



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2009)1878 final

Brussels, 24 June 2009

MINUTES
of the 1878th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 17 June 2009
(morning)

PV(2009)1878 final

TABLE OF CONTENTS

Attendance list	4-6
1. AGENDAS (OJ(2009)1878/3; SEC(2009)782/3; SEC(2009)35/2; SEC(2009)807).....	7
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2009)1878)	7
3. MINUTES OF 1877 TH MEETING (10 JUNE) (PV(2009)1877).....	7
4. MONITORING THE APPLICATION OF COMMUNITY LAW	7
<i>STATE AID – INDIVIDUAL CASES – RECAPITULATIVE LIST (SEC(2009)806; SEC(2009)805).....</i>	<i>7</i>
5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	8
5.1. <i>WRITTEN PROCEDURES APPROVED (SEC(2009)784 ET SEQ.).....</i>	<i>8</i>
5.2. <i>EMPOWERMENT (SEC(2009)785 ET SEQ.)</i>	<i>8</i>
5.3. <i>DELEGATION AND SUBDELEGATION OF POWERS (SEC(2009)786 ET SEQ.).....</i>	<i>8</i>
5.4. <i>SENSITIVE WRITTEN PROCEDURES (SEC(2009)787/3)</i>	<i>8</i>
6. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2009)783)	9
6.1. <i>DG COMPETITION – TERMINATION OF THE EXTERNAL SELECTION PROCEDURE TO APPOINT A GRADE AD14 DIRECTOR (EU-12) (PERS(2008)18 TO /7).....</i>	<i>9</i>
6.2. <i>DG COMPETITION – EXTERNAL PUBLICATION OF VACANCY NOTICE FOR AN AD14 DIRECTOR POST (EU-8) (PERS(2009)76).....</i>	<i>9</i>
6.3. <i>DG ENLARGEMENT – APPOINTMENT OF AD15 DEPUTY DIRECTOR- GENERAL (EU-6) (PERS(2008)165 TO /6)</i>	<i>10</i>

6.4.	<i>DG JUSTICE, FREEDOM AND SECURITY – RENEWAL OF THE TERM OF OFFICE OF THE EXECUTIVE DIRECTOR OF THE EUROPEAN AGENCY FOR THE MANAGEMENT OF OPERATIONAL COOPERATION AT THE EXTERNAL BORDERS.....</i>	<i>10</i>
6.5.	<i>DG JUSTICE, FREEDOM AND SECURITY – RENEWAL OF THE TERM OF OFFICE OF THE DIRECTOR OF THE EUROPEAN MONITORING CENTRE FOR DRUGS AND DRUG ADDICTION</i>	<i>11</i>
6.6.	<i>DG ENERGY AND TRANSPORT – RENEWAL OF THE TERM OF OFFICE OF THE EXECUTIVE DIRECTOR OF THE EUROPEAN RAILWAY AGENCY.....</i>	<i>11</i>
6.7.	<i>DG ADMINISTRATION AND PERSONNEL – AUTHORISATION TO HOLD A HEARING WITH A VIEW TO THE POSSIBLE IMPOSITION OF A DISCIPLINARY PENALTY.....</i>	<i>12</i>
7.	COMMISSION DECISION CONCERNING A PROCEEDING UNDER ARTICLE 8 (2) OF COUNCIL REGULATION (EC) 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS AND ARTICLE 57 OF THE EEA AGREEMENT (<i>CASE COMP/M.5335 – LUFTHANSA / SN AIRHOLDING (BRUSSELS AIRLINES)</i>) (C(2009)4608 TO /4).....	12
8.	RELATIONS WITH NON-MEMBER COUNTRIES.....	12
	<i>MEETING OF G8 FINANCE MINISTERS (LECCE, 12 AND 13 JUNE) (SEC(2009)838)</i>	<i>12</i>
9.	COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK - A SUSTAINABLE FUTURE FOR TRANSPORT: TOWARDS AN INTEGRATED, TECHNOLOGY-LED AND USER FRIENDLY SYSTEM (COM(2009)279 TO /4; SEC(2009)802)	13
10.	INTERINSTITUTIONAL RELATIONS.....	16
	<i>10.1. RELATIONS WITH THE COUNCIL</i>	<i>16</i>
	<i>10.2. RELATIONS WITH PARLIAMENT</i>	<i>23</i>

