



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2009)1868 final

Brussels, 30 March 2009

MINUTES

**of the 1868th meeting of the Commission
held in Strasbourg
(Winston Churchill)
on Tuesday 24 March 2009
(afternoon)**

PV(2009)1868 final

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Single sitting: Tuesday 24 March 2009 (afternoon)

The sitting opened at 13.22 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President
Ms WALLSTRÖM	Vice-President
Mr VERHEUGEN	Vice-President
Mr BARROT	Vice-President
Mr KALLAS	Vice-President
Mr TAJANI	Vice-President

Ms REDING

Mr DIMAS

Mr ALMUNIA

Ms HÜBNER

Mr BORG

Ms GRYBAUSKAITĖ

Mr POTOČNIK

Mr FIGEL'

Mr REHN

Mr MICHEL

Items 1 to 18 (in part)

Mr KOVÁCS

Ms KROES

Ms FISCHER BOEL

Ms FERRERO-WALDNER

Mr McCREEVY

Mr ŠPIDLA

Mr PIEBALGS

Ms KUNEVA

Ms VASSILIOU

Baroness ASHTON

Absent:

Mr ORBAN

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

Mr SERBANESCU	A member of Mr ORBAN's staff
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The following also sat in:

Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT	
Mr SANTAOLALLA	Legal Service	
Mr CARVOUNIS	Deputy Director-General, Communication DG	
Mr LAITENBERGER	Commission Spokesman	
Ms CARVALHO	Bureau of European Policy Advisers	
Mr CABRAL	Adviser <i>hors classe</i> in the PRESIDENT's office	Items 18 and 19
Mr THOMAS	Chef de cabinet to Mr ALMUNIA	Item 17
Ms SCHREIBER	Chef de cabinet to Mr ŠPIDLA	Item 19

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

1. AGENDAS

(OJ(2009)1868/3; SEC(2009)337/2)

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)1868/2)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 23 March.

3. MINUTES OF 1867th MEETING (18 MARCH)

(PV(2009)1867)

The Commission approved the minutes of its 1867th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

4.1. STATE AID – INDIVIDUAL CASES – RECAPITULATIVE LIST

(SEC(2009)380 AND /2; SEC(2009)384)

The Commission adopted the decisions in SEC(2009)380/2.

4.2. STATE AID – HORIZONTAL DOSSIER

Commission Regulation amending Commission Regulation (EC) 794/2004 implementing Council Regulation (EC) 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty – Additional information sheet for notifying state aid in fisheries and

aquaculture
(C(2009)1995)

The Commission adopted the Regulation set out in C(2009)1995.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. *WRITTEN PROCEDURES APPROVED*
(SEC(2009)340 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 16 and 20 March.

5.2. *EMPOWERMENT*
(SEC(2009)341 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 16 and 20 March.

5.3. *GENERAL EMPOWERMENT REGARDING CLOSING OF BUYING INTO PUBLIC INTERVENTION IN RESPECT OF CERTAIN AGRICULTURAL PRODUCTS ONCE PRE-DEFINED MAXIMUM QUANTITIES HAVE BEEN REACHED*
(SEC(2009)375 AND /2)

The Commission granted the general empowerment set out in SEC(2009)375 to the Commission Member responsible for agriculture and rural development to adopt, without the assistance of the Management Committee for the Common Organisation of Agricultural Markets, certain measures concerning the closing of buying into public intervention of certain agricultural products once pre-defined maximum quantities are reached.

5.4. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2009)342 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 16 and 20 March, as archived in e-Greffe.

**5.5. DELEGATION OF POWERS CONCERNING THE COMMISSION
OPINION ON THE OPERATIONS OF THE EUROPEAN ECONOMIC
AREA FINANCIAL MECHANISM 2004-2009, THE NORWEGIAN
FINANCIAL MECHANISM 2004-2009 AND THE COOPERATION
PROGRAMMES 2007-2009 BETWEEN NORWAY AND BULGARIA AND
ROMANIA**

(SEC(2009)378 AND /2)

The Commission delegated to the Director-General for Regional Policy, acting on its behalf and under its responsibility, the power to deliver an opinion on requests for grants under the EEA Financial Mechanism 2004-2009, the Norwegian Financial Mechanism 2004-2009 and the Norwegian Cooperation Programmes 2007-2009 with Bulgaria and Romania, according to the terms set out in SEC(2009)378.

