



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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MINUTES
of the 1861st meeting of the Commission
held in Strasbourg
(Winston Churchill building)
on Tuesday 3 February 2009
(afternoon)

PV(2009)1861 final

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Single sitting: Tuesday 3 February 2009 (afternoon)

The sitting opened at 13.07 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	Items 8 and 9
Mr BARROT	Vice-President	Items 8 and 9 (in part)
Mr KALLAS	Vice-President	
Ms REDING		
Mr DIMAS		
Mr ALMUNIA		Items 8 and 9
Ms HÜBNER		
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr FIGEL'		
Mr MICHEL		
Ms KROES		Items 8 and 9
Ms FISCHER BOEL		
Mr McCREEVY		
Mr ŠPIDLA		
Ms KUNEVA		
Mr ORBAN		
Ms VASSILIOU		Items 8 and 9
Baroness ASHTON		

Absent:

Mr TAJANI

Vice-President

Mr REHN

Mr KOVÁCS

Ms FERRERO-WALDNER

Mr PIEBALGS

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

Ms BARTOLINI	A member of Mr TAJANI's staff
Ms GAGO FILORI	Deputy Chef de cabinet to Mr KOVÁCS
Ms ARP	A member of Ms FERRERO-WALDNER's staff
Ms SOEWARTA	Deputy Chef de cabinet to Mr PIEBALGS

The following also sat in:

Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT
Ms DURAND	Director-General, Legal Service
Mr CARVOUNIS	Deputy Director-General, Communication DG
Mr LAITENBERGER	Commission Spokesman
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers
Mr CABRAL	Adviser hors classe in the PRESIDENT's office
Mr THOMAS	Chef de cabinet to Mr ALMUNIA
Ms SCHREIBER	Chef de cabinet to Mr ŠPIDLA

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

1. AGENDAS

(OJ(2009)1861/3; SEC(2009)94/2)

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(2009)1861)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 2 February.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1860TH MEETING
(28 JANUARY)**

PV(2009)1860; PV(2009)1860, PART II)

The Commission approved the minutes of its 1860th meeting.

4. INTERINSTITUTIONAL RELATIONS

(SEC(2009)70; SEC(2009)100)

The Commission took note of the records, distributed as SEC(2009)70 and SEC(2009)100, of the meetings of the Interinstitutional Relations Group (GRI) held on Friday 23 January and Friday 30 January 2009 respectively.

It paid particular attention to the following points.

4.1. *LEGISLATIVE MATTERS*

i) Follow-up to Parliament's December II 2008 part-session

(point 1.3 of the IRG record)

Codecision – 2nd reading – Conciliation – Finalisation of the Commission's position on Parliament's amendments at 2nd reading

- Organisation of working time (Directive) – CERCAS report – 2004/0209 (COD)

The Commission approved the line set out in SP(2009)404 and /2.

Empowerment

- Organisation of working time (Directive) – CERCAS report – 2004/0209 (COD)

The Commission empowered Mr ŠPIDLA, 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, on the basis of the line set out in SP(2009)404 and /2.

4.2. *RELATIONS WITH THE COUNCIL*

ii) Programming of Council business

(SI(2009)25)

The Commission took note of the information in SI(2009)25 on the Council meetings between 5 and 18 February.

4.3. RELATIONS WITH THE EUROPEAN PARLIAMENT

iii) Preparation for the February I part-session – oral questions

(point 3.4 of the IRG record)

H-1036/08, H-1037/08, H-1039/08, H-1041/08, H-1042/08, H-1043/08, H-1045/08, H-1047/08, H-1049/08, H-1050/08, H-1052/08, H-1054/08, H-1058/08, H-1060/08, H-1061/08, H-1063/08, H-1065/08, H-1066/08, H-1067/08, H-1069/08, H-1071/08, H-1073/08, H-1074/08, H-0001/09, H-0004/09, H-0005/09, H-0006/09, H-0008/09, H-0009/09, H-0011/09, H-0013/09, H-0016/09, H-0019/09, H-0021/09, H-0023/09, H-0026/09, H-0027/09, H-0029/09, H-0031/09, H-0032/09, H-0034/09, H-0036/09

The Commission approved the draft answers set out in SP(2009)294 to /5, following the agreement reached between the Chefs de cabinet on revisions to some of these draft answers, and certain draft supplementary answers, revisions to answers and draft answers as set out in SP(2009)294/6 *et seq.*

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

(point 3.5.1 of the IRG record)

The Commission approved document SP(2009)400 on the action taken on the non-legislative resolutions adopted by Parliament at its November 2008 part-session, for transmission to Parliament.

