EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2009)1867 final

Strasbourg, 24 March 2009

MINUTES

of the 1867th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 18 March 2009

(morning)

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Single sitting: Wednesday 18 March 2009 (morning)

The sitting opened at 8.10 with Mr BARROSO, President, in the chair. Items 8 and 9 (in part) were chaired by Ms WALLSTRÖM.

Present:

Mr BARROSO	President	Items 1 to 7, and 9 (in part) to 12
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	
Mr BARROT	Vice-President	Items 1 to 7
Mr KALLAS	Vice-President	
Mr TAJANI	Vice-President	Items 1 to 7, and 9 (in part) to 12
Ms REDING		Items 1 to 7 (in part), and 9 (in part) to 12
Mr DIMAS		
Mr ALMUNIA		Items 1 to 10 (in part)
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr FIGEL’		
Mr REHN		
Mr KOVÁCS		
Ms KROES		Items 1 to 7, and 9 (in part) to 12
Ms FISCHER BOEL		
Ms FERRERO-WALDNER		Items 1 to 7, and 9 (in part) to 12
Mr McCREEVY		Items 1 to 6
Mr ŠPIDLA		
Mr PIEBALGS		Items 1 to 7, and 9 to 12
Ms KUNEVA		Items 1 to 7 (in part), and 9 (in part) to 12
Mr ORBAN		Items 1 to 7 (in part)
Ms VASSILIOU		Items 1 to 10

Absent:

Ms HÜBNER
Mr MICHEL
Baroness ASHTON

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

Mr LEMAÎTRE	Chef de cabinet to Ms HÜBNER	Item 7 (in part)
Ms CYGAN	Deputy Chef de cabinet to Ms HÜBNER	Items 7 (in part) to 12
Mr LEVIE	A member of Mr MICHEL's staff	Items 7, 9 (in part) and 10
Mr ROSA	A member of Mr MICHEL's staff	Items 11 and 12
Mr PETERS	Deputy Chef de cabinet to Baroness ASHTON	Items 7 to 12

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the PRESIDENT	
Ms DURAND	Director-General, Legal Service	Items 1 to 6
Mr SANTAOLALLA	Legal Service	Items 7 to 12
Mr SØRENSEN	Director-General, DG Communication	Items 7 to 12
Mr LAITENBERGER	Commission Spokesman	Items 1 to 7
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers	Items 8 to 12
Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT	Items 7, 9 and 10
Mr CABRAL	Adviser *hors classe* in the PRESIDENT's office	Items 7, 9 and 10
Ms MARTINHO	Chief adviser in the PRESIDENT’s Office	Item 11
Mr PRONK	Adviser in Ms REDING's office	Items 7 (in part), 8 and 9 (in part)
Ms RISO	A member of Mr ALMUNIA's staff	Items 11 and 12
Mr BRUNET	Chef de cabinet to Ms VASSILIOU	Items 11 and 12
Mr SERBANESCU	A member of Mr ORBAN's staff	Items 8 to 12

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

The PRESIDENT paid tribute to Mr Thierry STOLL, Deputy Director-General in DG Internal Market and Services, who died on 12 March 2009.

After a rich academic career, Thierry STOLL quickly developed an interest in European affairs and held a number of high positions, both in the Office of Commission President Gaston THORN and at the Luxembourg Foreign Ministry.

From the moment of his arrival at the Commission in 1993, Thierry STOLL devoted himself wholeheartedly to the internal market. He was a driving force behind a number of initiatives, including a more incisive policy on direct taxation, the groundwork for the free movement of persons and creation of the Schengen area, the drafting of the 'Services' Directive and the first moves towards a Community patent, as well as, more generally, policy on intellectual property and the media.

The PRESIDENT paid tribute to a man who had established himself as a leading figure in European integration and the internal market in particular and had brought to the Commission a very broad and varied range of skills, together with his visionary enthusiasm, his natural insight, his intellectual rigour and honesty, his negotiating skills and his unfailing loyalty.

The Commission had lost one of its best employees, universally recognised and a reassuring figure on the institutional scene.

Mr McCREEVY, Commissioner for the Internal Market and Services, praised Thierry STOLL's great personal qualities and vouched for his excellent and loyal service.

The PRESIDENT extended his sincere condolences to Mr STOLL's wife, Patricia BUGNOT, and his family and friends; he was joined in this by all the Members of the Commission.

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1. AGENDAS
(OJ(2009)1867/3; SEC(2009)303/2)

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)1867)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 16 March.

