



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2008)1818 final

Strasbourg, 19 February 2008

MINUTES

of the 1818th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 13 February 2008

(morning)

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Single sitting: Wednesday 13 February 2008 (morning)

The sitting opened at 0919 hours with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Mr VERHEUGEN	Vice-President	
Mr BARROT	Vice-President	Items 17/18/19 (in part) to 21
Mr KALLAS	Vice-President	
Mr FRATTINI	Vice-President	Items 1 to 19
Mr DIMAS		
Mr ALMUNIA		
Ms HÜBNER		
Mr BORG		Items 17 to 21
Ms GRYBAUSKAITĖ		
Mr FIGEL'		
Mr KYPRIANOU		Items 1 to 21 (in part)
Mr MICHEL		Items 1 to 19
Mr KOVÁCS		
Ms KROES		
Ms FISCHER BOEL		
Mr McCREEVY		
Mr ŠPIDLA		
Mr MANDELSON		
Mr PIEBALGS		Items 1 to 17/18/19 (in part)
Ms KUNEVA		
Mr ORBAN		

Absent:

Ms WALLSTRÖM

Vice-President

Ms REDING

Mr POTOČNIK

Mr REHN

Ms FERRERO-WALDNER

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

Mr LEFFLER	Chef de cabinet to Ms WALLSTRÖM
Ms HOFFMANN	Deputy Chef de cabinet to Ms REDING
Mr VANDENBERGHE	Deputy Chef de cabinet to Mr POTOČNIK
Mr ARTJOKI	A member of Mr REHN's staff
Mr CHILD	Chef de cabinet to Ms FERRERO-WALDNER

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the PRESIDENT	
Ms DURAND	Acting Director-General, Legal Service	
Mr CARVOUNIS	Deputy Director-General, Communication DG	
Mr LAITENBERGER	Commission Spokesman	Items 17 to 21 (in part)
Mr GRAY	Communication DG - Spokesman's Service	Item 21 (in part)
Ms CARVALHO	Bureau of European Policy Advisers	
Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT	Items 17/18/19 (in part)
Mr BALDWIN	Adviser in the PRESIDENT's Office	Item 21
Ms MARTÍNEZ ALBEROLA	A member of the PRESIDENT's staff	Items 1 to 19
Mr LE BRET	Chef de cabinet to Mr BARROT	Items 17/18/19 (in part)
Mr BERTOZZI	A member of Mr FRATTINI's staff	Items 17 to 19
Mr TABONE	Chef de cabinet to Mr BORG	Items 1 to 16
Mr FRIIS	A member of Ms FISCHER BOEL's staff	Items 20 and 21
Mr LEARDINI	Secretariat-General	Item 16

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

1. AGENDAS

(OJ(2008)1818/3; SEC(2008)160/2)

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(2008)1818)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 11 February 2008.

3. MINUTES OF 1817TH MEETING (6 FEBRUARY 2008)

(PV(2008)1817)

The Commission approved the minutes of its 1817th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

STATE AID – INDIVIDUAL CASES – RECAPITULATIVE LIST

(SEC(2008)194; SEC(2008)210)

The Commission adopted the decisions in the recapitulative list in SEC(2008)210.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED (SEC(2008)161 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 4 and 8 February 2008.

5.2. SENSITIVE WRITTEN PROCEDURES (SEC(2008)162)

The Commission took note of the sensitive written procedures for which the time limit expired between 11 and 15 February 2008.

5.3. EMPOWERMENT (SEC(2008)163 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 4 and 8 February 2008.

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 4 and 8 February 2008, as archived on "Grefte 2000" (Registry).

6. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2008)164)

ADMINISTRATIVE MATTERS
(PERS(2008)12)

**6.1. OFFICE FOR INFRASTRUCTURE AND LOGISTICS – BRUSSELS –
TERMINATION OF SELECTION PROCEDURE INTERNAL FOR THE
AD14/15 FUNCTION OF DIRECTOR**
(PERS(2008)1)

The Commission took note of the procedure followed, as set out in point 1 of PERS(2008)12, and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, decided to terminate – without making any appointment – selection procedure COM/2008/194 for the post of Director of the Office for Infrastructure and Logistics – Brussels.