5.6. SENSITIVE WRITTEN PROCEDURES

(SEC(2009)343 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 23 and 27 March and of the 'finalisation' written procedures initiated following the weekly meeting of Chefs de cabinet on 23 March.

6. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2009)339/3)

ADMINISTRATIVE MATTERS
(PERS(2009)41/3)

6.1. DG ENERGY AND TRANSPORT – APPOINTMENT OF AD14 (EU-12)
DIRECTOR
(PERS(2008)95 TO /7)

The Commission had before it applications under Article 29(2) of the Staff Regulations for the post of Director (Nuclear Safeguards) in DG Energy and Transport (PERS(2008)95 to /5).

The Commission took note of the opinions of the Consultative Committee on Appointments of 19 December 2008 and 22 January 2009 (PERS(2008)95/6 and /7).

The Commission proceeded to consider the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr PIEBALGS, it then decided to appoint Mr Piotr SZYMANSKI to the vacant post in question.

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

6.2. DG JUSTICE, FREEDOM AND SECURITY – APPOINTMENT OF
AD15 DIRECTOR

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr BARROT, the Commission decided, under Article 7 of the Staff Regulations, to fill the post of Director (General Affairs) in DG Justice, Freedom and Security by transferring in the interest of the service Ms Monique PARIAT, AD15 official and currently Director (Resource Management) in DG Agriculture and Rural Development.

This decision would take effect on 1 June 2009.

6.3. DG ENTERPRISE AND INDUSTRY – LIST OF CANDIDATES FOR THE APPOINTMENT OF THE ALTERNATE CHAIRMAN OF THE BOARD OF APPEAL OF THE EUROPEAN CHEMICALS AGENCY (PERS(2009)1 TO /3)

The Commission took note of the procedure followed, as set out at point 3 of PERS(2009)41/3, and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, Mr VERHEUGEN and Mr DIMAS, decided:

- to approve the list of three candidates set out in point 3 of PERS(2009)41/3;
- to consider this list as the Commission proposal;
- to ask Mr VERHEUGEN to communicate this list to the Management Board of the European Chemicals Agency.

These decisions would take effect immediately.

6.4. DG RESEARCH – LIST OF CANDIDATES FOR THE AD14 POST OF EXECUTIVE DIRECTOR OF THE CLEAN SKY JOINT UNDERTAKING (PERS(2009)37)

The Commission took note of the procedure followed, as set out at point 4 of PERS(2009)41/3, and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, decided:

- to approve the list of three candidates set out in point 4 of PERS(2009)41/3;
- to consider this list as the Commission proposal;
- to ask Mr POTOČNIK to communicate this list to the Governing Board of the Clean Sky Joint Undertaking.

These decisions would take effect immediately.

**6.5. DG ECONOMIC AND FINANCIAL AFFAIRS - APPLICATION OF THE
ARTICLE 50 PROCEDURE (SECOND STAGE) WITH RESPECT TO AN
AD16 OFFICIAL
(PERS(2009)42/2)**

The Commission continued its discussions on this matter begun on 25 June 2008 (PV(2008)1836).

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ALMUNIA, the Commission adopted the decision in PERS(2009)42/2 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations with respect to Mr Klaus REGLING, an AD16 official, currently Adviser *hors classe* in DG Economic and Financial Affairs.

This decision would take effect on 1 August 2009.

**7. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN
ACCORDANCE WITH THE THIRD PARAGRAPH OF ARTICLE 5 OF
COUNCIL REGULATION (EC) 1466/97 ON THE UPDATED STABILITY
PROGRAMME OF CYPRUS (2008-2012)
(SEC(2009)381 TO /3; SEC(2009)383)**

The Commission adopted the recommendation for a Council opinion on the updated stability programme of Cyprus, as set out in SEC(2009)381/3, for transmission to the Council.