3. MINUTES OF 1866th MEETING (10 MARCH)
(PV(2009)1866 AND /2)

The Commission approved the minutes of its 1866th meeting.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED
(SEC(2009)305 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 9 and 13 March.

4.2. EMPOWERMENT (SEC(2009)306 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 9 and 13 March.

4.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2009)307 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 9 and 13 March, as archived in e-Greffe.

4.4. SENSITIVE WRITTEN PROCEDURES (SEC(2009)308)

The Commission took note of the sensitive written procedures for which the time limit expired between 16 and 20 March and of the ‘finalisation’ written procedure initiated following the weekly meeting of Chefs de cabinet on 16 March.

5. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 82 OF THE EC TREATY AND ARTICLE 54 OF THE EEA AGREEMENT *(CASE COMP/39.402 – RWE – GAS FORECLOSURE)* (C(2009)1885 TO /5)

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 5 March in C(2009)1885/3;
- took note of the final report of the Hearing Officer of 6 March in C(2009)1885/4;

- adopted, in the authentic language (German), the decision set out in C(2009)1885/5 finding that the proceedings brought against RWE AG and its subsidiaries should be brought to an end, and rendering compulsory the commitments proposed by the company concerned, which were set out in the annex to the decision;

- decided that the decision in C(2009)1885/5 would be notified to the company concerned, together with the final report of the Hearing Officer;

- decided to empower the Commission Member responsible for competition, in agreement with the PRESIDENT, to adopt the decisions required to implement the commitments annexed to the decision in order to ensure that the company concerned honour those commitments;

- decided that the most important parts of the decision, together with the opinion of the Advisory Committee and the final report of the Hearing Officer, would be published in the official languages in the Official Journal of the European Union (with all business secrets removed);

- decided to publish the decision (with business secrets removed) on the Internet.

6. RELATIONS WITH NON-MEMBER COUNTRIES

6.1. AN INITIATIVE TO SUSTAIN TRADE FINANCE (SEC(2009)351)

The Commission took note of the information note from Mr ALMUNIA and Baroness ASHTON in SEC(2009)351.

6.2. *JOINT EU-UKRAINE INTERNATIONAL INVESTMENT CONFERENCE ON THE REHABILITATION OF UKRAINE'S GAS TRANSIT NETWORK (BRUSSELS, 23 MARCH) (SEC(2009)347)*

The Commission took note of the information note from Ms FERRERO-WALDNER in SEC(2009)347 and authorised her and Mr PIEBALGS to sign, on behalf of the Commission, the joint statement at the end of the conference.

6.3. *VISIT TO COTE D'IVOIRE (ABIDJAN, 5 AND 6 MARCH) (SEC(2009)366)*

The Commission took note of the information note from Ms VASSILIOU in SEC(2009)366.

6.4. *VISIT TO LIBERIA – INTERNATIONAL WOMEN'S DAY (MONROVIA, 7 AND 8 MARCH) (SEC(2009)363)*

The Commission took note of the information note from Ms WALLSTRÖM and Ms VASSILIOU in SEC(2009)363.

The first part of the meeting closed at 8.18.

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The meeting resumed at 9.32.

7. EXCHANGE OF VIEWS WITH THE PRESIDENT OF THE EUROPEAN INVESTMENT BANK

The PRESIDENT welcomed Philippe Maystadt, President of the European

Investment Bank (EIB), who was accompanied by Dominique de Crayencour, director of institutional affairs in the EIB's Secretariat General and Legal Affairs Department.

He pointed out that although this was the first time the President of the EIB had participated in a formal Commission meeting, there had been regular exchanges with the Commission Members directly concerned, in particular Mr ALMUNIA. He welcomed the fact that Mr Maystadt's presence provided an opportunity to inform the Commission Members about the EIB's response to the economic and financial crisis and noted the importance of cooperation and coordination between the Commission and the EIB as the EU's "financial arm". He noted the important role to be played by the EIB in the European economic recovery plan and the additional effort expected of it, particular in terms of the contribution to the fight against climate change, energy security and development of the clean cars initiative; these priority areas could serve as a starting point for a discussion of ways of improving cooperation between the two institutions.

Mr Maystadt thanked the PRESIDENT and said that he welcomed this opportunity to meet the whole Commission in Brussels. He intended to speak about the commitments taken on by the EIB in the face of the economic and financial crisis, how these commitments were being implemented, the constraints on the EIB's action and, lastly, the potential for developing these actions in the future.