These decisions would take effect immediately.

**6.2. OFFICE FOR INFRASTRUCTURE AND LOGISTICS – BRUSSELS –
TRANSFER OF AN AD14 OFFICIAL**

On a proposal from Mr KALLAS, in agreement with the PRESIDENT, the Commission decided, under Article 7 of the Staff Regulations, to fill the post of Director of the Office for Infrastructure and Logistics in Brussels by the transfer in the interest of the service of Mr Gabor ZUPKO, an AD14 official currently Chief Adviser in the Office for Infrastructure and Logistics in Brussels.

This decision would take effect immediately.

**6.3. OFFICE FOR INFRASTRUCTURE AND LOGISTICS – LUXEMBOURG
– REPUBLICATION OF VACANCY NOTICE FOR THE AD14/15
FUNCTION OF DIRECTOR
(PERS(2008)2 AND /2)**

The Commission took note of the procedure followed, as set out in point 3 of PERS(2008)12, and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, decided, in order to obtain a wider choice of candidates, to authorise the republication, under Article 29(1)(a)(i) and (iii) of the Staff Regulations, of the vacancy notice in PERS(2008)2/2 for the function of Director of the Office for Infrastructure and Logistics in Luxembourg.

This decision would take effect immediately.

**6.4. DG RELEX – TERMINATION OF THE INTERNAL SELECTION
PROCEDURE FOR AN AD14/15 FUNCTION OF DIRECTOR
(PERS(2007)62 TO/4; PERS(2008)13)**

The Commission took note of the procedure followed, as set out in point 4 of PERS(2008)12, and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, decided:

- to terminate the selection procedure COM/2007/634, relating to the function of Director, Eastern Europe, Southern Caucasus in the Directorate-General for External Relations, without making an appointment;
- to take note of the vacancy notice in PERS(2008)13, which had been approved by simplified procedure for publication under Article 29(1)(a) (i) and (iii) of the Staff Regulations.

These decisions would take effect immediately.

**6.5. EUROPEAN ANTI-FRAUD OFFICE – SECONDMENT OF AN AD15
TEMPORARY STAFF MEMBER
(PERS(2008)14)**

The Commission took note of the information in point 5 of PERS(2008)12 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, and after concerting with the Director-General of the European Anti-Fraud Office, decided to second to the Council of the European Union Mr Alberto PERDUCA, an AD15 temporary staff member currently Director, Investigations and Operations I, in the European Anti-Fraud Office, notwithstanding Article 2 of Commission decision C(94)3895.

These decisions would take effect immediately.

**7. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN
ACCORDANCE WITH ARTICLE 5(2) OF COUNCIL REGULATION (EC)
1466/97 ON THE STABILITY PROGRAMME OF CYPRUS (2007-11)
(SEC(2008)179 TO /3; SEC(2008)186 AND /2; SEC(2008)190)**

The Commission adopted the recommendation for a Council opinion on the first stability programme of Cyprus, as set out in SEC(2008)179/3, for transmission to the Council.

**8. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN ACCORDANCE WITH ARTICLE 5(2) OF COUNCIL REGULATION (EC) 1466/97 ON THE STABILITY PROGRAMME OF MALTA (2007-10)
(SEC(2008)182 TO /3; SEC(2008)186 AND /2; SEC(2008)190)**

The Commission adopted the recommendation for a Council opinion on the first stability programme of Malta, as set out in SEC(2008)182/3, for transmission to the Council.

**9. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION, IN ACCORDANCE WITH ARTICLE 5(3) OF COUNCIL REGULATION (EC) 1466/97 ON THE UPDATED STABILITY PROGRAMME OF AUSTRIA (2007-10)
(SEC(2008)175; SEC(2008)186 AND /2; SEC(2008)190)**

The Commission adopted the recommendation for a Council opinion on the updated stability programme of Austria, as set out in SEC(2008)175 for transmission to the Council.