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

(point 3.5.2 of the IRG record)

The Commission approved documents SP(2009)401 and /2 on the action taken on Parliament's non-legislative resolutions adopted at its December I 2008 part-session, for transmission to Parliament.

vi) Action taken on Parliament's legislative opinions and non-legislative resolutions

(point 3.5.3 of the IRG record)

The Commission approved document SP(2009)402 on the action taken on Parliament's legislative opinions and non-legislative resolutions adopted at its December I and II 2008 part-sessions, for transmission to Parliament.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. *WRITTEN PROCEDURES APPROVED*

(SEC(2009)96 ET SEQ.)

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

5.2. *EMPOWERMENT*

(SEC(2009)97 ET SEQ.)

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

5.3. *DELEGATION AND SUBDELEGATION OF POWERS*

(SEC(2009)98 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 26 and 30 January, as archived in e-Greffe.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2009)99 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 2 and 6 February and of the "finalisation" written procedure initiated following the weekly meeting of Chefs de cabinet on 2 February.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2009)95)

ADMINISTRATIVE MATTERS

(PERS(2009)15)

**6.1. DG RESEARCH – TERMINATION OF THE INTERNAL SELECTION
PROCEDURE TO APPOINT AD14/15 DIRECTOR**

(PERS(2008)11 TO /3)

The Commission took note of the information in point 1 of PERS(2009)15 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, decided:

- to terminate the selection procedure COM/2007/3261 for the post of Director, Directorate E (Biotechnologies, Agriculture and Food) in DG Research, without making an appointment;
- to assign this post for external publication (EU-12).

This decision would take effect immediately.

6.2. *DG AGRICULTURE AND RURAL DEVELOPMENT - APPLICATION OF THE ARTICLE 50 PROCEDURE (SECOND STAGE) WITH RESPECT TO AN AD15 OFFICIAL (PERS(2009)16)*

The Commission continued its discussions on this matter, begun on 18 November 2008 (PV(2008)1852).

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FISCHER BOEL, the Commission adopted the decision in PERS(2009)16, applying the second stage of the procedure laid down in Article 50 of the Staff Regulations with respect to Mr Russell MILDON, an AD15 official, currently Director, Directorate C (Economics of agricultural markets (and CMO)) in DG Agriculture and Rural Development.

This decision would take effect on 1 April 2009.

6.3. *DG PERSONNEL AND ADMINISTRATION – POSSIBLE RECRUITMENT OF SUCCESSFUL CANDIDATES FROM THE MIDDLE-MANAGEMENT COMPETITION (EU 2) TO ADVISER POSTS (SEC(2009)120)*

The Commission took note of the information in point 3 of PERS(2009)15 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, approved the interpretative provision for its decision on middle management of 28 April 2004, amended on 2 March 2005 and 10 September 2008, as set out in SEC(2009)120.

This decision would take effect immediately.

7. RELATIONS WITH NON-MEMBER COUNTRIES

VISIT TO ISRAEL AND THE WEST BANK (25-28 JANUARY)

(SEC(2009)132)

The Commission took note of the information note from Mr TAJANI distributed as SEC(2009)132.

8. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COURT OF AUDITORS ON THE IMPLEMENTATION OF THE ACTION PLAN TO STRENGTHEN THE COMMISSION'S SUPERVISORY ROLE UNDER SHARED MANAGEMENT OF STRUCTURAL ACTIONS

(COM(2009)42 TO /4; SEC(2009)108)

The PRESIDENT introduced the report presented by Ms HÜBNER and Mr ŠPIDLA, which was a useful contribution to the current discharge procedure, as it confirmed the successful introduction of the measures in the action plan adopted in February 2008 to strengthen the Commission's supervisory role under shared management of structural actions. He reminded Members that the action plan provided for a number of specific measures to be carried out, following on directly from the recommendations and conclusions presented by the Court of Auditors in 2006. The PRESIDENT was pleased that the Commission had responded effectively and that most of the measures were already in place. He stressed that this momentum would have to be kept up to ensure that the action plan was fully implemented in 2009. So, despite the progress made, high levels of vigilance and surveillance would have to be constantly maintained. It was also important to keep the European Parliament regularly informed of progress as evidence of the priority the Commission attached to this issue.