**8. COMMISSION OPINION UNDER ARTICLE 104(5) OF THE EC TREATY
ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN SPAIN
(SEC(2009)560 AND /2; SEC(2009)382; SEC(2009)383)**

COMMISSION RECOMMENDATION FOR A COUNCIL DECISION

**UNDER ARTICLE 104(6) OF THE EC TREATY ON THE EXISTENCE OF
AN EXCESSIVE DEFICIT IN SPAIN**

(SEC(2009)561 AND /2; SEC(2009)382; SEC(2009)383)

**COMMISSION RECOMMENDATION FOR A COUNCIL
RECOMMENDATION, UNDER ARTICLE 104(7) OF THE EC TREATY,
WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN
EXCESSIVE GOVERNMENT DEFICIT IN SPAIN**

(SEC(2009)562 AND /2; SEC(2009)382; SEC(2009)383)

The Commission adopted:

- the opinion in SEC(2009)560/2, for transmission to the Council;
- the recommendation in SEC(2009)561/2, for transmission to the Council;
- the recommendation in SEC(2009)562/2, for transmission to the Council.

**9. COMMISSION OPINION UNDER ARTICLE 104(5) OF THE EC TREATY
ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN FRANCE**

(SEC(2009)569 AND /2; SEC(2009)382; SEC(2009)383)

**COMMISSION RECOMMENDATION FOR A COUNCIL DECISION
UNDER ARTICLE 104(6) OF THE EC TREATY ON THE EXISTENCE OF
AN EXCESSIVE DEFICIT IN FRANCE**

(SEC(2009)570 AND /2; SEC(2009)382; SEC(2009)383)

**COMMISSION RECOMMENDATION FOR A COUNCIL
RECOMMENDATION, UNDER ARTICLE 104(7) OF THE EC TREATY,
WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN
EXCESSIVE GOVERNMENT DEFICIT IN FRANCE**

(SEC(2009)571 AND /2; SEC(2009)382; SEC(2009)383)

The Commission adopted:

- the opinion in SEC(2009)569/2, for transmission to the Council;
- the recommendation in SEC(2009)570/2, for transmission to the Council;
- the recommendation in SEC(2009)571/2, for transmission to the Council.

**10. COMMISSION OPINION UNDER ARTICLE 104(5) OF THE EC TREATY
ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN GREECE
(SEC(2009)563 AND /2; SEC(2009)382; SEC(2009)383)**

**COMMISSION RECOMMENDATION FOR A COUNCIL DECISION
UNDER ARTICLE 104(6) OF THE EC TREATY ON THE EXISTENCE OF
AN EXCESSIVE DEFICIT IN GREECE
(SEC(2009)564 AND /2; SEC(2009)382; SEC(2009)383)**

**COMMISSION RECOMMENDATION FOR A COUNCIL
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WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN
EXCESSIVE GOVERNMENT DEFICIT IN GREECE
(SEC(2009)565 AND /2; SEC(2009)382; SEC(2009)383)**

The Commission adopted:

- the opinion in SEC(2009)563/2, for transmission to the Council;
- the recommendation in SEC(2009)564/2, for transmission to the Council;
- the recommendation in SEC(2009)565/2, for transmission to the Council.

**11. COMMISSION OPINION UNDER ARTICLE 104(5) OF THE EC TREATY
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WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN
EXCESSIVE GOVERNMENT DEFICIT IN IRELAND
(SEC(2009)568 TO /3; SEC(2009)382; SEC(2009)383)**

The Commission adopted:

- the opinion in SEC(2009)566/2, for transmission to the Council;
- the recommendation in SEC(2009)567/3, for transmission to the Council;
- the recommendation in SEC(2009)568/3, for transmission to the Council.

**12. COMMISSION RECOMMENDATION FOR A COUNCIL
RECOMMENDATION, UNDER ARTICLE 104(7) OF THE EC TREATY,
WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN
EXCESSIVE GOVERNMENT DEFICIT IN THE UNITED KINGDOM
(SEC(2009)572 AND /2; SEC(2009)382; SEC(2009)383)**

**COMMISSION RECOMMENDATION FOR A DECISION ESTABLISHING,
IN ACCORDANCE WITH ARTICLE 104(8) OF THE TREATY, WHETHER
EFFECTIVE ACTION HAS BEEN TAKEN BY THE UNITED KINGDOM**

**IN RESPONSE TO THE COUNCIL RECOMMENDATION OF 8 JULY 2008
PURSUANT TO ARTICLE 104(7) OF THE EC TREATY
(SEC(2009)573 AND /2; SEC(2009)382; SEC(2009)383)**

The Commission adopted:

- the recommendation in SEC(2009)572/2, for transmission to the Council;
- the recommendation in SEC(2009)573/2, for transmission to the Council.