**10. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN ACCORDANCE WITH ARTICLE 5(3) OF COUNCIL REGULATION (EC) 1466/97 ON THE UPDATED STABILITY PROGRAMME OF PORTUGAL (2007-11)
(SEC(2008)178 AND /2; SEC(2008)186 AND /2; SEC(2008)190)**

The Commission adopted the recommendation for a Council opinion on the updated stability programme of Portugal, as set out in SEC(2008)178/2, for transmission to the Council.

11. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN ACCORDANCE WITH ARTICLE 5(3) OF COUNCIL REGULATION (EC) 1466/97 ON THE UPDATED STABILITY PROGRAMME OF SLOVENIA (2007-10)

(SEC(2008)181; SEC(2008)186 AND /2; SEC(2008)190)

The Commission adopted the recommendation for a Council opinion on the updated stability programme of Slovenia as set out in SEC(2008)181, for transmission to the Council.

12. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN ACCORDANCE WITH ARTICLE 9(3) OF COUNCIL REGULATION (EC) 1466/97 ON THE UPDATED CONVERGENCE PROGRAMME OF BULGARIA (2007-10)

(SEC(2008)180 TO /3; SEC(2008)186 AND /2; SEC(2008)190)

The Commission adopted the recommendation for a Council opinion on the updated convergence programme of Bulgaria, as set out in SEC(2008)180/3, for transmission to the Council.

13. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION, IN ACCORDANCE WITH ARTICLE 9(3) OF COUNCIL REGULATION (EC) 1466/97 ON THE UPDATED CONVERGENCE PROGRAMME OF THE CZECH REPUBLIC (2007-10)

(SEC(2008)185 TO /3; SEC(2008)186 AND /2; SEC(2008)190)

Subject to amendment of the figures on the line "*Output gap/CP Nov 2007*" of the table annexed to the recommendation, in the English-language version, to read "*0.7*" and "*0.5*" for 2009 and 2010 respectively, the Commission adopted the recommendation for a Council opinion concerning the updated convergence

programme of the Czech Republic, as set out in SEC(2008)185/3, for transmission to the Council.

**14. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION, IN ACCORDANCE WITH ARTICLE 9(3) OF COUNCIL REGULATION (EC) 1466/97 ON THE UPDATED CONVERGENCE PROGRAMME OF ESTONIA (2007-11)
(SEC(2008)183 TO /3; SEC(2008)186 AND /2; SEC(2008)190)**

The Commission adopted the recommendation for a Council opinion on the updated convergence programme of Estonia, as set out in SEC(2008)183/3, for transmission to the Council.

**15. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN ACCORDANCE WITH ARTICLE 9(3) OF COUNCIL REGULATION (EC) 1466/97 OF 7 JULY 1997 ON THE CONVERGENCE PROGRAMME OF LATVIA (2007-10)
(SEC(2008)184 TO /3; SEC(2008)186 AND /2; SEC(2008)190)**

The Commission adopted the recommendation for a Council opinion on the updated convergence programme of Latvia, as set out in SEC(2008)184/3, for transmission to the Council.

16. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – ANNUAL POLICY STRATEGY FOR 2009 (COM(2008)72 TO /4; SEC(2008)171 AND /2; SEC(2008)172; SEC(2008)173 AND /2; SEC(2008)170; SEC(2008)189)

The PRESIDENT introduced the communication on the annual policy strategy for 2009 which he was tabling for approval, jointly with Ms WALLSTRÖM and Ms GRYBAUSKAITĖ. He stressed the importance of the strategy in defining the Commission's main policy priorities for the following year. Over the coming months these guidelines would be discussed with the other institutions with a view to preparing the Commission's legislative and work programme for 2009.

2009 would be a special year, with the possible entry into force of the Treaty of Lisbon, the end of this Commission's term of office and, in June, elections to Parliament. However, the PRESIDENT insisted that the Commission must maintain its work rate and level of political ambition right up to the end of its term of office, in particular creating a Europe of results that delivered practical benefits to the citizens. He asked the Commission Members and departments to contribute actively to achieving that goal.