He referred, firstly, to the general background to the European economic recovery plan. The plan was based on action both by the Member States and the institutions, including an increased financial contribution from the EIB, which, he reminded the meeting, was the most important financial institution worldwide in terms of volumes of borrowing and lending. He pointed out that the Council had set three main priorities for the EIB's contribution: supporting banks in order to restore credit flows, in particular for small and medium-sized enterprises (SMEs), contributing to the fight against climate change, energy efficiency and, in particular, developing clean cars, and increasing and accelerating financial support for the Member States worst affected by the economic crisis.

He reported on the implementation of these three priorities. The EIB had already strongly stepped up and accelerated the release of funds for loans in the last five years compared with the corresponding period in the previous year; and had even exceeded forecasts as regards loans to banks; significant measures had been adopted on renewable energy and support to the automotive industry; and substantial loans had been agreed on for the countries most affected, in particular Hungary, Latvia, Romania and Lithuania. He also referred to the joint actions being carried out by the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) to assist the banking sector in central and east Europe. It was important not to lose sight of the main purpose of this aid to the banking sector, namely restoring access to credit for SMEs.

He went on to refer to the constraints on the EIB's actions. These related, firstly, to its status. This was defined in a protocol annexed to the Treaty establishing the European Community which limited the EIB's activities to financing viable projects and investments and barred it from providing guarantees for companies in difficulty and budgetary support or support for Member States' balance of payments. Secondly, he noted the constraint imposed by the need to borrow the substantial funds required to support investments in sufficiently competitive conditions. The EIB was faced with competition in the capital market, borrowing at short term in order to lend at long term, and the resulting recapitalisation constraints. Lastly, he spoke of the need to work to maintain the highest credit rating issued by the credit rating agencies (*AAA*). To this end it was essential to follow best banking practices and comply rigorously with the rules of good credit risk management.

He went on to speak of the foreseeable developments and the ways in which the EIB could step up its action still further in the future bearing in mind these constraints, in particular by (i) making the conditions for granting credit to SMEs more flexible so as to encourage banks to make this credit more easily and rapidly accessible, (ii) setting up, in cooperation with the Commission, a joint instrument in the energy field – he mentioned in this connection the project developed with Mr PIEBALGS under the Covenant of Mayors to promote energy efficiency in the major European cities concerned, for which EIB funds could be used –, (iii) together with the

Member States, seeking financing solutions to supplement and accompany the structural funds and (iv) exploring the possibility of increasing the provision of guarantees by the EIB for projects without the need for a loan.

Mr ALMUNIA thanked Mr Maystadt for his words and for the excellent cooperation there had been with the EIB, especially since the start of the economic and financial crisis. He noted the efforts carried out jointly with the EIB to address the crisis, particularly in the areas of infrastructure and transport networks, and recognised the importance of the future actions proposed, such as the extension of loans and the provision of guarantees, which could serve as a lever to free up additional resources and respond to the pressure of the demand that will continue to be exerted on the EIB until the financial markets return to normal operations.

He referred to the measures to be taken to support SMEs and banks' credit capacities, underlining the need to maintain the EIB's positive rating and its competitive position in the financial markets. He spoke also of the situation of the countries in central and east Europe, referring in particular to the evaluation of the three joint initiatives carried out by the Commission – JEREMIE, JESSICA and JASPERS – aimed at improving the quality of the projects financed by the structural funds and the means of enhancing cooperation given the specific constraints encountered by these countries. Lastly, he spoke of the external dimension of the EIB's activities, in particular the situation at interinstitutional level of the proposal concerning the EIB's external mandate with regard to loans to third countries. Agreement on this issue must be sought before the European elections.

Mr VERHEUGEN also thanked Mr Maystadt for the excellent cooperation between the Commission and the EIB and highlighted the importance of the measures implemented by the EIB to address the economic and financial crisis and the bank's central role in the European economic recovery plan. He also stressed the importance of providing the EIB with all the support it needed to implement its activities effectively. With regard to SMEs, he noted the importance of the priorities identified and the need to step up support to certain sectors that were increasingly experiencing difficulties, especially the automotive sector (both car and component manufacturers), shipbuilding and the semiconductor industry.

Ms WALLSTRÖM took the floor and spoke of her long-standing cooperation with Mr Maystadt and the EIB and the importance of taking into account the situation of the developing countries in the face of the world economic crisis and of taking action to support investment and sustainable development in these countries. It was necessary to work together to reinforce communication on the measures taken by the Union to address the crisis, as well as to develop energy efficiency and smart, sustainable growth. Lastly, she spoke of the need to reinforce the participation by women in the development of best banking practices.

Mr POTOČNIK stressed that the EIB's support was vital for investment in research and development and that joint action was needed in this area as part of the new risk-sharing finance facility (RSFF) to support research and innovation in Europe. It was particularly important to work to assist the energy sector, life sciences and the automotive industry, as well as infrastructure and SMEs.