**13. APPLICATION OF THE EXCESSIVE DEFICIT PROCEDURE WITH
RESPECT TO MALTA
(SEC(2009)385; SEC(2009)383)**

The Commission took note of the information note from Mr ALMUNIA in SEC(2009)385.

**14. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT
AND THE COUNCIL ON THE FUNCTIONING OF COMMISSION
REGULATION (EC) NO 358/2003 ON THE APPLICATION OF
ARTICLE 81(3) OF THE EC TREATY TO CERTAIN CATEGORIES OF
AGREEMENTS, DECISIONS AND CONCERTED PRACTICES IN THE
INSURANCE SECTOR
(COM(2009)138 TO /3; SEC(2009)364 AND /2; SEC(2009)365)**

The Commission adopted the report in COM(2009)138/3, for transmission to Parliament and the Council, and to national parliaments, accompanied by the Commission working paper distributed as SEC(2009)364/2, the contents of which were noted;

15. DRAFT JOINT STATEMENT BY THE COMMISSION AND THE EUROPEAN CENTRAL BANK CLARIFYING CERTAIN PRINCIPLES UNDERPINNING A FUTURE ECONOMIC MODEL FOR THE SINGLE EUROPEAN PAYMENTS AREA
(SEC(2009)397; SEC(2009)390)

The Commission approved the joint statement by the Commission and the European Central Bank (ECB) set out in the annex to SEC(2009)397 and authorised Ms KROES and Mr McCREEVY to publish it and communicate it to the European Payments Council, jointly with the ECB.

16. INTERINSTITUTIONAL RELATIONS
(SEC(2009)352)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 20 March (SEC(2009)352).

It paid particular attention to the following points.

16.1. LEGISLATIVE MATTERS

i) Preparation for the March II 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

- Improving the performance and sustainability of the European aviation system (Regulation) – MARINESCU report – 2008/0127 (COD)

The Commission approved the line set out in SP(2009)1269 and /2.

- Aerodromes, air traffic management and air navigation services (Regulation) – MARINESCU report – 2008/0128 (COD)

The Commission approved the line set out in SP(2009)1274 and /2.

- Novel foods [common procedure] (Regulation) – LIOTARD Report – 2008/0002 (COD)

The Commission approved the line set out in SP(2009)1268, /2 and /3.

- Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community (Decision) – SEPPÄNEN report – 2008/0268 (COD)

The Commission approved the line set out in SP(2009)1277.

ii) Preparation of agreements at first reading

(point 1.4 of the IRG record)

- Taking up, pursuit and prudential supervision of the business of electronic money institutions (Directive) – PURVIS report – 2008/0190 (COD)

The Commission authorised Mr McCREEVY to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SPI(2009)37.

- Taking-up and pursuit of the business of insurance and reinsurance - SOLVENCY II (Directive) – SKINNER report – 2007/0143 (COD)

The Commission approved the line set out in SPI(2009)38/3.

- Cross-border payments in the Community (Regulation) - STARKEVIČIŪTĖ report – 2008/0194 (COD)

The Commission authorised Mr McCREEVY to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SPI(2009)42.

- Roaming on public mobile telephone networks within the Community and a common regulatory framework for electronic communications networks and services (Regulation) – VĂLEAN report – 2008/0187 (COD)

The Commission authorised Ms REDING to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SPI(2009)44.

- Voluntary participation by organisations in a Community eco-management and audit scheme (EMAS) (Regulation) – McAVAN report – 2008/0154 (COD)

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)45.

iii) Preparation of agreements at second reading

(point 1.5 of the IRG record)

- Common rules for the international carriage of passengers by coach and bus (Regulation – recast) / Common rules concerning the conditions to be complied with to pursue the occupation of road transport operator (Regulation) – GROSCHE / TICĂU reports – 2007/0097 (COD) / 2007/0098 (COD)

The Commission authorised Mr TAJANI to pursue contacts with Parliament and the Council in order to reach agreement at second reading following the

line set out in SPI(2009)43.