He then outlined the Commission's five main areas of activity in 2009: growth and jobs; climate change and sustainable Europe; the common immigration policy; putting citizens at the heart of all proposals; and the EU as a world partner. These broad policy areas, which had largely been taken over from the 2008 legislative and work programme and been favourably received by Parliament in the previous financial year, would have to be confirmed and spelled out in detail at a later stage.

He stressed the link between policy guidelines and communication priorities which was set out in the annual policy strategy. He also explained that the communication did not list in detail all the initiatives that would flow from the probable entry into force of the Lisbon Treaty in 2009. However, the Commission would have to be able to present such a list in due course.

On the question of human and financial resources, the PRESIDENT stressed that the purpose of the annual policy strategy was to define a general framework; detailed measures would follow in the preliminary draft budget for 2009. In its screening report the Commission had undertaken not to ask for any more new resources for the period 2009-2013 once the last round of posts for enlargement had been allocated in 2009. From now on the Commission would have to meet its objectives with a stable level of resources. He asked Commission Members and departments to take a critical look at all the institution's activities and embark on a rationalisation effort.

Human resources had been allocated in line with the general approach and the recommendations of the screening report, in particular the concentration of posts in certain priority areas such as competition, the internal market, implementation of the *acquis*, energy and combating climate change, but also applying the principle of allocating no new posts to central services or for support and coordination tasks in departments.

Finally, the PRESIDENT thanked the Commission Members and all departments for their contributions and asked them to take account of the new resources situation in which the Commission would have to operate from now on, and to engage in dialogue with the other institutions, in particular Parliament, with a view to reaching broad interinstitutional consensus on the policy priorities for 2009.

Ms GRYBAUSKAITĖ endorsed the PRESIDENT's comments, emphasising the constraints imposed by the fact that no increase in Commission staff was planned after the last round of posts for enlargement was obtained in 2009.

Because of these particular circumstances and the relatively small number of new posts to be allocated in 2009, very strict arbitration measures would have to be applied in line with the recommendations in the screening report. She recalled the commitment not to ask for new posts before 2013 and the redeployment of 1600 posts to priority activities and stressed that Parliament kept a very close watch on the implementation of the screening report recommendations.

Lastly, Ms GRYBAUSKAITĖ thanked the PRESIDENT, all the Commission Members and all departments, in particular the Secretariat-General, for the high standard of the preparatory work in this important and sensitive dossier.

Following these presentations, the Commission approved the communication in COM(2008)72/4 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

It also took note of the annexes distributed as SEC(2008)171/2, SEC(2008)172 and SEC(2008)173/2.

The Commission acknowledged in this context the importance of ensuring the smooth implementation of the joint EU-Africa strategy and the eight operational partnerships and hence the need for all Commission departments concerned to be fully mobilised.

17. COMMISSION REPORT TO PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE EVALUATION AND FUTURE DEVELOPMENT OF THE FRONTEX AGENCY

(COM(2008)67 TO /3; SEC(2008)150 AND /2; SEC(2008)148; SEC(2008)149; SEC(2008)156; SEC(2008)159)

18. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – EXAMINING THE CREATION OF A EUROPEAN BORDER SURVEILLANCE SYSTEM (EUROSUR)

(COM(2008)68 TO /3; SEC(2008)151; SEC(2008)152; SEC(2008)157; SEC(2008)159)

**19. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – PREPARING THE NEXT STEPS FOR INTEGRATED MANAGEMENT OF EUROPEAN UNION BORDERS
(COM(2008)69 TO /4; SEC(2008) 53; SEC(2008)154; SEC(2008)158; SEC(2008)159)**

Introducing the series of documents referred to at items 17 to 19 of these minutes, Mr FRATTINI pointed out that they were a response to a request by the European Council in December 2007 and formed part of the priorities adopted by the current Council Presidency. The purpose of this package of measures was to develop an integrated system for managing the EU's external borders and promote better use of available technologies in order to protect the Union's borders while at the same time facilitating the movement of *bona fide* travellers.

