBER 2007)	38
19.3. INTERNATIONAL PEACE CONFERENCE ON THE MIDDLE EAST (ANNAPOLIS, 27 NOVEMBER 2007) (SEC(2007) 1649)	40
20. INTERINSTITUTIONAL RELATIONS (SEC(2007)1609)	40
20.1. LEGISLATIVE MATTERS	40
20.2. RELATIONS WITH THE COUNCIL	46
20.3. RELATIONS WITH PARLIAMENT	47
21. RELATIONS WITH NON-MEMBER COUNTRIES (CONTINUED FROM ITEM 19)	48
VISIT TO ASIA (SINGAPORE, INDONESIA, EAST TIMOR, VIETNAM, CHINA AND INDIA, 21 TO 30 NOVEMBER 2007)	48
22. OTHER BUSINESS	50
22.1. SATISFACTION SURVEY ON THE QUALITY OF SERVICES PROVIDED BY THE DIRECTORATE-GENERAL FOR INTERPRETATION	50
22.2. INFORMAL MEETING OF MINISTERS RESPONSIBLE FOR REGIONAL PLANNING AND REGIONAL DEVELOPMENT (AZORES, 22 AND 24 NOVEMBER 2007) (SEC(2007)1651)	50
22.3. FIRST MEETING AND LAUNCH OF THE EUROPEAN FORUM ON NUCLEAR ENERGY (BRATISLAVA, 26 AND 27 NOVEMBER 2007) (SEC(2007)1655)	51

Single sitting: Wednesday 5 December 2007 (morning)

The sitting opened at 09.07 hours with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Mr VERHEUGEN	Vice-President	Items 1 to 21 (in part)
Mr BARROT	Vice-President	Items 1 to 20 (in part)
Mr KALLAS	Vice-President	
Mr FRATTINI	Vice-President	Items 1 to 18 (in part)
Ms REDING		Items 1 to 18 (in part)
Mr DIMAS		
Mr ALMUNIA		
Ms HÜBNER		
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr KYPRIANOU		
Mr REHN		
Mr KOVÁCS		
Ms KROES		Items 10/11/12 (in part) to 22
Ms FISCHER BOEL		
Ms FERRERO-WALDNER		Items 1 to 18 (in part)
Mr McCREEVY		Items 1 to 20
Mr MANDELSON		Items 1 to 18 (in part)
Mr PIEBALGS		Items 1 to 13 (in part)
Ms KUNEVA		
Mr ORBAN		

Absent:

Ms WALLSTRÖM

Vice-President

Mr FIGEL'

Mr MICHEL

Mr ŠPIDLA

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

Mr LEFFLER	Chef de cabinet to Ms WALLSTRÖM	
Mr ADAMIŠ	Chef de cabinet to Mr FIGEL'	Items 13 to 22
Ms GAMEIRO	Deputy Chef de cabinet to Mr FIGEL'	Items 1 to 12
Mr DOENS	Chef de cabinet to Mr MICHEL	
Mr OUAKI	Deputy Chef de cabinet to Mr ŠPIDLA	Items 1 to 20
Mr RALPH	A member of Mr ŠPIDLA's staff	Items 21 and 22

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the PRESIDENT	Items 10/11/12 (in part) to 22
Mr SANTAOLALLA	Legal Service	
Ms CORUGEDO STENERBERG	DG Communication	
Mr LAITENBERGER	Commission Spokesman	Items 1 to 18 (in part)
Ms AHRENKILDE	DG Communication – Spokesman's Service	Items 18 (in part) to 22
Ms CARVALHO	Bureau of European Policy Advisers	
Mr CABRAL	Adviser hors classe in the PRESIDENT 's Office	Items 1 to 12 and 18
Ms MARTINHO	Chief adviser in the PRESIDENT's Office	Items 18 and 19
Mr ANDRESEN GUIMARÃES	A member of the PRESIDENT 's staff	Item 13
Mr KLAUS	A member of PRESIDENT 's staff	Items 18 to 22
Ms MARTÍNEZ ALBEROLA	A member of the PRESIDENT 's staff	Items 14 to 16
Ms ERLER	Chef de cabinet to Mr VERHEUGEN	Items 10 to 12 and 18
Ms SCHMITT	Deputy Chef de cabinet to Mr FRATTINI	Items 14 to 16 (in part)
Mr PRONK	Adviser in Ms REDING's cabinet	Items 18 (in part) to 22
Mr CHILD	Chef de cabinet to Ms FERRERO-WALDNER	Items 18 (in part) to 22
Ms UDWIN	A member of Ms FERRERO-WALDNER's	Item 13

staff

Mr HOUBEN	A member of Mr MANDELSON's staff	Items 18 (in part) to 22
Mr KESTERIS	Chef de cabinet to Mr PIEBALGS	Items 13(in part) to 15
Ms BUISSON	A member of Mr PIEBALGS's staff	Items 18 to 22

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

The PRESIDENT paid tribute to Mr François-Xavier ORTOLI, former President of the Commission from 1973 to 1977, who died on 29 November 2007.

Mr François-Xavier ORTOLI, a convinced European, was a highly cultivated man with great sensitivity. He had worked resolutely for European integration at a time when the process still needed to be consolidated. His skill and experience in economic and financial matters had enabled the Community to weather crises, such as the first oil shock, and had strengthened Europe's credibility at international level. He had steered Denmark, Ireland and the United Kingdom successfully into the Community and had also been one of the main contributors to the creation of the European monetary system in 1979.

On behalf of the Commission, the PRESIDENT conveyed his deepest sympathy to all those close to Mr François-Xavier ORTOLI.

* * *

1. AGENDAS

(OJ(2007)1811/3; SEC(2007)1610/2)

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(2007)1811)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 3 December 2007.

**3. MINUTES OF 1703RD MEETING (28 NOVEMBER 2007)
(PV(2007) 1810)**

The Commission approved the minutes of its 1810th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

**4.1. STATE AID – INDIVIDUAL CASE
(SEC(2007)1652/2; SEC(2007)1653)**

The Commission adopted the decision in SEC(2007)1652/2.

**4.2. INFRINGEMENTS – INDIVIDUAL CASES POSTPONED BECAUSE OF
NON-AVAILABILITY OF DOCUMENTS – REGULARISATION
(SEC(2007)1634)**

The Commission adopted the decisions in SEC(2007)1634.

**5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF
POWERS**

**5.1. WRITTEN PROCEDURES APPROVED
(SEC(2007)1611 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 26 and 30 November 2007.

**5.2. SENSITIVE WRITTEN PROCEDURES
(SEC(2007)1612)**

The Commission took note of the sensitive written procedures for which the time limit expired between 3 and 7 December 2007.

5.3. EMPOWERMENT

(SEC(2007)1613 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 26 and 30 November 2007.

5.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 26 and 30 November 2007, as archived on "Grefte 2000" (Registry).

5.5. DELEGATION OF POWERS RELATING TO DECISIONS IN THE AREA OF AVIATION AGREEMENTS

(SEC(2007)1630)

The Commission decided to delegate powers to the Director-General responsible for transport to adopt, on behalf of the Commission and under its responsibility, decisions relating to aviation agreements in accordance with the terms laid down in SEC(2007)1630.