- Common regulatory framework for electronic communications networks and services, access to and interconnection and authorisation of such networks and services (Directive) / Universal service and users' rights relating to electronic communications networks and services, processing of personal data, protection of privacy, consumer protection cooperation (Directive) / Creation of the European Electronic Communications Market Authority (Regulation) – TRAUTMANN / HARBOUR / DEL CASTILLO VERA reports – 2007/0247 (COD) / 2007/0248 (COD) / 2007/0249 (COD).

The Commission approved the line set out in SPI(2009)40/2.

- Common rules for the internal market for electricity (Directive) / Common rules for the internal market for natural gas (Directive) / Agency for the Cooperation of Energy Regulators (Regulation) / Conditions for access to the network for cross-border exchanges in electricity (Regulation) / Conditions for access to the natural gas transmission networks (Regulation) – MORGAN / LA RUSSA / CHICHESTER / VIDAL QUADRAS / PAPARIZOV reports – 2007/0195 (COD) / 2007/0196 (COD) / 2007/0197 (COD) / 2007/0198 (COD) / 2007/0199 (COD)

The Commission authorised Mr PIEBALGS to pursue contacts with Parliament and the Council in order to reach agreement at second reading following the line set out in SPI(2009)39/3.

iv) Preparation of a Council decision

(point 1.6 of the IRG record)

- Common organisation of agricultural markets as regards the marketing standards for poultrymeat (Council Regulation) – FIGUEIREDO report – 2008/0108 (CNS)

The Commission authorised Ms FISCHER BOEL to accept the new definition of poultrymeat following the line set out in SI(2009)72.

16.2. RELATIONS WITH THE COUNCIL

v) Programming of Council business

(SI(2009)77)

The Commission took note of the information in SI(2009)77 on the Council meetings between 26 March and 8 April.

vi) Results of the meeting of the European Council (Brussels, 19 and 20 March 2009)

(SI(2009)300)

The PRESIDENT reported on the results of the European Council on 19 and 20 March in Brussels. He considered that the meeting had been successful and that the Commission could be satisfied with the results obtained. There had been an improvement compared with the atmosphere at the December European Council, which had been more critical with regard to the European dimension; he spoke of the trend towards economic nationalism which had been prevalent only a few weeks ago.

He noted that a clear consensus had emerged in favour of coordinated collective action, modelled on the measures taken in relation to toxic assets and in the automotive sector; the Member States now fully recognised the benefits of a strong internal market and the need to respect the rules of that market.

He was pleased that the Commission communication of 4 March had been accepted as the framework for common action and that there was greater awareness of the extent of the action taken by the Commission since the autumn to tackle the economic and financial crisis.

An example of solidarity in the European Union was the balance of payments support facility for Member States in difficulties, and the ambitious common

position established in the run-up to the G20, which should enable the Union to keep the initiative in this area on the world stage.

He went on to mention the agreement reached on the proposal to mobilise €5 billion of unused Community funds to finance strategic energy and broadband projects. This showed that European leaders could come together in support of innovative projects.

The PRESIDENT acknowledged, however, that the results concerning organisation of the employment summit had fallen somewhat short of expectations. Doubts had been expressed as to whether concrete results could be attained, as well as concerns about the potential gap between the expectations which the summit might raise and the Community's real powers in this area.

He himself was convinced of the need to pay particular attention to the issue of employment and exploit a number of ideas that could make a significant contribution. If the Commission, the current Council Presidency and the social partners joined forces in the coming weeks, the summit could throw up some effective ideas. He therefore called on all the Commission Members to do their utmost to reinforce Mr ŠPIDLA's work to this end.

He ended by underlining the need to keep up the momentum of the work being done, to deliver on the promise of an ambitious position for the European Union at the G20, to continue to work on regulatory reform, in particular the follow-up to the report by the high-level expert group chaired by Jacques de Larosière, and also to implement the agreement reached on mobilising €5 billion of funds. He noted that all these issues would require the attention and efforts of all those concerned and that the Council had given the Commission a key role in the recovery process.