First he presented the report on the European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX). During its first two years of operation, the Agency had more than proved its worth, contributing to a significant tightening of border security. It was important to carry on improving the operation of the agency, setting as a long-term aim the coordination between Member States of checks at border crossing-points and the work of other control bodies such as immigration and customs services.

Mr FRATTINI then outlined the main measures proposed for the gradual establishment of a European Border Surveillance System (EUROSUR), which rested on three main principles: the interoperability and networking of existing control systems in the Member States, improvement of surveillance tools and their development at European level and, in the long term, a study on the advisability of setting up a European border guard force.

He then turned to the third document, which consisted of an ambitious set of measures that might be implemented in the years ahead in order to develop the integrated management of European borders. This last communication was a contribution to the debate on whether to set up: (i) an entry/exit system using

biometric identifiers to record at the time when border checks are carried out the dates when any third-country national enters and leaves the Schengen area; (ii) a scheme designed to streamline border checks for certain categories of frequent travellers from non-member countries based on voluntary pre-registration; and (iii) a system of electronic travel authorisations for nationals of non-member countries not subject to the visa requirement, to be obtained before their arrival at the border itself. He stressed that these measures would have to be accompanied by strict European legislation on personal data protection.

The PRESIDENT thanked Mr FRATTINI for the set of measures that had been tabled. He was convinced that these initiatives would enhance and strengthen the management of the Union's external borders and noted the various messages which they conveyed: security for European citizens, tighter controls on illegal immigration, shared responsibility for managing Schengen borders, and cooperation and solidarity between Member States. He felt that the proposed measures were balanced and - by harnessing new technologies - capable of providing a structured and sustainable European response to the challenges of migratory pressure, social and economic issues and new risks on the security front.

In presenting these proposed new instruments and measures, it was important to adopt a gradual approach that left room for discussion with Parliament and the Council. The proposals were balanced, as they met the need to set the agenda for debate at European level and reconcile freedom and security considerations, but without resorting to a heavy-handed approach. They also opened up discussion on the overall architecture of integrated European border management.

The Commission then held an exchange of views, during which the following points were highlighted:

- the historical importance of enlarging the Schengen area and, in this context, the need to promote mutual trust through cooperation and the exchange of information;

- the importance of meeting the challenges of immigration, demographics and security, as highlighted at the informal meeting of Heads of State and Government at Hampton Court in October 2005;
- the utility of an integrated border management system based on coordination between Member States, similar to the one already in place for the movement of goods;
- the need to strike a balance between the demands of security at external borders and respect for individual freedoms and fundamental rights; in this context, the importance of avoiding any drift towards a heavy-handed security approach by favouring technological developments;
- concerns regarding the subsequent treatment of data supplied in the electronic travel authorisation and entry/exit registration systems in order to comply with personal data protection requirements;
- in connection with the above, the need for technical and political guarantees on the use of new control and surveillance technologies, but also the importance of developing the security of the proposed systems to protect them from electronic intrusion or attack;
- questions on the feasibility of the proposals in relation to biometric identification in developing countries and concern over the use of data gathered in this way in certain countries not governed by democratic forces; in this context, the need to engage in dialogue with non-member countries and the advisability of considering accompanying measures;
- the value of the proposed approach for the integration of migrants and the advisability of proposing parallel measures on legal immigration;
- balanced, legitimate and proportionate measures directed at nationals of non-member countries who have exceeded the authorised period of residence;

- questions regarding the consequences of the entry/exit registration system and the importance *inter alia* of taking account of individual and family situations in handling cases where the authorised period of residence was exceeded;
- the need to share the burden of implementing the proposed measures among the Member States, particularly as certain Member States were faced with high levels of risk;
- the importance of pressing ahead with implementation of existing instruments pending introduction of the new measures, particularly under the EUROSUR system;
- on the question of the EUROSUR system, the importance of the measures suggested with regard to the maritime dimension;
- questions about the financing of all these new systems;
- the importance, in communicating with the public, of highlighting the new technologies available for border controls.