6. PROCLAMATION OF THE CHARTER OF FUNDAMENTAL RIGHTS OF THE EUROPEAN UNION

(SEC(2007)1638)

The Commission

- approved the Charter of Fundamental Rights set out in the annex to SEC(2007)1638;
- authorised the PRESIDENT to proclaim this Charter, with the Presidents of Parliament and of the Council, on 12 December 2007 in Strasbourg;

- authorised its Secretary-General, in agreement with departments in Parliament and the Council, to have the Charter published in the Official Journal of the European Union, following its proclamation on 12 December 2007.

7. COMMISSION DECISION CONCERNING A PROCEEDING UNDER ARTICLE 81 OF THE EC TREATY AND ARTICLE 53 OF THE EEA AGREEMENT (CASE COMP/F/38.629 – CHLOROPRENE RUBBER) (C(2007)5910 TO /8; SEC(2007)1648)

The Commission

- took note of the opinions of the Advisory Committee on Restrictive Practices and Dominant Positions of 23 and 30 November 2007 in C(2007)5910/3 and /7;
- took note of the final report of the Hearing Officer of 3 December 2007 in C(2007)5910/5;
- adopted, in the authentic languages (German, English and Italian), the decision set out in C(2007)5910/8 finding that the companies to which the decision was addressed had infringed Article 81 of the EC Treaty and Article 53 of the Agreement on the European Economic Area and imposing fines on some of these companies totalling €243 210 000;
- decided that the decision in C(2007)5910/8 would be notified to the companies concerned, together with the final report of the Hearing Officer;
- decided that the most important parts of the decision, together with the opinions of the Advisory Committee and the final report of the Hearing Officer, would be published in the EU official languages in the Official Journal (with business secrets removed);
- decided to make the decision (with business secrets removed) accessible on the Internet.

8. COMMISSION DECISION CONCERNING A PROCEEDING UNDER ARTICLE 8(1) OF COUNCIL REGULATION (EC) 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS AND ARTICLE 57 OF THE EEA AGREEMENT (CASE COMP/M.4647 – AEE/LENTJES)
(C(2007)5842 TO /7)

The Commission

- took note of the opinion of the Advisory Committee on Concentrations of 16 November 2007 in C(2007)5842/3;
- took note of the final report of the Hearing Officer of 29 November 2007 in C(2007) 5842/5;
- adopted, in the authentic language (German), the decision in C(2007) 5842/6, declaring the notified operation to be compatible with the common market and the agreement on the European Economic Area;
- decided to notify the decision set out in C(2007)5842/7 to the firm concerned, together with the final report of the Hearing Officer and the opinion of the Advisory Committee;
- decided that the most important parts of the decision and the opinion of the Advisory Committee and the report of the Hearing Officer would be published in the EU official languages in the Official Journal (with business secrets removed);
- decided to make the decision (with business secrets removed) accessible on the Internet.

**9. COMMISSION DECISION CONCERNING A PROCEEDING UNDER ARTICLE 21 OF COUNCIL REGULATION (EC) No 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS (CASE COMP/M.4685 – ENEL/ACCIONA/ENDESA)
C(2007)5913 AND /2)**

The Commission adopted, in the authentic language (Spanish), the decision set out in C(2007)5913, and decided to notify it to the Spanish authorities.

10. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – A STRATEGY FOR A STRONGER AND MORE COMPETITIVE EUROPEAN DEFENCE INDUSTRY (COM(2007)764 TO /3; SEC(2007)1596; SEC(2007)1597; SEC(2007)1606; SEC(2007)1617)

11. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON SIMPLIFYING TERMS AND CONDITIONS OF TRANSFERS OF DEFENCE-RELATED PRODUCTS WITHIN THE COMMUNITY (COM(2007)765 TO /3; SEC(2007)1593; SEC(2007)1594; SEC(2007)1605; SEC(2007)1617)

12. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON THE COORDINATION OF PROCEDURES FOR THE AWARD OF CERTAIN PUBLIC WORKS CONTRACTS, PUBLIC SUPPLY CONTRACTS AND PUBLIC SERVICE CONTRACTS IN THE FIELDS OF DEFENCE AND SECURITY
(COM(2007)766 AND /2; SEC(2007)1598; SEC(2007)1599; SEC(2007)1602 SEC(2007)1617)

Mr VERHEUGEN presented the communication and the proposal for a Directive on simplifying the terms and conditions of transfers of defence-related products, which he was tabling for adoption. He emphasised the innovative nature of the proposed measures, which were intended to strengthen the competitiveness of the European defence industry in the face of the new challenges that had arisen since the end of the cold war. He felt that in order to meet these challenges for Member States' security, innovative and costly technologies needed to be developed and cooperation stepped up between the Member States.

It was possible that in the near future a number of Member States might not be in a position to meet these challenges. He pointed out in this connection that the level of Member States' military expenditure was only half that of the United States, and that American expenditure on military research and development represented more than six times that of the EU.

He urged that cooperation between the Member States should be developed and steps taken to strengthen European defence structures, or even to create a common European policy capable of improving the response capability to threats to European security, to make the Member States' current defence expenditure more effective and to supply the technologies that would enable the EU to develop an autonomous policy in this area.

Mr VERHEUGEN then referred to the substantial contribution the defence industry made in the creation of highly qualified jobs. He also emphasised the very positive role the European Defence Agency had played since it was set up in 2004, highlighting the excellent cooperation between this agency and the Commission. He

noted that the present fragmentation of the European market in defence products and certain national approaches hampered the normal play of supply and demand. Better coordination of defence matters would contribute to reducing costs for Member States and companies, promoting specialisation and integration of the European defence industry, and also developing small businesses in the defence sector.

Mr VERHEUGEN then outlined the key elements of the proposal for a Directive on simplifying the terms and conditions of transfers of defence-related products. He explained in particular that the proposed Directive was designed to simplify the rules in force, which demanded compliance with the same authorisation procedures for the transfer of spare parts between two Member States as for transfer between a Member State and a third country. He also mentioned the considerable number of requests for authorisation of transfers between Member States and their high administrative cost both for Member States and for companies. He wondered about the usefulness of certain provisions on licences authorising transfers between Member States, 11 500 requests for export licences between Member States having been presented in 2005 and none refused.

He emphasised that the Directive did not affect the responsibility and sovereignty of Member States for the protection of their essential security interests and their re-export policy. He added that it would be for the Member States to decide what categories of product the Directive would apply to, to spell out the conditions of authorisation applicable for these categories and, if necessary, to lay down re-export restrictions to third countries on products transferred between Member States.

He also mentioned the Directive's contribution to improving mutual confidence between Member States, referring in particular to the instrument whereby Member States could, on the basis of common requirements, certify companies that wished to receive defence-related products under general licences.

Lastly, Mr VERHEUGEN pointed out that the Directive took into account the existing military cooperation between Member States, that it was based on the common military list drawn up by the Council and that it respected the Letter of

Intent cooperation agreed in 1998 by six Member States aimed at facilitating the movement of military equipment between these countries.