The Commission then held a brief exchange of views during which it discussed the following matters, among others:

- the positive outcome of the European Council;

- the work that remained to be done with the European Parliament to finalise the agreement on the release of the €5 billion from the Community budget, for example establishing a list of the specific projects concerned;
- the importance of the employment summit and the value of the ideas that could emerge from it; it was necessary to highlight the extent of the social consequences of the crisis;
- the need to mobilise all the Members to make sure that the summit took place and was a success; it was essential to send a clear signal to people that action was being taken in the area of jobs, particularly in the run-up to the European elections;
- the need for the Commission to remain active on this front and keep up its activities in the area of social policy and employment;
- the opportunity provided by the summit to establish, in cooperation with the social partners, a list of best policies to be applied and bad practices to be avoided;
- the progress made at the European Council on the external relations front with the adoption of the ambitious Eastern Partnership dossier, in particular the agreement as to the financial allocation for this dossier;
- the communication drive needed to ensure that the public in the Member States was aware of the Commission's action in response to the crisis.

The President concluded this exchange of views by reiterating his satisfaction at the progress made at this European Council on a wide range of issues. With regard to the employment summit, he once again stated his determination to do everything possible to ensure that it was a success, since it was an opportunity for the Member States to show their commitment to finding the best possible solutions to the problems people were facing as a result of the economic and financial crisis.

While acknowledging that the Community had fewer means at its disposal than the Member States in the area of employment, he stressed the added value that could be provided by working in collaboration with the European social partners.

The Commission took note of this information.

vii) Results of the Tripartite Social Summit (Brussels, 19 March 2009)

The Commission took note of the information note from Mr ŠPIDLA in SEC(2009)406.

viii) Reduced rates of value added tax (Council Directive) – VAN DEN BURG report - 2008/0143 (CNS)

(point 2.3 of the IRG record)

The Commission authorised its departments to submit to the Council bodies an extension of the transitional period provided for in the Accession Treaty whereby Malta could apply VAT at a rate of 0% to supplies of foods and medicines, following the line set out in SI(2009)74/2.

16.3. RELATIONS WITH THE EUROPEAN PARLIAMENT

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

(point 3.5.2 of the IRG record)

The Commission approved document SP(2009)1487 and /2 on the action taken on Parliament's legislative opinions and non-legislative resolutions adopted at its February I and II part-sessions, for transmission to Parliament.

***16.4. RELATIONS WITH THE ECONOMIC AND SOCIAL COMMITTEE,
THE COMMITTEE OF THE REGIONS, THE EUROPEAN
OMBUDSMAN AND NATIONAL PARLIAMENTS***

- x) Commission's 2009 legislative and work programme – List of optional consultations addressed to the Committee of the Regions**
(point 4.1 of the IRG record)

The Commission approved the list of optional consultations annexed to SR(2009)6/2, for transmission to the Committee of the Regions.

- xi) Commission's 2009 legislative and work programme – List of optional consultations addressed to the Economic and Social Committee**
(point 4.2 of the IRG record)

The Commission approved the list of optional consultations annexed to SC(2009)8/2, for transmission to the Economic and Social Committee.

16.5. OTHER MATTERS

- xii) Conference to monitor the implementation of the recommendations of the Durban conference (Geneva, 20-24 April 2009)**
(point 5.1 of the IRG record)

The Commission authorised its departments to follow the line set out in SI(2009)75 and /2 in preparation for and during the conference to be held in Geneva on 20-24 April to monitor implementation of the recommendations of the Durban conference.

17. OTHER BUSINESS***IMPACT OF THE FINANCIAL CRISIS ON ROMANIA – POSSIBLE
BALANCE OF PAYMENTS SUPPORT FROM THE COMMUNITY
(SEC(2009)398)***

Mr ALMUNIA presented his information note, recalling the request made by the Romanian authorities to the Commission and the International Monetary Fund on 6 March for balance of payments support. In response to this, the two institutions had sent a joint mission to Bucharest to negotiate the terms and conditions of such a support programme. This had to be looked at in terms of Romania's current economic situation where there had been deterioration in macroeconomic outlook, particularly in terms of growth, foreign trade deficit, public debt and depreciation of the currency.

He provided some details on the contributions by the various stakeholders, in particular the International Monetary Fund, the Commission, the European Investment Bank and the European Bank for Reconstruction and Development; most of the Member States had in fact expressed a preference for European aid rather than bilateral contributions. The support programme would, if need be, contain a certain number of conditions that were currently being negotiated and related in particular to the implementation of a budget adjustment plan, budget consolidation, the restructuring of compensation and pension systems, the implementation of structural reforms and the stabilisation of the financial sector.