In reply to these various comments, Mr FRATTINI observed that, although he wished to avoid a heavy-handed approach, citizens' security must be guaranteed. In this respect the systems in place had already proved effective in averting threats, in particular from terrorists. The planned measures were a response to the requirements of existing legislation on personal data protection. The data gathered could be used only for the purposes of border checks and any abuse of this type of data would be liable to criminal penalties in the Member States. He also acknowledged the importance of presenting and explaining the new vision of European border management, which sought to protect individual freedoms, including the fundamental right to security, and to guarantee the free movement of *bona fide* travellers, while combating crime. He confirmed that Community funding would be available for part of the new systems.

The PRESIDENT concluded by thanking the Commission Members for the high standard of the debate. He stressed the need to implement security measures without

losing sight of the substantial improvements in freedom of movement which the EU had made over past decades. He was convinced that the Commission needed to launch and guide the debate on the European measures to be adopted to coordinate action by the Member States and on the guarantees to be afforded regarding data protection. Finally, he expressed his firm belief that the current series of measures would open the way to balanced solutions that respected both freedom and security concerns.

Following this exchange of views, the Commission:

- approved the report in COM(2008)67/3 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments, together with the impact assessment and summary in the staff papers distributed as SEC(2008)150/2, SEC(2008)148 and SEC(2008)149, and took note of their contents;
- took note of the opinion of the Impact Assessment Board on the above report, as set out in SEC(2008)156;
- approved the communication in COM(2008)68/3, for transmission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments, accompanied by the impact assessment and summary in the staff papers distributed as SEC(2008)151 and SEC(2008)152, the contents of which were noted;
- took note of the opinion of the Impact Assessment Board on the above communication, as set out in SEC(2008)157;
- approved the communication in COM(2008)69/4, for transmission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments, accompanied by the impact assessment and summary in the staff papers distributed as SEC(2008)153 and SEC(2008)154, the contents of which were noted;

- took note of the opinion of the Impact Assessment Board on the above communication, as set out in SEC(2008)158.

20. INTERINSTITUTIONAL RELATIONS

(SEC(2008)167)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 8 February 2008 (SEC(2008)167).

It paid particular attention to the following:

20.1. LEGISLATIVE MATTERS

i) Preparation for Parliament's February 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

- Community Customs Code (Modernised Customs Code) (Regulation) – FOURTOU report – 2005/0246 (COD)

The Commission approved the line set out in SP(2008)671.

Empowerment

- Community Customs Code (Modernised Customs Code) (Regulation) – FOURTOU report – 2005/0246 (COD)

The Commission empowered Mr KOVÁCS, under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT and Ms WALLSTRÖM and any associated Members, 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 given its view, and if necessary to attach to its opinion an amended proposal, on the basis of the line set out in SP(2008)671.

Codecision – 1st reading

- Mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters (Regulation) – NEWTON DUNN report – 2006/0290 (COD)

The Commission approved the line set out in SP(2008)672 and /2.

- Requirements for accreditation and market surveillance relating to the marketing of products (Regulation) – BRIE report – 2007/0029 (COD)
- Common framework for the marketing of products (Decision) – SCHALDEMOSE report – 2007/0030 (COD)

The Commission authorised Mr VERHEUGEN to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SI(2008)673 and /2.

- Application of certain national technical rules to products lawfully marketed in another Member State (Regulation) – STUBB report – 2007/0028 (COD)

The Commission authorised Mr VERHEUGEN to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SI(2008)675.

- Minimum health and safety requirements regarding the exposure of workers to the risks arising from physical agents (electromagnetic fields) (Directive) – ANDERSSON report – 2007/0230 (COD)

The Commission approved the line set out in SP(2008)676.

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

The Commission approved the line set out in SP(2008)744.