Mr McCREEVY followed on from Mr VERHEUGEN's presentation by introducing the proposal for a Directive on the coordination of certain public procurement procedures in the fields of defence and security, which he was tabling for adoption.

He began by quoting the provisions of Article 296 of the Treaty, Community law on public procurement and the case law of the European Court of Justice as regards the application of this law to the military field. There was some legal uncertainty for Member States concerning the scope of Article 296 with reference to arms procurement; the existing Community public procurement legislation did not make enough allowance for the specific features of defence procurement and some of the current rules hampered the development of this important segment of the single market.

The proposal for a Directive that he was presenting was aimed at developing, clarifying and spelling out the rules as regards public procurement in military matters in compliance with Article 296 of the Treaty and taking into account the case law of the Court. There had been a public consultation of Member States and stakeholders, during which the Member States and the industry had expressed broad support for clarifying and spelling out the legal basis for public procurement in the field of defence.

Mr McCREEVY pointed out that the proposals before the meeting were based on two key principles, namely preservation of the Member States' security of supply in defence equipment, and also security of information, given the sensitivity and confidentiality of such information in the fields of defence and security. He added that the present proposal did not cover offsets, practices that were contrary to the Treaty and which would be considered separately.

In conclusion the PRESIDENT noted that the communication and the two proposals for directives had the full support of the Commission. He was pleased with the very

high quality of the dossier, and thanked Mr VERHEUGEN and Mr McCREEVY and the departments under their responsibility.

In particular he endorsed Mr VERHEUGEN's assessment of the importance of developing a European defence and security policy, taking the view that these proposals were an important step in furthering cooperation between the Member States with a view to this future policy.

He emphasised the relevance of increasingly close cooperation between the Member States on defence and security matters in order to take account of the EU's growing global responsibilities.

After taking note of this information, the Commission:

- approved the communication and adopted the proposals for Directives in COM(2007)764/3, COM(2007)765/3 and COM(2007)766, for transmission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments, together with the impact assessments and their summaries in the staff papers distributed as SEC(2007)1596 and SEC(2007)1597, SEC(2007)1593 and SEC(2007)1594, and SEC(2007)1598 and SEC(2007)1599 respectively, the contents of which were noted;
- also took note of the opinions of the Impact Assessment Board relating to the communication and to the proposals for Directives mentioned above, as set out in SEC(2007)1606, SEC(2007)1605 and SEC(2007)1602 respectively.

13. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – A STRONG EUROPEAN NEIGHBOURHOOD POLICY

(COM(2007)774 AND /4; SEC(2007)1626)

Ms FERRERO-WALDNER presented the communication she was tabling for approval. She began by highlighting the importance for the European Union of having an area of prosperity, stability and security in its neighbourhood, which had been demonstrated by many events in recent years.

She considered that much had already been achieved in this area since the communication of December 2006 on the European Neighbourhood Policy (ENP). In particular, she cited the addition of Egypt and Lebanon to the list of partners with which action plans had been concluded and of Morocco and Jordan to the countries participating in the common foreign and security policy statements, and the use made of the technical assistance mechanism, TAIEX, and the twinning programmes in order to implement the actions plans under the neighbourhood policy in cooperation with the partner countries in various areas including sensitive areas such as justice reform and the rule of law.

Ms FERRERO-WALDNER also mentioned the opening up of Community programmes and agencies to participation by the partner countries, the launching of the debate on partners for mobility, the use of the new European neighbourhood and partnership instrument, the launching of the new ENP governance facility, with the first decisions in favour of the Ukraine and Morocco in recognition of the progress made in political and economic reform, and the first allocation made in respect of the neighbourhood investment facility.

However, she considered that much remained to be done to implement the neighbourhood policy and reminded the meeting of the four priorities for future actions established during the neighbourhood policy conference, namely economic integration, mobility of people, energy, and political cooperation, in particular with a view to resolving "frozen conflicts".

Ms FERRERO-WALDNER stated that the communication tabled today was in line with these priorities and proposed measures to be taken by the Union in order to achieve results in 2008. She emphasised that the communication specifically addressed the actions to be taken by the Member States and that another communication planned for April 2008 would assess the progress made by the partner countries and indicate the way forward for them.

She thanked all the Commission members, their departments and cabinets for the valuable discussions held during the preparation of this communication and for the contributions made concerning certain specific areas.

Ms FERRERO-WALDNER referred in this context to the content of the communication concerning:

- (i) economic integration, in particular the initiatives to liberalise trade with the ENP partners and the objectives in terms of regulatory alignment and dispute settlement mechanisms. The current agricultural negotiations had highlighted in particular the need to limit the number of products excluded from full liberalisation;
- (ii) mobility, with the call to the Member States to adopt the Commission's proposals on European visa policy, the specific measures suggested as regards issuance of visas, the work currently under way in terms of partnership for mobility and the relation between mobility and security.

She acknowledged the particularly delicate nature of the proposed measures in these two areas, but felt sure that the benefits in terms of prosperity, security and stability both for the partner countries and the citizens of the Union would over time offset certain political or economic costs.

She went on to mention the subject of conflict prevention and resolution in the region covered by the ENP, in which it was in the interests of communication to increase the role of the European Union, should the partners so wish, by mobilising all the relevant political tools.

Ms FERRERO-WALDNER also referred briefly to the developments in sectoral policies outlined in the communication, emphasising the importance of the initiatives in the fields of energy security, energy efficiency and the fight against climate change.

She ended by indicating the conceptual aspects addressed, such as the need for a differentiated approach, within a common framework, vis-à-vis the ENP partner countries, the means of ensuring ownership of the ENP by the partner countries, and the clarification of the role of the regional procedures such as the Mediterranean union project proposed by France. She considered that these aspects could be useful if they were complementary to the ENP and were based on existing principles and of the *acquis*.

Ms FERRERO-WALDNER concluded by reminding the meeting that the European neighbourhood policy was an extremely wide-ranging and ambitious policy which mobilised all the Union's political tools and affected practically all the Commission's areas of competence. Its success would therefore be that of the Commission as a whole.

The ensuing discussion highlighted the general support for the communication and dealt in particular with the following:

- recognition of the "southern" dimension of the European neighbourhood policy, which promoted peace and prosperity in the African continent, but also the need to devote sufficient attention to the eastern partner countries, since these countries frequently experienced complex and in some cases potentially conflictive situations and had very high expectations of the Community;
- the consequent importance for the Union of supporting the efforts being made in these countries to promote an open economy, a fair justice system, democracy and the rule of law, sending them positive messages and making them significant offers;

- the essentially reciprocal nature of the efforts made in the framework of the agricultural negotiations;
- the importance of integrating partner countries into Community policies, for example in the field of transport, the supplementary financing needs of the ENP in this connection if it is to offer a credible alternative to enlargement policy, and the need to raise awareness in the Member States concerning this question when the budget was reviewed;
- the complementary nature of neighbourhood and enlargement policies and the importance of mobilising the support of the Member States and of all the Commission's departments for the ENP;
- the importance of initiatives in support of mobility, in particular that of students from the partner countries, in order to facilitate their contact with European values, particularly in the context of reinforcement of the Russian position;
- the importance of accompanying the drive to free the movement of nationals of the partner countries with a structural investment policy in these countries in order to prevent certain political, economic and social consequences, and the need to raise the awareness of the Member States concerning this point;
- in the context of the liberalisation of visas, the concern about the risk of a "brain drain" in certain sectors, particularly the health sector;
- the questions raised by the Mediterranean union project and the role that the European Union and the Commission should play in this project;
- the challenge that would be posed by the establishment of the definitive status of Kosovo, the implications of this question in other states in the region, and the need for good coordination of the efforts of the European Union and the USA in the region;

- the importance of regulatory convergence in the health and plant health areas, the existing support programmes and the need for cooperation by the services to ensure better use of these programmes;
- the desirability of holding an in-depth debate on neighbourhood policy at the beginning of 2008.