Single sitting: Wednesday 17 June 2009 (morning)

The sitting opened at 9.08 in the Jean Monnet room 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		Items 1 to 10 (in part)
Mr POTOČNIK		
Mr FIGEL'		
Mr REHN		
Mr MICHEL		Items 1 to 10 (in part)
Mr KOVÁCS		
Ms KROES		Item 10 (in part)
Ms FISCHER BOEL		
Ms FERRERO-WALDNER		
Mr McCREEVY		
Mr ŠPIDLA		
Mr PIEBALGS		
Ms KUNEVA		
Mr ORBAN		
Baroness ASHTON		

Absent:

Ms GRYBAUSKAITĖ

Ms VASSILIOU

(17 June 2009)

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

Ms SPANOU	Deputy Chef de cabinet to Ms VASSILIOU
-----------	---

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr CARVOUNIS	Deputy Director-General, DG Communication	
Mr GRAY	DG Communication – Commission Spokesman's Service	
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers	Items 1 to 10 (in part)
Mr CABRAL	Adviser hors classe in the PRESIDENT's office	Item 10 (in part)
Mr PRETO	Chef de cabinet to Mr TAJANI	Items 1 to 9
Ms DARMANIN	Deputy Chef de cabinet to Mr BORG	Item 10 (in part)

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

1. AGENDAS

(OJ(2009)1878/3; SEC(2009)782/3; SEC(2009)35/2; SEC(2009)807)

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)1878)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 15 June.

3. MINUTES OF 1877TH MEETING (10 JUNE)

(PV(2009)1877)

The Commission approved the minutes of its 1877th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

STATE AID – INDIVIDUAL CASES – RECAPITULATIVE LIST

(SEC(2009)806; SEC(2009)805)

The Commission adopted the decisions in SEC(2009)806.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. *WRITTEN PROCEDURES APPROVED*

(SEC(2009)784 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 8 and 12 June.

5.2. *EMPOWERMENT*

(SEC(2009)785 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 8 and 12 June.

5.3. *DELEGATION AND SUBDELEGATION OF POWERS*

(SEC(2009)786 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 8 and 12 June, as archived in e-Greffe.

5.4. *SENSITIVE WRITTEN PROCEDURES*

(SEC(2009)787/3)

The Commission took note of the sensitive written procedures for which the time limit expired between 15 and 19 June and of the 'finalisation' written procedure initiated following the weekly meeting of Chefs de cabinet on 15 June.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2009)783)

ADMINISTRATIVE MATTERS

(PERS(2009)74)

**6.1. DG COMPETITION – TERMINATION OF THE EXTERNAL
SELECTION PROCEDURE TO APPOINT A GRADE AD14 DIRECTOR**

(EU-12)

(PERS(2008)18 TO /7)

The Commission took note of the information set out in point 1 of PERS(2009)74 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms KROES, decided to terminate external selection procedure COM/2008/10067 for the post of Director, Markets and Cases I – Energy and Environment, in DG Competition, without making an appointment.

These decisions would take effect immediately.

**6.2. DG COMPETITION – EXTERNAL PUBLICATION OF VACANCY
NOTICE FOR AN AD14 DIRECTOR POST (EU-8)**

(PERS(2009)76)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms KROES, the Commission decided to authorise the publication, under Article 29(2) of the Staff Regulations, of the vacancy notice in PERS(2009)76 for the post of Director, Markets and Cases V - Transport, Post and Other Services, in DG Competition, which was reserved for nationals of Bulgaria, the Czech Republic, Latvia, Lithuania, Malta, Poland, Romania and Slovakia.

This decision would take effect immediately.