20.2. RELATIONS WITH THE COUNCIL

ii) Programming of Council business

(SI(2008)85)

The Commission took note of the information in SI(2008)85 on the Council meetings between 14 and 27 February 2008.

iii) Results of the Eurogroup meeting and the Economic and Financial Affairs Council (Brussels, 11 and 12 February 2008)

(SI(2008)75)

Mr ALMUNIA reported on the Economic and Financial Affairs Council meeting of 12 February, which followed the Eurogroup meeting of 11 February. He began by saying that the discussions within the Eurogroup were mainly concerned with the economic situation and recent trends in inflation, the first series of annual updates of the euro-area Member States'

stability programmes, and the meeting of G7 Finance Ministers in Tokyo on 9 February.

As regards the economic situation, he was convinced that the EU was less likely to be affected by the financial crisis in the United States, and particularly the risk of recession.

On the subject of inflation, he expressed concern about increases in the price of food and oil, which played a major role in the Union's inflation figures. He called for full support for the monetary authorities, appropriate tax and price regulation measures, greater competition in the services sector and the containment of certain effects during salary negotiations.

As regards the discussions on the stability programmes, he reported on the amendments made to the draft Council opinion on France's programme to bring it into line with the guidelines which had emerged from the informal Eurogroup meeting in Berlin in April 2007, in order to reach a balanced agreement and preserve budgetary discipline.

He went on to mention the Economic and Financial Affairs Council of 12 February, which had called on the Commission to table a communication on sovereign wealth funds for examination by the Economic and Financial Affairs Council at its meeting of 4 March in preparation for the European Council on 13 and 14 March. He said that the Council had also adopted conclusions on the effectiveness of the economic instruments on energy and climate change.

Mr ALMUNIA also reported to the Commission on the Finance Ministers' lunch, at which the discussion had been mainly concerned with the Commission's participation in the Financial Stability Forum and the future of the European Bank for Reconstruction and Development, including the selection of a new President of the Bank and the extension of the EBRD's operations to Turkey.

The PRESIDENT spoke highly of the quality of the discussions at the Eurogroup meeting he had attended; he also referred to the Council opinions on the convergence and stability programmes, and particularly the programme for France, which he felt struck a good balance.

In reply to the Council's request, he asked the Commission Members concerned to prepare a communication on sovereign wealth funds and a short policy paper on the Union's response to the financial crisis in time for the 1820th meeting of the Commission on 27 February, so that the Commission would be able to play a dynamic role in Council discussions.

The Commission then held a brief exchange of views at which it discussed, among other things, the general advisability of preparing a Commission contribution to the work of the March European Council, dealing in particular with competitiveness, the importance of combating inflation, and the question of sovereign wealth funds. On the latter point, the Commission stressed the need to propose a balanced approach which took account of the Member States' legitimate need to protect their industry, on the one hand, and the role of sovereign wealth funds in stabilising the financial situation and financing growth, on the other.

In reply to the various comments made, Mr ALMUNIA stressed, in relation to the inflation criteria, the importance of not prejudging the European Central Bank convergence report due in May 2008. He also acknowledged the potential of sovereign wealth funds to finance growth, and drew the meeting's attention to the need for the Union to present a united position on this subject at the forthcoming discussions in the IMF and the OECD.

The PRESIDENT also stressed the advantages of a European response to the development of sovereign wealth funds, which would take account of the various measures proposed or implemented in the Member States and call for self-regulation and transparency in the sector. He consequently advocated preparing a balanced policy line on this point ahead of the Commission meeting of 27 February.

20.3. RELATIONS WITH PARLIAMENT

iv) Action taken on Parliament's non-legislative resolutions (SP(2008)532 AND /2)

The Commission approved the documents SP(2008)532 and /2 on the action taken on the non-legislative resolutions adopted by Parliament at its December 2007 part-session, for transmission to Parliament.

21. RELATIONS WITH THIRD COUNTRIES

21.1. DOHA DEVELOPMENT AGENDA – STATE OF NEGOTIATIONS

Mr MANDELSON gave a progress report on the World Trade Organisation (WTO) negotiations on the Doha Development Agenda.

He reminded the meeting that the objective for the Commission was to achieve a result which was both balanced and ambitious. In his opinion, the negotiations were entering a critical stage and the prospects of success before the end of 2008 were currently greater than the risk of failure, on condition, however, that certain partners made an extra effort. He also mentioned the encouraging signals from the last World Economic Forum held on 23-27 January in Davos and the link with the economic and financial situation.