Mr FIGEL’ pointed to the encouraging tone of Mr Maystadt's message. He stressed the importance of developing human potential and supporting action to promote innovation and creativity and boost investment in the knowledge economy and education and spoke of the need for cooperation with the EIB in these sectors.

Mr PIEBALGS highlighted the relevance of the work undertaken in cooperation with the EIB, particularly as regards implementing new strategies and the scale of the investment in areas relating to energy and climate change. He also mentioned the importance of the work carried out jointly with the Covenant of Mayors. Lastly, he mentioned the need for joint actions to complement and enhance the work of the Structural Funds and the importance of investing in diversifying energy sources.

Mr REHN welcomed the EIB's proposals for expanding credit facilities for SMEs and the positive message this sent to the markets and businesses. He thanked Mr Maystadt for the EIB's support for the countries in southeastern Europe as they prepared for EU membership, particularly as regards the stability objectives.

Mr BARROT stressed the importance of communication on the work of the European Union, including the EIB, in the current economic crisis and agreed on the need for measures to help companies that supply components for the car industry, particularly SMEs. He also mentioned the important contribution that public-private partnerships could make and the scope for joint actions by the Commission and the EIB to promote their development, for example by setting up a European centre of expertise on such partnerships. Finally, he referred to the importance of creating instruments in support of infrastructure.

Ms FERRERO-WALDNER also thanked Mr Maystadt for taking part in this exchange of views and for his efforts in response to the economic crisis, particularly as regards SMEs. She also mentioned the successful development of a financing facility as part of the European neighbourhood policy. She expressed serious concern about the situation of the EU's eastern neighbours, which were particularly badly affected by the economic crisis, and singled out the example of Ukraine. She mentioned the joint declaration to be signed on 23 March 2009 by Ukraine, the Commission, the EIB, the World Bank and the European Bank for Reconstruction and Development (EBRD) on international investment to help rehabilitate the Ukrainian gas transit network (see point 6.2 of these minutes).

Ms KROES shared the concerns about the credit shortages for companies, given that the financial crisis was far from over. She stressed the need to provide more information to entrepreneurs about the solutions put in place by the EIB.

Ms VASSILIOU pointed to the significant differences between EU Member States and regions in terms of the impact of the economic and financial crisis, particularly for infrastructures and training in the health sector. She stressed the importance of coordinated efforts by the EIB and the Commission to address this issue.

Mr Maystadt warmly thanked the Members for their comments and suggestions. Returning to the constraints under which the EIB had to operate, he stressed that any changes would have to be made with due regard for these constraints and the provisions of the Treaties and must not result in any weakening of the EIB's position on the financial markets, particularly as regards its rating. He thanked the Commission for its support for the EIB's work, particularly on behalf of SMEs, and gave further details of the results of the joint initiatives JEREMIE, JESSICA and JASPERS, which had contributed to practical progress.

In reply to the questions about a more sectoral approach, raised in the debate, he said he was willing to work with the Commission Members concerned to find the best solutions for the future, for example in the case of the car industry and component manufacturers. He noted that requests were also coming from the biotechnology sector. Finally, he stressed the excellent cooperation with Mr PIEBALGS and Mr POTOČNIK in the energy and research sectors.

He reminded the meeting that EIB action in third countries required a mandate from the Council. He mentioned the action being undertaken on this basis with the various regions concerned, in particular the Mediterranean, where the EIB is the most active financial institution, and the EU's eastern neighbours, where its work was governed by the Council mandate and a memorandum of understanding signed by the Commission, the EIB and the EBRD. He gave further details of the current projects in Ukraine and explained the constraints that operated there. Finally, he noted that the EIB's actions in this region were bound by the rules of sound banking practice and hoped that the mid-term review which was due to take place in 2010 would make it possible to improve the lending conditions, particularly at the sectoral level, in full cooperation with the EBRD and the Commission.

The PRESIDENT thanked Mr Maystadt for his comprehensive and constructive contribution. He summed up the main topics discussed, where closer cooperation between the Commission and the EIB could be valuable. He mentioned a number of specific measures and proposals, particularly relating to SMEs, component manufacturers supplying the car industry, shipbuilding, the semiconductor sector and in the fields of research and technological development and energy efficiency. He emphasised the importance of the work of the EIB and the need to highlight this dimension properly in the Commission's external communication. The press conference which would follow would be an opportunity to give greater visibility to the EIB's work and the joint Commission-EIB initiatives and to show how they were working closely together to contribute to the EU's response to the economic and financial crisis.