The PRESIDENT thanked the Commission Members for their contributions. He reminded the meeting that the neighbourhood policy was one of the priorities of the present Commission, owing both to the merits of the policy and the alternative it offered to the enlargement policy, and emphasised the importance of maintaining the momentum. He also emphasised that the efforts must be shared and that in due time it would be necessary to determine those to be contributed by the partner countries.

However, he pointed out that the progress made in this policy was still insufficient, despite all the efforts made by the Commission, and by Ms FERRERO-WALDNER in particular, given the high expectations voiced in particular by certain eastern partner countries and also the challenge posed by radicalisation in certain southern countries. The Member States would therefore have to be willing also to address these challenges.

The PRESIDENT agreed to revisit this matter at the beginning of 2008, noting however that certain initiatives, such as the Mediterranean union project, might in the coming months place the neighbourhood policy back on the agenda.

Ms FERRERO-WALDNER answered various questions raised during the discussion. In particular, she emphasised the importance for the European Union of speaking clearly and with one voice to the partner countries concerning the future outlook. She also highlighted the financing difficulties relating to the neighbourhood policy. With regard to the Mediterranean union project, she stressed the cooperation existing with France in this area and the possibilities of anchoring this union within the existing framework. She also referred to the potential consequences linked to the issue of the status of Kosovo.

Following this discussion, the Commission approved the communication in COM(2007)774/4, for transmission to the European Parliament and the Council, and to the national parliaments.

14. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – EFFECTIVE CONSULAR PROTECTION IN THIRD COUNTRIES: THE CONTRIBUTION OF THE EUROPEAN UNION (ACTION PLAN 2007-2009)

(COM(2007)767 TO /4; SEC(2007)1600 TO /3; SEC(2007)1601 TO /3; SEC(2007)1604; SEC(2007)1603; SEC(2007)1628)

15. COMMISSION RECOMMENDATION ON REPRODUCING THE TEXT OF ARTICLE 20 TEC IN PASSPORTS

(C(2007)5841 TO /3; SEC(2007)1600 TO /3; SEC(2007)1601 TO /3; SEC(2007)1604; SEC(2007)1603; SEC(2007)1628)

Mr FRATTINI presented the Action Plan and recommendation on consular protection which he was tabling. He explained that the two initiatives were part of the follow-up to the Green Paper of 2006 on the diplomatic and consular protection of EU citizens in third countries. Although consular protection undoubtedly remained the responsibility of the Member States, he believed that people's right to protection was also a very tangible aspect of European citizenship and the Commission consequently had an important role to play, particularly in helping Member States in their efforts to provide consular protection for all European citizens.

Mr FRATTINI noted that only 23% of European citizens knew anything about Article 20 of the Treaty, which gives EU citizens the right to consular protection. There was therefore a need to draw people's attention to this right, which was the reason behind the recommendation to Member States to reproduce the first sentence

of Article 20 of the Treaty in the passports they issue from 1 July 2009 and to provide a sticker containing the same information to holders of passports issued before that date. He stressed the non-compulsory nature of the recommendation and added that he intended shortly to suggest to a number of Member States that they cooperate in a pilot project to raise public awareness.

He also mentioned another important element of the Action Plan, which was the proposal to set up common offices in a number of non-member countries, which would be accessible to all EU citizens. These offices would serve to compensate for the fact that certain Member States have only a limited consular presence in many third countries. He announced that in 2008 a pilot project should lead to the creation of such an office within a Commission delegation in a third country where the Member States were inadequately represented. The project was being implemented in close cooperation with Ms FERRERO-WALDNER and her department.

Mr FRATTINI concluded by saying that the Commission would continue its information policy for the general public, in partnership with the Member States, and this would include the creation of an internet site on consular protection.

Ms FERRERO-WALDNER thanked Mr FRATTINI for his excellent cooperation throughout the preparation of the Action Plan. She felt that there was a need for pragmatic and constructive consideration of the role the Commission delegations should play in the field of consular protection. Although the prime responsibility for such protection rested with the Member States, the smaller ones, which were less well represented in non-member countries, wanted the Commission to be more active in this area. Consequently, Ms FERRERO-WALDNER expressed her support for the idea of setting up the first common office, in the form of a pilot project, inside a Commission delegation, provided the Member States agreed.

During a brief exchange of views the Commission considered in particular whether it would really be practicable to implement the right recognised by Article 20 of the Treaty, given the expectations that would be raised by the publicity campaigns and above all by reproducing the text of the article in people's passports. Mr FRATTINI replied that this was an existing right and that the Commission's aim was to promote

its effective implementation by the Member States. On the question of financing the common offices he mentioned several aspects of the Action Plan which were designed to ensure that the costs were properly shared by the Member States.

After this brief discussion the Commission approved the communication (COM(2007)767/3 and /4) and adopted the recommendation (C(2007)5841/3) for transmission to the European Parliament, the Council, the Economic and Social Committee and the national parliaments, together with the impact assessment and the summary in the staff papers distributed as SEC(2007)1600/3 and SEC(2007)1601/3 respectively, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above communication and recommendation, as set out in SEC(2007)1604.

**16. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – TOWARDS A COMMON IMMIGRATION POLICY
(COM(2007)780 TO /4; SEC(2007)1632 TO /3; SEC(2007)1633)**

The PRESIDENT presented the communication for the Commission's approval, saying that immigration was a priority for the policy agenda of both the Member States and the European Union, particularly in view of globalisation. He explained the message he wanted to convey at the next European Council on 14 December 2007, namely the need for a new approach in order to develop a genuine common immigration policy. Solid achievements had been made, but he hoped to draw the attention of the Heads of State or Government to the cross-cutting nature of immigration and the urgent need for greater efforts in this area. There were many sides to immigration, and it affected not only employment, education and housing policy but also external relations and development. He also emphasised that action

was needed as much at national level as at European level, hence the growing need for coordination.

The PRESIDENT insisted that immigration played a central role and was likely to be a permanent phenomenon, so European leaders had to face up to their responsibilities and provide the political impetus in order to derive the benefits from managed immigration. He believed that if nothing was done to redress the current imbalances Europe would soon be confronted with only the negative consequences of immigration. Current experience demonstrated the limitations of action at national level; immigration called instead for the creation of a consensus bringing together the national and European levels, which required impetus from the highest political level.