**6.3. DG ENLARGEMENT – APPOINTMENT OF AD15 DEPUTY DIRECTOR-GENERAL (EU-6)
(PERS(2008)165 TO /6)**

The Commission had before it the list of applications under Article 29(2) of the Staff Regulations for the post of Deputy Director-General of DG Enlargement (PERS(2008)165 to /4).

The Commission took note of the opinions of the Consultative Committee on Appointments of 20 and 23 April (PERS(2008)165/5 and /6).

It proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr REHN, it then decided to appoint Mr Henrik HOLOLEI to the vacant post in question.

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

6.4. DG JUSTICE, FREEDOM AND SECURITY – RENEWAL OF THE TERM OF OFFICE OF THE EXECUTIVE DIRECTOR OF THE EUROPEAN AGENCY FOR THE MANAGEMENT OF OPERATIONAL COOPERATION AT THE EXTERNAL BORDERS

Having taken note of the information in point 4 of PERS(2009)74, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr BARROT, decided to propose to the Management Board of the European Agency for the Management of Operational Cooperation at the External Borders (Frontex) that the term of office of the Executive Director, Mr Ilkka LAITINEN, be renewed for a period of five years with effect from 25 May 2010, to regard this as a Commission proposal under Article 20 of Council Regulation 2007/2004, and to ask the Commission Member responsible to communicate this decision to the Management Board of Frontex.

These decisions would take effect immediately.

6.5. *DG JUSTICE, FREEDOM AND SECURITY – RENEWAL OF THE TERM OF OFFICE OF THE DIRECTOR OF THE EUROPEAN MONITORING CENTRE FOR DRUGS AND DRUG ADDICTION*

Having taken note of the information in point 5 of PERS(2009)74, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr BARROT, decided to propose to the Management Board of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) that the term of office of the Director, Mr Wolfgang GOETZ, be renewed for a period of five years with effect from 1 May 2010, to regard this as a Commission proposal under Article 11 of Regulation 1920/2006 of the European Parliament and of the Council, and to ask the Commission Member responsible to communicate this decision to the Management Board of the EMCDDA.

These decisions would take effect immediately.

6.6. *DG ENERGY AND TRANSPORT – RENEWAL OF THE TERM OF OFFICE OF THE EXECUTIVE DIRECTOR OF THE EUROPEAN RAILWAY AGENCY*

Having taken note of the information in point 6 of PERS(2009)74, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr TAJANI, decided to propose to the Administrative Board of the European Railway Agency (ERA) that the term of office of the Executive Director, Mr Marcel VERSLYPE, be renewed for a period of five years with effect from 1 January 2010, to regard this as a Commission proposal under Article 31 of Regulation 881/2004 of the European Parliament and of the Council, and to ask the Commission Member responsible to communicate this decision to the Administrative Board of the ERA.

These decisions would take effect immediately.

6.7. DG ADMINISTRATION AND PERSONNEL – AUTHORISATION TO HOLD A HEARING WITH A VIEW TO THE POSSIBLE IMPOSITION OF A DISCIPLINARY PENALTY

The Commission took note of the information set out at point 7 of PERS(2009)74 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, decided to authorise Mr KALLAS to hold a hearing with a view to the possible imposition of a disciplinary penalty on a official.

This decision would take effect immediately.

7. COMMISSION DECISION CONCERNING A PROCEEDING UNDER ARTICLE 8 (2) OF COUNCIL REGULATION (EC) 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS AND ARTICLE 57 OF THE EEA AGREEMENT (CASE COMP/M.5335 – LUFTHANSA / SN AIRHOLDING (BRUSSELS AIRLINES)) (C(2009)4608 TO /4)

On a proposal from the PRESIDENT, the Commission agreed that the decision set out in document C(2009) 4608 would be adopted by the ‘finalisation’ written procedure, the deadline for which was set at Monday 22 June (PE/2009/4463).

8. RELATIONS WITH NON-MEMBER COUNTRIES

***MEETING OF G8 FINANCE MINISTERS (LECCE, 12 AND 13 JUNE)*
*(SEC(2009)838)***

The Commission took note of the information note from Mr ALMUNIA in SEC(2009)838.