The second part of the meeting closed at 10.57.

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The meeting resumed at 11.12.

8. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – A SIMPLIFIED CAP FOR EUROPE - A SUCCESS FOR ALL (COM(2009)128 TO /3)

Ms FISCHER BOEL introduced the communication being tabled for adoption and reminded the meeting that the goal of simplification was a priority for the present Commission. She paid tribute to the invaluable work of Mr VERHEUGEN in this field and noted that since 2005 a sound and effective long-term strategy had been pursued to secure practical results. The Commission had proposed an ambitious objective of reducing the administrative burden in the European Union by 25%, and this had been adopted by the European Council in March 2007.

Ms FISCHER BOEL recognised that the Common Agricultural Policy (CAP) was one of the most complex Community policies and the one that produced the most regulations. It was only natural that people's expectations as regards simplification were particularly high in this area. The communication under consideration set out the simplification measures taken since 2005, gave an indication of the reduction in the administrative burden that had been achieved for farmers and administrations and examined the scope for pursuing the exercise in future.

The communication clearly showed that the CAP had contributed fully to the overall simplification effort in the past four years, in a very practical way, in terms of both the quantity and the quality of its achievements. She regretted the fact that the

Member States were sometimes inconsistent when it came to giving their opinions on Commission proposals in the various management or regulatory committees.

She welcomed the very favourable response to these results from the high-level group of independent stakeholders on administrative burdens, chaired by Mr Edmund Stoiber, and concluded that these good results suggested that all of the targets could be achieved. These efforts would therefore be continued.

Following this presentation, the Commission approved the communication in COM(2009)128/3 for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

9. TRENDS IN THE MEMBER STATES (SEC(2009)362)

Ms WALLSTRÖM presented the note on trends in the Member States, pointed out that it was based on political reports from Commission representations and delegations, and extended her thanks again to Ms FERRERO-WALDNER and Mr REHN for the excellent cooperation between their departments and hers. She remarked that the note was also based on an analysis of the media and on the latest findings of the Eurobarometer survey, some of which relate to a specific request by the European Parliament concerning the euro.

Ms WALLSTRÖM first of all gave some factual information and pointed out that the findings of the latest Eurobarometer survey revealed, unsurprisingly, increasing concern among European citizens that was associated with specific awareness of the adverse impact of the economic crisis on their daily lives, and showed individual confidence levels falling to lows that had never been seen before in previous surveys. She noted that the crisis had overtaken all other issues and that questions linked to the economic situation or to unemployment were now top of the list of Europeans' concerns. She also noted that the rejection of any overall recovery plan for the countries of Central and Eastern Europe could have contributed to the fact that public opinion regarded the principle of solidarity, one of the most important contributions of European integration, as weakened.

She then pointed out that the recent Commission communication entitled "Driving European recovery" had generated little reaction, since public opinion seemed more concerned by the Commission's role in preparing for the G20 summit. She noted that confidence in the European Union and its institutions remained higher than in national governments, although a slight fall was evident, which was of concern in the run-up to the European elections. She also referred to a worrying trend regarding the negative perception by European citizens about the euro's ability to protect them from or reduce the impact of the crisis.

With regard to the European institutions, she pointed out that, although confidence was falling significantly, the level of confidence in the Commission and the European Parliament remained higher than the level of mistrust. Against this background, she noted that over the past twelve months there had been a certain shift in favour of the national level of governance at the expense of the Community level.

Ms WALLSTRÖM then analysed the above information, and took the view that it confirmed the major challenge currently facing the European Commission both in terms of agreed policies and communication strategy. She noted that the Commission's measures to combat the consequences of the economic crisis have so far hardly been noticed by the media or by European citizens. She pointed out that, in a time of crisis, European citizens were turning more to their governments and were less convinced of Community added value.

She believed that the Commission's message about the need for European unity was too abstract for citizens and that a number of statements by national political leaders criticising each other or the Community institutions also helped undermine the Commission's efforts to get its message across. She felt that the message concerning the European Economic Recovery Plan had to be reinforced and clarified, and that Europe Day on 9 May could present an excellent opportunity to do so. Finally, she recalled that, against the background of the forthcoming European elections and the expected mobilisation of the Eurosceptic camp, there was a real risk that the blame for the adverse effects of the crisis could be pinned on the European Union again.

Lastly, Ms WALLSTRÖM mentioned the practical action that could be taken. In this regard, she felt that the Commission should convey a more optimistic message and focus more on the problems affecting European citizens. She also felt that the Commission's approach should be less institutional, more specific and more engaged, including at local level, and that it should pass the message in every Member State. She thought that the Commission's communication efforts should cover action decided by the Member States, thereby demonstrating that the institution was taking into account the key role of national governments in economic and social policy and that it was ready to act alongside them to improve the daily lives of European citizens.