Ms HÜBNER then presented the main features and results of the action plan, which, she recalled, had been adopted in 2008 in connection with the discharge exercise in

order to strengthen the Commission's supervisory role in structural operations. An interim report on the plan had been produced in 2008, and now this final report on its implementation had been drawn up for the budgetary authority and the Court of Auditors. She considered that the positive results achieved should help in obtaining the discharge.

She also explained that the action plan was aimed at reducing the residual risk of errors by setting out measures to improve the supervisory and control systems in the Member States and to ensure the swift application of financial corrections and suspensions of payment when the action taken in the Member States was insufficient. She noted that 28 of the 37 planned actions had been completed in 2008, while the other 9 were of a long-term nature and would be incorporated in the joint audit strategy for structural operations.

As regards the results for 2008, she reported that the action plan had been a success and pointed in particular to the progress in internal audits and the tightening of controls resulting in decisions on financial corrections and the suspension of payments, more rigorous application of preventive measures to ensure procedures were compliant, cooperation with the Member States on the gathering of data on recoveries, and the Court of Auditors' recognition of the usefulness of the annual activity reports by Directorates-General. She thanked the Secretariat-General, the Directorate-General for the Budget and the departments concerned for their work and their coordination.

She agreed that this momentum should be kept up in 2009 by pursuing the measures and the cooperation with Member States for effective implementation of control systems for the period 2007-2013. She ended by pointing to the proven impact of the action plan on the error rate, a positive result which she intended to develop in the forthcoming reports in October 2009 and February 2010 on the implementation of further action in 2009.

Mr ŠPIDLA pointed out that, during the previous discharge exercise, Parliament's Budgetary Control Committee had recommended that the Commission adopt a tougher policy on financial corrections and the suspension of payments, given the

high number of errors detected by the Court of Auditors in its audits in the Member States. He was pleased that the final report showed that the Commission had indeed stepped up its efforts in this field.

However, he felt that adoption of this report should not mark the end of those efforts. On the contrary, Commission departments would pursue a number of measures in the plan in 2009 and he would submit a joint report with Ms HÜBNER in the autumn. It was important to bear in mind that the ultimate goal of the action plan - to significantly reduce the residual error rate identified by the Court - could not realistically be achieved until 2010-2011, when the programmes for the period 2000-2006 would be closed and the results of the first audits of 2007-2013 programmes would be known.

Finally, he noted that work on the action plan would continue in 2009, alongside implementation of the European economic recovery plan, and he highlighted the challenges involved in seeking to consolidate the progress achieved under the action plan while ensuring that budget resources were actually made available to priority projects in order to offset the crisis.

Mr KALLAS then gave his views on these results and on the budget discharge procedure as a whole. He was delighted with the results achieved by Ms HÜBNER, Mr ŠPIDLA and the departments under their responsibility in tightening up controls. He mentioned the balance to be struck between the implementation of policy and the need for sound financial management and rectification of any errors that occurred.

As regards the discharge procedure, he noted that the interviews between the Budgetary Control Committee and the various Commission Members concerned had gone well and that the exercise had been conducted in a serene atmosphere. However, he warned that tight vigilance would have to be maintained in view of the forthcoming interinstitutional timetable. In particular he recommended complying with the various deadlines for the discharge procedure and encouraged Commission Members to devote all their energies to this task, especially in contacts with Parliament, and to focus as much attention on the current exercise as in previous

years.

Following these presentations, the Commission held a brief exchange of views during which the following main points were raised:

- the relevance of the report's conclusions and the need to highlight the positive results in communicating with the media and the public;
- the importance of remaining vigilant in the discharge procedure - despite the bright prospects and Parliament's recognition of the Commission's work - particularly with a view to obtaining a positive statement of assurance;
- the case for holding a discussion on the tolerable error threshold and other points of methodology;
- the benefits to be gained from working closely with the Court of Auditors to establish coherent terminology that was accessible to the general public;
- concern at the very heavy administrative burden generated by control and supervisory obligations, and the need to maintain a balance between costs and benefits, including in policy areas with no budgetary impact, but also in fields such as development policy.

Winding up the exchange of views, the PRESIDENT acknowledged the significance of the results obtained in the budget discharge in recent years and noted the vital role played by Commission Members in this exercise. He warned against complacency with an eye to the forthcoming reports and the upcoming institutional deadlines. He also stressed the importance of the Court of Auditors' role in the process of democratic scrutiny of the EU and welcomed the good working relations that had been forged with that institution. The communication efforts vis-à-vis the Court had had a positive impact and he was convinced that preventive action was useful here. He therefore thanked the Commission Members concerned for their excellent work in that field, and in particular Mr KALLAS for his commitment and his key contribution to this dossier.