9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK - A SUSTAINABLE FUTURE FOR TRANSPORT: TOWARDS AN INTEGRATED, TECHNOLOGY-LED AND USER FRIENDLY SYSTEM (COM(2009)279 TO /4; SEC(2009)802)

Mr TAJANI introduced the communication he was presenting to the Commission for approval, explaining that this was both a strategy document providing a vision of transport for the future and a consultation document paving the way for a new white paper to be drafted at a later date. The communication, which was itself the result of wide-ranging consultation, sought to identify the options for future transport policy, drawing on the contributions from all the parties concerned.

He pinpointed the successes of the common transport policy over the past ten years and praised the substantial achievements of the Members of the Commission who had held the transport portfolio before him, and in particular Mr BARROT. He also reported that at the official inauguration of the headquarters of the European Maritime Safety Agency in Lisbon, the day before, tribute had been paid to Ms Loyola DE PALACIO, former Commission Vice-President responsible for transport and energy from 1999 to 2004, who died in December 2006.

Among the developments in the common transport policy over the past decade Mr TAJANI singled out:

- the development of a trans-European transport network integrating different modes of transport with the aim of facilitating the movement of people and goods all over the European Union;
- the Single European Sky initiatives aimed at improving environmental performances and safety in the air transport sector;
- passengers' rights in all means of transport, to enable European citizens to take full advantage of the opportunities offered by the Single Market;
- the initiatives in the maritime sector to prevent a recurrence of disasters such as

the sinking of the Erika oil tanker;

- finally, the opening of the markets to competition, with for example the liberalisation of the air and rail transport sectors and maritime cabotage services.

Mr TAJANI then set out the scale of the challenges for the future, citing a number of key data on demographic trends in European society compared with the rest of the world.

He referred in particular to (1) the demographic forecasts for Europe in 2060, which predicted that 30% of the population would be over the age of 65 and there would be greater demand for safer transport that was better suited to the needs of this age group. The ageing of the population would also entail higher social spending which would compete with spending on infrastructure; (2) increased migratory flows, with the EU population potentially increasing by 56 million people in the next 50 years; (3) increasing urbanisation, which would see 84% of Europe's population living in urban areas by 2050; and finally (4) the reduction in greenhouse gas emissions, which represented a particular challenge for a transport sector that was still 97% dependent on fossil fuels.

In Mr TAJANI's view the European Union should respond to these challenges by preparing a strategic agenda based on the following three factors:

- integration – meaning a more harmonious development of all modes of transport and better interconnections between them, improved links with the candidate countries for EU membership, the EU's neighbours and Europe's closest continent, Africa, and finally a price system that included all of the costs of transport, including external costs;
- technology, for cleaner, safer, more reliable transport and vehicles powered by alternative energies; improved safety thanks to the ability of vehicles to communicate with one another, for example with the help of satellites, and more rapid development and deployment of innovative technologies to improve overall efficiency, safety and environmental performance in the transport sector;
- and thirdly the human dimension which, according to Mr TAJANI, should be a

fundamental consideration in both passenger and freight transport, to give European citizens of the future a real transport system consisting of different transport modes intelligently interconnected, means of transport where all users felt safe, mobility that was sustainable and intelligent in which "soft" travel played an important part, high-quality transport serving the public, employing highly qualified staff and creating new jobs in innovative services.

Mr TAJANI noted that the Commission's text was intended to launch a debate on the strategic options that should feature in the forthcoming transport white paper and indicated that the next Council Presidency had already shown a lot of interest in the communication. The results of the consultation would be presented at a conference in autumn 2009, after which the acting Council Presidency would draft conclusions for the Transport, Telecommunications and Energy Council to be held in December.

He concluded by stressing the particular attention to be paid to the human and social dimension of this subject, particularly as regards the workers in the transport sector. Once again he thanked the Members of the Commission, their *cabinets* and the departments for which they were responsible for their work and their contribution to this communication.