Ms WALLSTRÖM stressed that the crisis must also be regarded as an opportunity to mobilise the various communication tools available with a view to boosting the common European message, since she felt that a not inconsiderable slice of public opinion was aware of the threats to the single market and of the risks of a rise in protectionism. She took the view that this section of public opinion clearly expected unified and stronger Community action that embraced Member States both large and small from all points of the compass, and that European citizens favoured the possibility of developing a model of equitable growth, and were more willing to accept change. Ms WALLSTRÖM added by way of conclusion that all Commission departments were preparing a common communication strategy on economic recovery, in which each sectoral policy would play a role, and that it would then be for the Members of the Commission to adopt and implement it proactively.

During the discussion that followed the presentation, the main points raised were:

- the importance of good communication with European media and the difficulty of promoting appropriate media coverage of Community issues;

- a reminder of the precautions to be taken when using and analysing opinion poll findings, in particular the importance of suitably worded questions;
- the quality of the survey techniques and statistical tools, in particular with regard to Eurobarometer, set up in 1973;
- the importance of regular political analysis by the Commission of opinion poll findings;
- the need to improve public awareness of action taken by the European Union and of the Union's powers;
- against the background of the European elections, the risks of incorrect or malicious use of certain initiatives or rules adopted at Community level, and how important it was for the Commission in this context to present its arguments well and to highlight, from a Community perspective, the added value of decisions taken;
- active participation by the Commission, for the first time, in the European election campaign in order to mobilise voters and encourage them to exercise their right to vote.

The PRESIDENT also highlighted the importance of opinion polls as a tool and source of information, and also stressed that Eurobarometer had been a high-quality resource for a long time. He felt that the main focus of communication should be citizens' confidence in European institutions, which was higher than their confidence in their national governments. Finally, he stressed the need for the Commission to provide a good explanation of the findings of every opinion poll, in particular this one, and to maintain a combative frame of mind and accept criticism while rejecting nationalist and populist arguments in the run-up to the forthcoming European elections.

The Commission took note of this information and of the note from Ms WALLSTRÖM set out in SEC(2009)362.

10. OTHER BUSINESS

10.1. IMPACT OF THE ECONOMIC CRISIS ON KEY INDUSTRIAL SECTORS OF THE EU (SEC(2009)353)

Mr VERHEUGEN referred to the persisting crisis in the automotive industry, which had been discussed at the last "Competitiveness" Council meeting, and more particularly the situation of General Motors in Europe. There had been contacts between the car manufacturer and national and regional authorities in a bid to establish favourable conditions for granting assistance. The Member States concerned had expressed a wish to see the Commission involved in this matter.

Mr VERHEUGEN had therefore organised a meeting on 13 March attended by Ms KROES, Mr ŠPIDLA, several ministers responsible for the automotive industry and representatives of General Motors. The content of the discussions had been confidential, and he welcomed the fact that this had been fully respected.

Pointing to the main lines of the comments by the General Motors representatives regarding the outlook for the European branch of the company, he underlined the problems that might arise from any lone decisions adopted by Member States in this area. This was a complex situation for the Commission, and it was important that all restructuring decisions should be based solely on economic factors and not on political considerations. He also pointed out the interdependence between the United States and the European Union in this case.

Mr VERHEUGEN reminded the meeting that 300 000 direct and indirect jobs were at stake in Europe, if subcontractors and component manufacturers were included. Member States were willing to cooperate with the Commission in the quest to find coordinated solutions. They had requested close monitoring of the situation by the Commission. Mr VERHEUGEN had undertaken to share with them any information he might receive from General Motors.

Mr ŠPIDLA also commented on the situation of European car manufacturers and the general over-production in the sector. The main objective when handling this delicate matter must be to banish all political influence and ensure rigorous application of the rules on State aid. He regretted the fact that no action could be taken yet because of the circumstances, and underlined how seriously and rapidly the situation had deteriorated.

Ms KROES considered that the meeting organised by Mr VERHEUGEN had been held at just the right time. She said that it was necessary to bear in mind the sector's failure to restructure in recent years, and the fact that some were attempting to profit from the current situation. While aware of the number of jobs involved, she felt that caution should be exercised as regards the financing offers that might be made by certain Member States as this would not be enough to set right the mismanagement of private sector companies.

The PRESIDENT underlined the Commission's role in ensuring compliance with the rules and contributing actively to devising solutions, given the number of jobs at stake.