The Commission approved the report in COM(2009)42/3, for transmission to Parliament, the Council and the Court of Auditors, and to the national parliaments

It also instructed its departments:

- to implement the long-term actions in accordance with the deadlines indicated;
- to submit an interim report by 31 October 2009;
- to present it with a report on the implementation of the further action carried out in 2009 and on the first impact of all action taken, by the end of February 2010.

9. OTHER BUSINESS

9.1. DECISION BY THE EUROPEAN PARLIAMENT ON THE FUNDING OF EUROPEAN POLITICAL PARTIES AND FOUNDATIONS

Ms WALLSTRÖM reported on the decision taken by the Bureau of the European Parliament on 2 February on the funding of European political parties and foundations, including funding for the new European party, Libertas, led by Mr Declan Ganley.

The PRESIDENT highlighted the important role of European parties in strengthening democracy within the European Union, stimulating debate on Europe and helping to shape a positive image of Europe by explaining the EU's achievements in their contacts with voters. He recommended that the Commission step up its efforts in this field.

The Commission took note of these points.

**9.2. ANNUAL MEETING OF THE WORLD ECONOMIC FORUM
(DAVOS-KLOSTERS, 28 JANUARY TO 1 FEBRUARY 2009)**

The PRESIDENT asked the Members of the Commission who had participated in the Annual Meeting of the World Economic Forum, which was held from 28 January to 1 February in Davos, to share their experience and analysis of their various meetings.

The Commission held an exchange of views during which the following main points were raised:

- against the background of the global economic crisis, some leaders at the Forum were relatively pessimistic about the lack of solutions to the crisis, the risk of economic protectionism and of political populism; the feeling of disarray in the face of different, sometimes contradictory, proposals for solving the crisis, and the absence of a clear and unequivocal message at the close of the Forum;
- encouraging views, however, from representatives of industry, in particular communication technologies and green industries;
- marked interest in the G20 process, the need to progress and conclude the Doha Development Agenda, and the importance of promoting reform of the global financial system; high expectations of the new US administration in these areas, and the need for the Commission to be the driving force in the face of the crisis by drawing up practical proposals, in particular to restore public confidence;
- the importance of speeches by different Members of the Commission at the various events at the Forum being well coordinated in order to ensure optimal communication about the role of driving force played by the European Union and the Commission in particular, and to use the opportunity to promote solutions and the European model from an economic, environmental and social perspective;

- the strong call from the private sector to maintain the internal market in Europe and the clearly expressed need to avoid any form of protectionism and to defend the opening-up of markets; in this connection, the need for better communication of the dangers of adopting a protectionist stance at national level;
- the need to correct global macroeconomic imbalances, which have been held partly responsible for the current crisis, and the clear call from both the private and public sectors for better global coordination;
- the need to reform the functioning of the financial sector and restore confidence in the banking system, given the continuing risk of recession linked, in particular, to the structure of financial products and to downward trends on national financial markets, as well as the concern that banks be treated fairly, regardless of whether they have received support;
- the encouraging prospects for the development of green industries and the interest in ensuring conditions conducive to the implementation in Europe of the findings of European basic research in these fields.

The PRESIDENT responded to these observations by reiterating the need to coordinate the Commission's presence at the next Davos Forum in order to provide a better platform for the European Union's message. He acknowledged a feeling that there was a lack of confidence and an absence of specific proposals at the close of the Forum; that was an opportunity for Europe to propose solutions to a crisis that had been generated in the United States, even though the model proposed by the new US administration was similar to the European model of the social market economy. He underlined the importance of fully maintaining the course of the internal market and the single currency, and of sending out a message of confidence in these fields.

He concluded by acknowledging the scale of the crisis, at the same time recommending that its effects not be exacerbated by overly pessimistic views. On the contrary, solutions to the crisis had to be implemented. He therefore

recommended that robust proposals, highlighting the benefits of the European model, be prepared ahead of the European Council in March and the G20 Summit in April. He was convinced that the European model could provide solutions at global level that should be implemented in Europe now in order to demonstrate the Union's capacity for taking practical action.

The Commission took note of this information.

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The meeting closed at 15.04.