The communication, which laid the basis for a new commitment, was a starting point for debate and a springboard for relaunching efforts on immigration. The document raised a number of questions in this connection, particularly as regards the different types of immigration, the balance that had to be struck in the response and solutions to the problem of the demographic deficit. In conclusion, it was a matter of exacting a commitment at the highest political level to take action immediately, starting in 2008. The PRESIDENT concluded by thanking Members for their constructive contributions to the drafting of this proposal.

Mr FRATTINI also praised the excellent cooperation of all the Members' offices and departments that had contributed to the quality of the communication. The document took stock of the current situation and proposed a global approach covering legal and illegal immigration as well as the question of integration. He reminded the meeting that this communication was a response to commitments made at the Euro-African Conference in Rabat in July 2006 and the ministerial conference between the European Union and the African Union in Tripoli in November 2006. He added that recent talks had confirmed the interest of the parties concerned, particularly the countries of the southern shores of the Mediterranean, whose representatives, attending the first Euro-Mediterranean ministerial meeting on migration in Albufeira on 18 and 19 November, expressed their desire for a

partnership between the EU and the countries of origin and transit for the reception and integration of immigrants.

He was convinced of the crucial importance of a shared, global, European approach, particularly in view of the enlargement of the Schengen area at the end of the year. The opening of the borders, combined with the principle of free movement of persons, as well as the policies on applications for asylum and regularisation, would have an impact on all the Member States. A common approach was therefore vital. He ended by expressing the hope that these questions would be taken up by the future Slovene and French Presidencies of the Council.

There was a brief exchange of views, during which the Commission looked in particular at the following aspects:

- the relevance of a global approach which covered both legal and illegal immigration and the economic and social dimensions; the relevance also of the analysis of the link between the ageing of the population and the economic challenges to be faced;
- the importance of proposing a common approach in the long term, given the opening of the borders;
- the consistency between the proposed approach and the conclusions of the Economic and Financial Affairs Council in Brussels on 4 December on the economic impact of migration;
- the importance of sending a clear message to the effect that these proposals did not in any way prejudice the powers of the national government in matters of immigration policy;
- the need for integrated action on the multiple impacts of immigration without, however, renouncing national regulation, and the need to propose a general structure for exchanging best practice and concerted practices between the Member States;

- the feeling that public opinion in the Member States was ready for a global approach to immigration;
- the importance of emphasising the multiple facets of immigration, linked in particular to employment and quality of life, and the fact that globalisation was only one of the factors encouraging mobility;
- the vital importance of integration policies in order to reap all the mutual benefits of immigration, with particular regard to the challenges associated with integrating migrants as part of the management of diversity in the educational system;
- the urgent need for additional measures, including legislation, to combat xenophobia against migrants in certain Member States;
- the need for the Commission to help Member States to implement readmission agreements, in order to ensure uniform monitoring of illegal immigration throughout the territory of the Union;
- the need to propose an open and innovative approach to health protection aspects, to ensure coverage for all categories of immigrants, in line with the conclusions of the conference on health and immigration in the EU organised by the Council Presidency in Lisbon in September 2007, which will serve as the basis for the policy debate in the Employment, Social Policy, Health and Consumer Affairs Council in Brussels on 5 and 6 December.

The PRESIDENT wound up the discussion by reminding the meeting of the conclusions of the informal summit at Hampton Court in October 2005, which ended with the Heads of State or Government calling on the Commission, the Council and the Member States to develop a global and integrated approach to immigration. This issue was also one of the priorities for action identified in the Commission's communication "The European interest: Succeeding in the age of globalisation", which was the focus of discussion at the meeting of Heads of State or Government in Lisbon in October. He believed that immigration would be a

fundamental challenge for the future of the European Union; the question at the moment was what method should be adopted. He emphasised that the present proposal did not in any way alter the powers of the Member States, but sought to elicit a commitment to work together to face challenges which, like climate change and globalisation, were supranational in scale.

Mr FRATTINI confirmed that the communication was not at all intended to alter the division of powers between the Member States and the Union. It paralleled the steps to ensure compliance with the fundamental principles and rights of the European Union, by taking a proactive stance against the violation of these rights and xenophobia. Finally, he reminded the meeting that, in the framework of the readmission agreements, the Union was developing complementary measures and provisions aimed at ensuring their effective implementation.

The Commission approved the communication in COM(2007)780/4 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments, together with the interim progress report on the global approach to immigration in staff paper SEC(2007)1632/3, the contents of which were noted.

17. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2007)1614/3)

ADMINISTRATIVE MATTERS
(PERS(2007)115)

***17.1. DG ECONOMIC AND FINANCIAL AFFAIRS – APPOINTMENT OF
AD14/15 DIRECTOR***
(PERS(2007)100 TO /6)

The Commission had before it the applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director, Resources in the Directorate-General for Economic and Financial Affairs (PERS(2007)100 to /4).

The Commission took note of the opinions of the Consultative Committee on Appointments of 16 October and 8 November (PERS(2007)100/5 to /6).

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 Mr ALMUNIA, it then decided to appoint Ms Linda CORUGEDO STENEBOERG to the vacant post.

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

17.2. DG RELEX – APPOINTMENT OF AD14 HEAD OF DELEGATION
(PERS(2007)66 TO /7)

The Commission had before it the applications under Article 2(a) of the Conditions of Employment of Other Servants of the European Communities for the post of Head of the Delegation to the African Union (Addis Abeba, Ethiopia) in the Directorate-General for External Relations (PERS(2007)66/5).

The Commission took note of the opinions of the Consultative Committee on Appointments of 7 and 8 November (PERS(2007)66/6 and /7), and of the favourable opinion of the Secretary-General of the Council/High Representative.

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, the Commission decided to recruit Mr Koen VERVAEKE to the vacant post as a temporary staff member in grade AD14, under Article 2(a) of the Conditions of Employment of Other Servants of the European Communities, for a period of three years with the possibility of an extension for a further year. This decision is subject to the agreement of the host country, in accordance with diplomatic practice.

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

***17.3. DG PERSONNEL AND ADMINISTRATION – APPOINTMENT OF
ADDITIONAL RAPPORTEURS FOR FILLING SENIOR
MANAGEMENT VACANCIES
(PERS(2007)114 AND /2)***

The Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, decided:

- to take note of the communication in PERS(2007)114 and /2;
- to confirm the list of the 18 current rapporteurs, set out in PERS(2007)114/2;
- to appoint to the two posts of additional rapporteurs Ms Katharina MATHERNOVA, Deputy Director-General in the Directorate-General for Regional Policy, and Mr Reinhard PRIEBE, Director, Conservation Policy in the Directorate-General for Fisheries and Maritime Affairs.

These decisions would take effect immediately.

**17.4. DG PERSONNEL AND ADMINISTRATION – AMENDMENT OF THE
COMPILATION DOCUMENT ON SENIOR OFFICIALS POLICY**

The Commission took note of the information in point 4 of PERS(2007)115 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, decided to amend the provisions of point 5.2.7 of the compilation document of 25 October 2004 on senior officials policy distributed as SEC(2004)1352/2 by inserting the following paragraph: *"Exceptionally and if duly justified by imperative service needs the Members of the Commission responsible may, in agreement with the President and the Vice-President for Personnel and Administration, delegate their task to interview short-listed candidates to other Members of the Commission."*

This decision would take effect immediately.