He was pleased that Member States had asked the Commission to monitor the general situation since it was in the best position to take on this task. However, the Commission could not under any circumstances take decisions instead of the company concerned or the Member States. He underlined the importance of the monitoring work currently being carried out and the need to encourage Mr VERHEUGEN, Ms KROES, Mr ŠPIDLA and the other Members concerned to pursue this approach, while remaining aware of the sensitivity of European citizens to such matters and the need to keep them properly informed of any action taken.

The Commission took note of this information and of the note from

Mr VERHEUGEN set out in SEC(2009)353 (an updated version of note SEC(2009)145 produced in February).

10.2. VISIT TO ITALY AND MALTA (ROME, LAMPEDUSA AND VALLETTA, 12 TO 14 MARCH 2009) (SEC(2009)372)

The Commission took note of the information note from Mr BARROT set out in SEC(2009)372.

11. INTERINSTITUTIONAL RELATIONS (SEC(2009)314)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 13 March (SEC(2009)314).

It paid particular attention to the following points.

11.1. LEGISLATIVE MATTERS

i) Action to be taken on Parliament's legislative opinions
(SP(2009)1224)

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(2009)1224, drawn up following the March I 2009 part-session of Parliament, the contents of which were noted.

ii) Preparation for the March II 2009 part-session of Parliament
(point 1.3 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 considered the following in particular:

Codecision – 1st reading

- Term of protection of copyright and related rights (Directive) – CROWLEY report – 2008/0157 (COD)

The Commission approved the line set out in SP(2009)1350 and /2.

- Cosmetic products (Regulation – recast) – ROTH-BEHRENDT report – 2008/0035 (COD)

The Commission approved the line set out in SP(2009)1270 to /3.

- Placing of biocidal products on the market as regards the extension of certain time periods (Directive) – SÂRBU report – 2008/0188 (COD)

The Commission approved the line set out in SP(2009)1271 and /2.

- Substances that deplete the ozone layer (Regulation – recast) – BLOKLAND report – 2008/0165 (COD)

The Commission approved the line set out in SP(2009)1272.

Consultation

- Structure and rates of excise duty applied on manufactured tobacco (Directive) – BECSEY report – 2008/0150 (CNS)

The Commission approved the line set out in SP(2009)1273.

- Common organisation of agricultural markets and specific provisions for certain agricultural products (Single CMO Regulation) as regards food distribution to the most deprived persons in the Community (Regulation) – SIEKIERSKI report – 2008/0183 (CNS)

The Commission approved the line set out in SP(2009)1275 and /2.

iii) Withdrawal of pending proposals 2008 – Publication of the list of withdrawn proposals in the Official Journal of the European Union
(point 1.4 of the IRG record)

The Commission decided to close the 2008 withdrawal exercise by confirming its decision to withdraw the twenty proposals mentioned in the annex to its legislative and work programme for 2009 and to publish that list in the Official Journal of the European Union following the line set out in SPI(2009) 25.

iv) Community Ecolabel scheme (Regulation) – TATARELLA report – 2008/0152 (COD)
(point 1.5 of the IRG record)

The Commission authorised Mr DIMAS to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SPI(2009) 31 and /3.

11.2. RELATIONS WITH THE COUNCIL

v) Programming of Council business
(SI(2009)67)

The Commission took note of the information in SI(2009)67 on the Council meetings between 19 March and 1 April.

vi) Preparations for the European Council (Brussels, 19 and 20 March)
(SI(2009)68)

The PRESIDENT reported that preparations for the spring European Council were proceeding smoothly, thanks in particular to the excellent cooperation with the acting Council Presidency for the drafting of the conclusions, which would in turn be based largely on the Commission communication of 4 March.

The discussions would focus mainly on the crisis, in particular the implications of the proposed budgetary and tax incentives, and on preparations for the G20 summit in April. The PRESIDENT highlighted the importance of avoiding any divisions within the European Union or within the G20 regarding the priority to be given to budgetary and tax incentives or to regulations on the financial system, both of which were equally important. He noted that the United States had declared its willingness to shift its stance on regulation and supervision issues, and stressed the importance of reaching agreement along those lines in the G20.

Touching briefly on the letter sent jointly by the French President, Nicolas Sarkozy, and the German Chancellor, Angela Merkel, to the Czech Prime Minister, Mirek Topolánek, and himself on 16 March, he welcomed the support it expressed for the content of the communication of 4 March. At the same time he acknowledged that some Member States were still reluctant to take on board the solutions proposed in the report by the expert group chaired by Jacques de Larosière, and that differences remained on certain sensitive issues. He hoped, however, that these differences would be overcome by an awareness of the importance of reaching an agreement, and drew encouragement here from the conclusions of the meeting of G20 finance ministers. He also welcomed the Commission’s success in obtaining the status of full member of the Financial Stability Forum, as well as Mr ALMUNIA’s attendance at the meeting of G20 finance ministers.