More particularly, he reported on the main points arising from the draft texts on agriculture and non-agricultural products distributed at the WTO on Friday 8 February, which were revised versions of the drafts from July 2007. Mr MANDELSON felt that the draft text on agriculture was an appropriate basis for the next stage of the negotiations, particularly since it preserved consistency with the common agricultural policy. However, he felt that the text on non-agricultural products represented something of a retreat from the previous draft.

He particularly regretted that certain countries had succeeded in imposing their points of view to a disproportionate extent, and felt that further efforts would be needed over the coming weeks to bring the negotiations to a successful conclusion and achieve a balanced result which corresponded as closely as possible to the EU's objectives; he declared his determination to do all he could to achieve that result.

He promised to keep the Commission informed of the progress of the negotiations, reminding the meeting that he and Ms FISCHER BOEL were also going to speak on this subject at the meetings of the General Affairs and External Relations Council and the Agriculture and Fisheries Council on 18 and 19 February. He also felt there was a need in this connection to step up contacts between the Commission and the governments of certain non-member countries, particularly Brazil, with a view to developing shared positions between the EU and the countries in question.

Ms FISCHER BOEL agreed with Mr MANDELSON's remarks. Despite the lack of commitment to the negotiations on the part of some non-member countries, she considered that progress had been made on the draft text on agriculture, and felt that it took account of a number of EU concerns without, however, meeting all its requirements.

She regretted that similar progress had not been made on the draft document on non-agricultural products, and pointed out that it now contained an imbalance between the considerable concessions made by the Union in agriculture and Europe's minimal gains in the non-agricultural field. She also mentioned the possible implications of the end of the current US administration's term of office for achieving a result in the negotiations.

Ms FISCHER BOEL said how important it was that the forthcoming meetings of the General Affairs and External Relations and Agriculture and Fisheries Councils should give a signal of support and unity from the Member States.

The PRESIDENT thanked Mr MANDELSON and Ms FISCHER BOEL for their presentations. He expressed his support for their positions and stressed the importance of insisting, in the WTO and to certain non-member countries, on the legitimate interests of the EU, as well as on the need to achieve a balance between the agricultural and non-agricultural aspects of the negotiations. He also reminded the meeting of the importance for the Union of finding satisfactory solutions in a number of other areas such as geographical indications and designations of origin.

The Commission then held a brief exchange of views in which the following aspects in particular were raised:

- the importance of pursuing and concluding these negotiations in the current economic and financial context;
- regret that the draft text on non-agricultural products had not led to the progress expected;
- the desire for an in-depth review of certain aspects of the draft document on non-agricultural products, including flexibility of the rules, tariff reduction coefficients and the elimination of non-tariff barriers;
- the considerable benefits of the opening-up of markets for European consumers and the European economy, as well as for non-member countries, but also the importance of the reciprocity principle in the negotiations;
- the importance of geographical indications and services;
- the importance too of reciprocity as regards access for European industry to non-member countries' markets;
- the need to reach a balanced agreement on fisheries subsidies and the desire for a sustainable solution to the exploitation of natural resources.

The Commission took note of this information.

**21.2. VISIT TO THE UNITED STATES (WASHINGTON, 7 FEBRUARY 2008)
(SEC(2008)213)**

The Commission took note of the information note from Mr FRATTINI in SEC(2008)213.

**21.3. MEETING OF G7 FINANCE MINISTERS (TOKYO, 9 FEBRUARY 2008)
(SEC(2008)204 AND /2)**

The Commission took note of the information note from Mr ALMUNIA distributed as SEC(2008)204 and /2.

**21.4. VISIT BY THE EU MINISTERIAL TROIKA (ARMENIA, AZERBAIJAN
AND GEORGIA, 4-6 FEBRUARY 2008)
(SEC(2008)216)**

The Commission took note of the information note from Ms FERRERO-WALDNER in SEC(2008)216.

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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 13.23 hours.