**18. POLICY DEBATE ON SOVEREIGN WEALTH FUNDS
(SEC(2007)1656)**

The PRESIDENT briefly introduced the information note he was presenting to the Commission, in agreement with Mr VERHEUGEN, Mr ALMUNIA, Mr McCREEVY and Mr MANDELSON, to launch that day's debate on sovereign wealth funds.

After remarking that sovereign wealth funds had recently been at the centre of political debate on numerous occasions, the President ran through the main reasons for this growing interest, in particular the scale that such funds had assumed, the fact that some States which held large sovereign wealth funds deployed very specific political and economic strategies, and the way in which the targets and nature of investments by the funds were changing, giving them more and more influence over the decisions of companies in strategic sectors, possibly for political rather than commercial purposes.

He felt that these various factors had given rise to a perception that there was a certain lack of coherence at two levels: (i) international level, where the absence of any common approach towards sovereign wealth funds created uncertainty for the countries which held such funds and those which received their investments, and (ii) European level, where there was a risk that the disparities between the rules applied from one Member State to another might lead to fragmentation of the internal market.

The PRESIDENT stressed that investors must not in any way be discouraged, but said there was nevertheless a feeling that the control mechanisms in place were inadequate, or at least they were perceived as being inadequate by public opinion. He therefore felt there was a need for a common approach within the EU and a common position at international level. This would tie in perfectly with the principles laid down in the communication approved by the Commission in early October, "The European interest: succeeding in the age of globalisation".

Before throwing open the debate, the PRESIDENT pointed out that, as a recognised champion of an open and balanced international investment environment, the EU was well placed to launch a fruitful discussion on sovereign wealth funds. He stressed the need to dispel any suspicions of protectionism in this approach. However, it was also important to strike a realistic tone and not to be naive.

During the exchange of views which followed, the Commission considered in particular the following aspects:

- the importance of the question of sovereign wealth funds, given their rapid growth, which was likely to continue in future, and the emergence of new owners of such funds;
- the macro-economic causes of the rapid growth of sovereign wealth funds;
- the differences between these funds and hedge funds, particularly as regards the existence or absence of a long-term strategy;

- the benefits which international investments in an open economy could bring to the EU, including benefits for future generations, and hence the importance of not sending out ambiguous signals in this regard;
- the impact of the investments currently being made by sovereign wealth funds at a time of instability in international financial markets and unmet financing requirements;
- the merits of adopting a common approach and common standards within the Union and a common position at international level, for example in the form of a code of conduct offering guarantees on good governance and transparency in the way sovereign wealth funds operate;
- the balance to be struck between, on the one hand, the content and the scope of any future common approach and, on the other, the risk of overreacting to problems and issues which did not by any means involve all such funds;
- the increasingly European dimension of international investments, in particular under the future Treaty of Lisbon, which would bring such investments under common commercial policy, an area in which the Community had exclusive responsibility;
- the scope Member States already had to intervene if they felt it necessary in order to protect legitimate public interests, such as national security or public policy, and the importance of not duplicating rules in this field;
- the risk that was nevertheless involved in some investments by sovereign wealth funds managed by States pursuing political, strategic and/or military interests rather than behaving like an "ordinary investor", and the need to manage this risk while adhering to free-market principles;
- the need to give priority to the question of sovereign wealth funds in the negotiation of bilateral agreements between the EU or its Member States, on the one hand, and non-member countries, on the other, including reciprocity in opening up to investment;

- discussion of the advisability of working towards a definition of strategic European sectors;
- the need to lay down criteria for distinguishing sovereign wealth funds from other investment bodies and enterprises controlled directly by States;
- the possibility of presenting a communication on sovereign wealth funds to the Commission.

At the end of this discussion, the PRESIDENT drew the following conclusions:

- the EU should establish a common approach on sovereign wealth funds, whether for its own internal use or for preparing discussions at international level; this approach should avoid any connotations of protectionism;
- at this stage there was no need to envisage any legislative initiatives; however, the Commission should encourage the definition of a number of common rules or guidelines in areas such as good governance and transparency;
- the various issues raised also needed further discussion in order to clarify how far Member States wanted to go in establishing a common approach;
- for this purpose, a communication on sovereign wealth funds would be presented to the Commission early in 2008, as indeed the Member States had requested; the communication would be based on the consensus arrived at during the present discussion.

The Commission took note of these conclusions and of the information note distributed as SEC(2007)1656.

19. RELATIONS WITH THIRD COUNTRIES

19.1. VISIT TO BRAZIL (BRASILIA, JUAZEIRO, RECIFE, OLINDA, 28 NOVEMBER – 1 DECEMBER 2007)

(SEC(2007) 1650)

The Commission took note of the information note from Ms HÜBNER in SEC(2007)1650.

19.2. VISIT TO BOSNIA AND HERZEGOVINA (SARAJEVO, 3 AND 4 DECEMBER 2007)

Mr REHN reported on the results of his visit to Sarajevo on 3 and 4 December. He welcomed the generally positive developments in Bosnia and Herzegovina.

The initialling of the Stabilisation and Association Agreement with Bosnia and Herzegovina on 4 December marked a turning-point after the recent developments which had prompted fears of a deepening of the government and parliamentary crisis or even, according to some commentators, the risk of instability and violence. The country's leaders had realised the seriousness of the situation and - in several very recent meetings - made significant progress towards reforming the police and implementing the conditions laid down by the Union.

It was as a result of these developments, the resolution of the government crisis and the leaders' commitment to reforms that he had agreed to travel to Sarajevo to initial the Stabilisation and Association Agreement, after having established that there was sufficient agreement on police reforms and implementation of those reforms. He welcomed this positive development in Bosnia and Herzegovina, whose leaders had confirmed their commitment to closer relations with the EU. However, the momentum would have to be kept up and the Union would have to play a role in translating these positive intentions into practical measures, by offering Bosnia and Herzegovina a

European perspective and in particular by envisaging the signing of the Stabilisation and Association Agreement during the first half of 2008.

Mr REHN also mentioned the situation in Kosovo. He was grateful for the efforts made by the Troika of international mediators, but regretted that these efforts had failed to bridge the gap between Belgrade and Pristina on the status of Kosovo.

He outlined the steps which would now follow, in particular the presentation of the Troika's report on the outcome of negotiations on the province's status to the UN Security Council on 10 December, the presentation of the report of the EU's representative in the Troika at the Council meeting (General affairs and external relations) the same day and, finally, the expected conclusions of the European Council on 14 December in Brussels.

He was convinced that the EU should play a central role in order to ensure that the process was kept under control. The Union had to demonstrate its ability to speak with one voice and to define a coherent negotiating line, which he hoped to see reflected in the conclusions of the European Council. It was particularly important to send the new Government of Kosovo a clear message that, before making any unilateral declaration of independence, it should consult with the EU regarding both the timing and the detailed arrangements in order to comply with the principles defined by the Ahtisaari plan on resolving the status of Kosovo.