The PRESIDENT then turned to another topic to be discusssed by the European Council, namely the proposal to mobilise €5 billion of unused Community funds to help tackle the crisis. Discussions were in the final stages, but no agreement had yet been reached; he hoped that an agreement would emerge soon, as it was important to deploy all the available resources to contribute to the recovery.

He repeated his satisfaction that the European Council conclusions would be based on the communication of 4 March and hoped they would include a strong reference to the jobs issue.

During a brief exchange of views, the Commission also tackled the following points:

- the foreign policy issues to be discussed at the European Council, i.e. the Eastern Partnership and Afghanistan; on the former, negotiations were still under way to obtain sufficiently ambitious conclusions; as regards Afghanistan, talks would have to be held on funding for the police and the election observation mission for the August elections;

- the discussions in the General Affairs and External Relations Council on the proposal to mobilise €5 billion from the budget, and the difficulties still outstanding;

- the importance of maintaining a holistic approach and not lowering ambitions in relation to the package of measures on climate change and energy;

- gender-related aspects of the crisis: women were encountering increasing difficulties in the labour market and this matter should be raised at the European Council;

- the need for a degree of flexibility in the breakdown of funds to be earmarked for rural development projects within the overall allocation of €5 billion.

The Commission took note of these points.

vii) Results of the meeting of G20 finance ministers and central bank governors (Horsham, 13 and 14 March)
(SEC(2009)350)

The Commission took note of the information note from Mr ALMUNIA in SEC(2009)350.

viii) Results of the General Affairs and External Relations Council (Brussels, 16 and 17 March)
(SEC(2009)369; SI(2009)68; SI(2009)69)

The Commission took note of the information note from Ms FERRERO-WALDNER, distributed as SEC(2009) 369.

11.3. RELATIONS WITH THE EUROPEAN PARLIAMENT

ix) Results of Parliament's March I 2009 part-session
(SP(2009)1207 to /3)

The Commission took note of the information in SP(2009)1207 to /3 on the proceedings of the part-session of Parliament held in Strasbourg from 9 to 12 March.

11.4. OTHER MATTERS

x) Renewal of authorisation given to a Swedish company for processing ethyl alcohol into biofuels under customs control
(point 5.3 of the IRG record)

The Commission took note of the information note in Annex C to the record of the meeting of the Interinstitutional Relations Group in SEC(2009)314.

12. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2009)304)

ADMINISTRATIVE MATTERS (PERS(2009)39)

12.1. FORTHCOMING EUROPEAN ELECTIONS – RULES ON THE PARTICIPATION OF COMMISSION MEMBERS (SEC(2009)373)

The PRESIDENT informed the Commission that he had decided to authorise Ms GRYBAUSKAITĖ's request to take unpaid electoral leave from 17 April in order to stand as a candidate in the forthcoming presidential election in Lithuania, and that, during her period of electoral leave, the responsibilities in her portfolio would be taken over by Mr KALLAS. Parliament and the Council had been notified of this decision.

Following the Commission seminar of 22 and 23 January and its conclusions on the specific issue of the European elections, an information note had been prepared to remind Commission Members of how best to approach this important exercise in European democracy. He had already spoken with the Members who were considering standing as candidates in these elections and was confident that suitable arrangements would be found, including periods of electoral leave corresponding more or less to the last three weeks of the election campaign.

The PRESIDENT concluded by inviting Commission Members who might be standing or participating in the European elections to contact him. He would take decisions on the basis of the guidelines defined at the seminar and reiterated in the above-mentioned note.

The Commission took note of this information and of the PRESIDENT's note in SEC(2009)373.

12.2. DG INFORMATION SOCIETY AND MEDIA – LIST OF CANDIDATES FOR THE POST OF AD14 EXECUTIVE DIRECTOR OF THE EUROPEAN NETWORK AND INFORMATION SECURITY AGENCY (PERS(2009)38)

Having noted the procedure followed, as set out in point 1 of PERS(2009)39, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms REDING, decided:

- to approve the list of three candidates set out in point 1 of PERS(2009)39;
- to ask Ms REDING to communicate this list to the Management Board of the European Network and Information Security Agency (ENISA).

These decisions would take effect immediately.

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The meeting closed at 12.30.