Future steps would involve a draft support programme to be presented by the Commission in April, subject to a positive outcome to these negotiations, which could then be discussed at the Economic and Financial Affairs Council meeting on 5 May. The IMF decision was to be taken on 6 May. A memorandum of understanding and a loan agreement would be adopted in June, with an initial instalment perhaps being released in July.

Mr ALMUNIA concluded by saying that this was the third dossier of its kind handled by the Commission following requests for assistance from Hungary and

Latvia. The Commission's budget resources for this type of assistance were limited given the current financial outlook.

The Commission took note of this information and of the note from Mr ALMUNIA set out in SEC(2009)398.

18. RELATIONS WITH NON-MEMBER COUNTRIES

RESULTS OF THE JOINT EU-UKRAINE INTERNATIONAL INVESTMENT CONFERENCE ON THE REHABILITATION OF UKRAINE'S GAS TRANSIT NETWORK (BRUSSELS, 23 MARCH)

Mr PIEBALGS reported briefly on the results of the above conference, pointing out that relations with and between the producer and transit countries were complex and that the transit network was currently in a dilapidated state. The idea of modernising the network had been a major factor in the definition of the conference objectives. Mr PIEBALGS outlined the conditions set by the European Investment Bank and the European Bank for Reconstruction and Development for providing the proposed funds. The joint declaration signed at the conference defined the terms of reference for the investments to be made and spelled out the reforms which Ukraine would have to introduce in order to receive assistance under the programme. He was convinced that the EU had to keep a close eye on the operation of the transit network, while at the same time recognising the sensitive nature of this issue for Russia as supplier of the transported gas.

Ms FERRERO-WALDNER highlighted the importance of the conference for both Ukraine and the EU and welcomed the positive outcome of the negotiations which had led to the signing of the joint declaration. Up until the last minute it had been uncertain whether the conference would go ahead because of the terms imposed on Ukraine by the international financial institutions. She was pleased that in the end the conference had brought the Ukrainian President and Prime Minister together in support of this project. She noted, however, that the Chairman of the EIB had sent

out a strong message regarding the need to act on the commitments made. It was important that Ukraine now respond to the offer of loans from donors. She also mentioned the reaction of the Russian authorities to the project.

The PRESIDENT agreed with Ms FERRERO-WALDNER's remarks on the importance of the issues raised at the conference, which had been prepared as part of a long-term process that had begun well before the gas crisis of December 2008 under the bilateral relations established since 2005. He too remarked on the fragility of the transit system and the need to concentrate efforts on improving it. He also stressed that the Commission had played a leading role in working out conditions that were acceptable to the various parties concerned and in drafting the proposal tabled by the international financial institutions.

The Commission took note of this information.

19. OTHER BUSINESS (CONTINUED)

19.1. SITUATION IN HUNGARY AND THE CZECH REPUBLIC

Mr ŠPIDLA commented on the political developments in the Czech Republic, where the Government was losing the support of its coalition. A no-confidence vote was to be held that day in the Czech Parliament. He ran through the various scenarios that might emerge, including the possibility that the Government would remain in place until the general elections scheduled for 2010, that a new Prime Minister would be appointed or that early elections would be called. He pointed out the possible consequences of these developments for ratification of the Lisbon Treaty, which was due to be approved by the Czech Senate in the autumn.

Mr KOVÁCS then reported on the political situation in Hungary following the announcement by the Prime Minister, Ferenc Gyurcsány, at the Hungarian Socialist Party Congress on 21 March that he intended to offer his resignation by applying the constructive censure motion procedure. Mr KOVÁCS briefly

outlined the reasons that had led Mr Gyurcsány to take this step and explained the timeframe for the procedure, which should lead to a parliamentary vote on a new candidate for Prime Minister.

Following this presentation, the Commission briefly discussed the consequences of the announcement and the political uncertainty it was causing, particularly as regards further implementation by the Commission and the International Monetary Fund of the balance of payments support programme.

The Commission took note of this information.

***19.2. CONCLUSIONS OF THE HIGH-LEVEL GROUP ON THE
COMPETITIVENESS OF THE AGRO-FOOD INDUSTRY (BRUSSELS,
17 MARCH)
(SEC(2009)404)***

The Commission took note of the information note from Mr VERHEUGEN in SEC(2009)404.

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The meeting closed at 14.37.