He reiterated the EU's responsibility for managing this process and argued that it should use all the instruments at its disposal to avoid any risk of events running out of control and to ensure the stability and development of Kosovo, while confirming the European perspective of the western Balkans.

The Commission took note of this information.

19.3. INTERNATIONAL PEACE CONFERENCE ON THE MIDDLE EAST

(ANNAPOLIS, 27 NOVEMBER 2007)

(SEC(2007) 1649)

The Commission took note of the information note from Ms FERRERO-WALDNER in SEC(2007)1649.

20. INTERINSTITUTIONAL RELATIONS

(SEC(2007)1609)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 30 November (SEC(2006)1609).

It paid particular attention to the following:

20.1. LEGISLATIVE MATTERS

i) Action to be taken on Parliament's legislative opinions

(SP(2007)6153)

The Commission decided to empower the Commission Members responsible for the sectors in question, in agreement with the PRESIDENT and Ms WALLSTRÖM and, if necessary, with the other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council, as set out in SP(2007)6153, drawn up following the November II part-session of Parliament, the contents of which were noted.

ii) Preparation for Parliament's December part-session

(point 1.2 of the IRG record)

In accordance with the rules in force, the Commission authorised the Commission Members responsible, in agreement with the PRESIDENT and Ms WALLSTRÖM and any other Members associated, to take a position on Parliament's amendments to its proposals.

It paid particular attention to the following:

Codecision 2nd reading

- Paperless environment for customs and trade (Decision) – HEATON-HARRIS report – 2005/0247 (COD)

The Commission approved the line set out in SP(2007)6152.

- Common rules in the field of civil aviation and establishing the European Aviation Safety Agency (Regulation) – LEICHTFRIED report – 2005/0228 (COD)

The Commission approved the line set out in SP(2007)6164.

- Framework for Community Action in the field of Marine Environmental Policy (Marine Strategy Framework Directive) – LIENEMANN report – 2005/0211 (COD)

The Commission approved the line set out in SP(2007)6165 and /2.

- Ambient air quality and cleaner air for Europe (Directive) – KRAHMER report – 2005/0183 (COD)

The Commission approved the line set out in SP(2007)6166 and /3.

Empowerment

- Common rules in the field of civil aviation and establishing the European Aviation Safety Agency (Regulation) – LEICHTFRIED report – 2005/0228 (COD)
- Framework for Community Action in the field of Marine Environmental Policy (Marine Strategy Framework Directive) – LIENEMANN report – 2005/0211 (COD)
- Ambient air quality and cleaner air for Europe (Directive) – KRAHMER report – 2005/0183 (COD)

The Commission empowered the Members of the Commission responsible, under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT and Ms WALLSTRÖM and any other Members associated, to adopt and transmit to the Council its opinion on the amendments, in accordance with Article 251(2)(c) of the Treaty, once Parliament had delivered its opinion, together with an amended proposal if appropriate, on the basis of the line set out in SP(2007)6164, SP(2007)6165 and /2, and SP(2007)6166 to /3 respectively.

Codecision – 1st reading

- Population and housing censuses (Regulation) – JUKNEVIČIENĖ report – 2007/0032 (COD)

The Commission approved the line set out in SP(2007)6167 and /2.

- Legal protection of designs (Directive) – LEHNE report – 2004/0203 (COD)

The Commission approved the line set out in SP(2007)6168.

- Nutrition and health claims made on foods (Regulation) – POLI BORTONE report – 2007/0128 (COD)

The Commission approved the line set out in SP(2007)6279.

Consultation

- Establishment of the ARTEMIS Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems (Regulation) – DE MICHELIS report – 2007/0088 (CNS)

The Commission approved the line set out in SP(2007)6169 and /2.

- Establishment of the ENIAC Joint Undertaking (Regulation) – VAKALIS report – 2007/0122 (CNS)

The Commission approved the line set out in SP(2007)6170 and /2.

- Establishment of the Innovative Medicines Initiative Joint Undertaking (Regulation) – GROSSETETE report – 2007/0089 (CNS)

The Commission approved the line set out in SP(2007)6171 and /2.

- Establishment of the Clean Sky Joint Undertaking (Regulation) – EK report – 2007/0118 (CNS)

The Commission approved the line set out in SP(2007)6172 and /2.

- Common organisation of the market in wine and amendment of certain regulations (Regulation) – CASTIGLIONE report – 2007/0138 (CNS)

The Commission approved the line set out in SP(2007)6173, /2 and /3.

- Common rules for direct support schemes under the common agricultural policy and certain support schemes for farmers and support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (Regulation) – MULDER report – 2007/0177 (CNS)

The Commission approved the line set out in SP(2007)6174 and /2.

- Agreement between the European Community and the Council of Europe on cooperation between the European Union Agency for Fundamental Rights and the Council of Europe (Decision) – ADAMOU report – 2007/0173 (CNS)

The Commission approved the line set out in SP(2007)6175 and /2.

- Jurisdiction, applicable law, recognition and enforcement of decisions and cooperation in matters relating to maintenance obligations (Regulation) – GRABOWSKA report – 2005/0259 (CNS)

The Commission approved the line set out in SP(2007)6176 and /2.

iii) Preparations for Council meeting Justice and Home Affairs (Brussels, 6-7 December)

(point 1.4 of the IRG record)

- Protection of the environment through criminal law (Directive) – NASSAUER report – 2007/0022 (COD)

The Commission authorised Mr FRATTINI and Mr DIMAS to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SI(2007)1120/2.

iv) Results of Council meeting (Transport, Telecommunications and energy – Transport session) (Brussels, 29 and 30 November and 3 December 2007)

(point 1.5 of the IRG record)

- Common rules and standards for ship inspection and survey organisations and for relevant activities of maritime administrations (recasting – Directive) – DE GRANDES PASCUAL report – 2005/0237 (COD)

The Commission confirmed the agreement given ad referendum by Mr BARROT to the unanimous political agreement which had been reached

on this matter, in accordance with the line set out in notes SI(2007)1068 and /2.

- Implementation of the deployment and commercial operating phases of the European satellite radionavigation programme (Regulation) – GALILEO Programme – BARSÍ PATAKY report – 2004/0156 (COD) (SEC(2007)1659)

Mr BARROT reported briefly to the Commission on the political agreement relating to the Galileo programme, reached at the Council meeting (Transport, Telecommunications and Energy) on 29 and 30 November in Brussels.

He was pleased to say that this agreement was based on the Commission's proposals, preserved the Community's finances in full and did not in any way impinge on the post-2013 financial framework.

Mr BARROT paid tribute to the very constructive role played by the Council Presidency in securing this agreement at the end of very difficult negotiations. He also drew attention to the precedent created by the adoption of the conclusions in the Council on 29 November by qualified majority, while the final agreement was adopted unanimously the following day. He said that unanimity had been made possible, in the interests of the programme, by giving genuine assurances to Spain on the possibility of developing the maritime rescue centre into a control centre.

Finally, he expressed the hope that the European Council on 14 December would mention the GALILEO Programme, given its importance and the significance of last week's agreement.

The PRESIDENT welcomed the agreement. He thanked Mr BARROT, Ms GRYBAUSKAITÉ and their respective departments, and in particular the Director-General for Transport and the Director-General for the Budget, for their contributions and their unflagging efforts to achieve this result. He also

said that he was willing to consider Mr BARROT's idea for the following week's European Council.

The Commission took note of these observations and of Mr BARROT's briefing note in SEC(2007)1659.

20.2. RELATIONS WITH THE COUNCIL

v) Programming of Council business

(SI(2007)1076)

The Commission took note of the information in SI(2007)1076 on the Council meetings between 29 November and 12 December 2007.

vi) Preparation of General Affairs and External Relations Council (Brussels, 10 and 11 December)

(point 2.3 of the IRG record)

- Draft ministerial declaration on the Euro-Mediterranean partnership in the field of energy – Limassol Conference of 17 December 2007.

The Commission authorised Mr PIEBALGS to adopt the draft ministerial declaration in SI(2007)1121/4, in accordance with the line set out in SI(2007)1121/3.

vii) Results of the Economic and Financial Affairs Council (Luxembourg, 4 December 2007)

Mr KOVÁCS summarised the results of the Economic and Financial Affairs Council of Tuesday 4 December as they affected taxation.

He expressed satisfaction that agreement had been reached on all the items on the Council's agenda dealing with tax matters, and in particular the value added tax (VAT) package. He felt moreover that the decisions adopted were largely in line with the Commission's proposals, and pointed to the major role played by the Council Presidency in achieving this result.

Mr KOVÁCS quickly summarised the main points of the VAT package, mentioning in particular the principle of allocating the revenue from the tax on the provision of a service to the Member State in which the service was actually performed, rather than to the Member State of the service provider. He also mentioned the simplification, refund and administrative cooperation mechanisms which were part of the package.

He said that the provisions of the VAT package would enter into force in 2010, with the exception of those relating to B2C (*“business to consumer”*) services by broadcasting, telecommunication and electronic means, for which the date of 1 January 2015 had been set.

He also mentioned the Council agreement extending until 31 December 2010 the reduced rates of VAT on certain services granted to the Czech Republic, Cyprus, Malta, Poland and Slovenia on their accession in 2004. He observed that the Council had asked the Commission, without however specifying any details, to present new proposals in 2008 redefining the scope for applying reduced rates of VAT.

In conclusion Mr KOVÁCS pointed out that the Council had reiterated its request to the Commission to present legislative proposals on the fight against tax fraud in 2008.

The Commission took note of this information.

20.3. RELATIONS WITH PARLIAMENT

viii) November II part-session

(SP(2007)6222)

The Commission took note of the information on Parliament's part-session held on 28 and 29 November 2007 in Brussels, set out in SP(2007)6222.

ix) Action taken on Parliament's non-legislative resolutions

(point 3.4.1 of the IRG record)

The Commission approved the documents SP(2007)6182 and /2 on the action taken on the non-legislative resolutions adopted by Parliament at its October 2007 part-session, for transmission to Parliament.

21. RELATIONS WITH NON-MEMBER COUNTRIES (CONTINUED FROM ITEM 19)***VISIT TO ASIA (SINGAPORE, INDONESIA, EAST TIMOR, VIETNAM, CHINA AND INDIA, 21 TO 30 NOVEMBER 2007)***

The PRESIDENT reported on his visit to six countries in Asia from 21 to 30 November. The visits to Indonesia, East Timor and Vietnam were the first ever official visits by a President of the Commission European. He visited the other three countries for summit meetings – the EU-ASEAN Commemorative Summit and the regular summits with China and India.

The PRESIDENT, who firmly believed that it was vital to demonstrate the importance to the EU of stepping up its political and economic links with Asia, reviewed the various stages of his visit:

- he went first of all to Singapore for the UE-ASEAN Commemorative Summit where he welcomed the measures already taken to promote greater regional integration and expressed support for greater commitment to an ambitious free trade agreement between ASEAN and the EU;
- he then went on to Jakarta to strengthen relations with the Indonesian President, Mr Susilo Bambang Yudhoyono, who said that he would be prepared to sign the partnership and cooperation agreement with the EU in spring 2008; discussions were also held on climate change and the situation in Myanmar;

- in East Timor the President encouraged the main political forces to maintain their commitment to democracy and assured them of the Union's support in consolidating this process;
- in Vietnam he was able to meet a number of political leaders, take note of the importance placed by the authorities on the development of new ties with the EU, and together with the Prime Minister, Mr Nguyen Tan Dung, officially launch the negotiations on a partnership and cooperation agreement;
- he then went to China for the regular summit, at which intensive discussions were held, particularly on Taiwan and the trade deficit, leading eventually, following long negotiations, to a joint statement setting up among other things a high-level economic and commercial dialogue and creating two other groups dealing with monetary and financial questions; the President had also been invited to return to China in 2008 and would suggest arrangements for this trip at a later date; Mr MICHEL should also be invited to China to discuss the African question;
- the President went last of all to New Delhi for the regular summit with India, which provided an important boost to relations between the two partners and was met with an enthusiastic commitment on the part of the Prime Minister, Mr Manmohan Singh, to the development of bilateral and international cooperation agendas; in particular it had been agreed that a joint work programme would be developed on climate change, and negotiations on a free trade agreement had also been given a boost.

In conclusion, the PRESIDENT considered that his visit to Asia had been a success; he felt it had demonstrated Europe's interest in the region and had improved bilateral relations with the various countries visited.

The Commission took note of this information.

22. OTHER BUSINESS

22.1. SATISFACTION SURVEY ON THE QUALITY OF SERVICES PROVIDED BY THE DIRECTORATE-GENERAL FOR INTERPRETATION

Mr ORBAN informed the Commission that the first survey on satisfaction with the services provided by the Directorate-General for Interpretation (JICS) would shortly be launched as part of the assessment of the activities of the Commission's departments.

He said that the survey would be anonymous and that the questionnaire would be accessible online soon; the link would be transmitted to Commission Members shortly. The aim of the survey was to identify the needs of those attending meetings, to establish their degree of satisfaction with interpreting services and to examine possibilities for improvements.

Mr ORBAN asked the Commission Members to spend a few minutes replying to the survey. He said he would present the results to the Commission early in 2008 and publish them on the Europa website.

The Commission took note of this information.

22.2. INFORMAL MEETING OF MINISTERS RESPONSIBLE FOR REGIONAL PLANNING AND REGIONAL DEVELOPMENT (AZORES, 22 AND 24 NOVEMBER 2007) (SEC(2007)1651)

The Commission took note of the information note from Ms HÜBNER in SEC(2007)1651.

**22.3. FIRST MEETING AND LAUNCH OF THE EUROPEAN FORUM ON
NUCLEAR ENERGY (BRATISLAVA, 26 AND 27 NOVEMBER 2007)
(SEC(2007)1655)**

The Commission took note of the information note from Mr PIEBALGS in SEC(2007)1655.

*

* *

The Commission's other discussions on certain agenda items are recorded in the special minutes.

*

* *

The meeting closed at 12.56 hours.