The Commission then held a brief exchange of views focusing on the following aspects:

- as part of the measures to combat climate change the need for greater efforts by the Member State governments to develop railway and inland waterway infrastructures;
- the importance of new technologies and the Community programmes to develop them;
- the fact that European transport of the future must be environmentally friendly and non-polluting.

Winding up, the PRESIDENT said that the communication clearly described the current trends and future challenges for European transport policy and it was up to

the present Commission to prepare the ground for the practical initiatives and measures which the next Commission would have to take.

He also praised the balanced nature of the final text in identifying the main priorities and challenges, for example as regards competitiveness and sustainability, safety and innovation. He thanked Mr TAJANI for the work that had been achieved and the other Members of the Commission for their contributions.

The Commission approved the communication in COM(2009)279/4 for transmission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, and to the national parliaments.

10. INTERINSTITUTIONAL RELATIONS

10.1. RELATIONS WITH THE COUNCIL

i) Programming of Council business

(SI(2009)161)

The Commission took note of the information in SI(2009)161 on the Council meetings between 18 June and 1 July.

ii) Preparations for European Council (Brussels, 18 and 19 June)

(SI(2009)158)

The PRESIDENT spoke briefly about the letter he had sent to the Heads of State or Government to identify the key issues for discussion at the European Council in Brussels on 18 and 19 June.

He began with the points of substance to be examined on the basis of initiatives prepared by the Commission on (i) financial supervision, (ii) jobs and (iii) illegal immigration. On the first of these issues, the aim was to keep up the momentum so that ambitious proposals could be presented in early

autumn. As regards jobs, a number of Member States now recognised the need for bold measures at European level. On the third issue, the PRESIDENT referred to the letter from Mr BARROT setting out the main lines of the debate, and pointed to the work carried out in preparing the Stockholm programme.

The PRESIDENT had also sent the Heads of State or Government an analysis of the economic recovery measures taken to date. He felt that the European Union, and the Commission in particular, could be proud of the efforts that had been made, the speed of its reaction and the degree of coordination achieved. Nevertheless, he warned that a difficult period now lay ahead, with unemployment still on the increase and Member States at different stages in their efforts to exit the crisis.

Turning to institutional matters, he referred to the discussions to be held on the guarantees requested by Ireland in connection with ratification of the Lisbon Treaty. It was essential to strike the right balance between the need to provide Ireland with certain assurances and the need to avoid reopening the debate on ratification in other Member States.

On the question of the appointment of the next Commission President, he announced that, at the invitation of Mr Jan Fischer, the Czech Prime Minister and President of the European Council, he would be presenting his own vision of the future, which he hoped would receive the support of the European Council. The formal decision to launch consultations would have to be taken so that the procedure for nomination by the Council could be completed before the European Parliament's July part-session.

Lastly, the PRESIDENT remarked that the current Council Presidency was working very hard to ensure that the European Council passed off smoothly.

Ms FERRERO-WALDNER then summed up the outcome of the General Affairs and External Relations Council held in Luxembourg on 15 and

16 June, concentrating in particular on the issues that might be referred to the European Council later that week (see item 10.1.iii of these minutes).

She drew special attention to the discussions on the Middle East. The Council had welcomed the commitment by the Israeli Prime Minister, Mr Benjamin Netanyahu, to a peace settlement that included a Palestinian State, and called on the two sides to resume negotiations.

She also reported on the Council's conclusions on stepping up the EU's engagement in Pakistan and Afghanistan, and the call to the Iranian authorities to respond to the concerns raised by the violence and use of force following the Presidential elections.

Mr ALMUNIA then reported on the main results of the meeting of G8 Finance Ministers held in Lecce on 12 and 13 June. Discussions had focused on preparations for the G8 summit to be held in early July in L'Aquila, and in particular the world economic outlook, on which ministers had expressed a more upbeat view, albeit tinged with a certain degree of caution because of the risks still persisting in the banking sector and rising oil and raw material prices (see item 8 of these minutes).

Mr ALMUNIA also gave an account of the discussions on the economic situation in Latvia in the light of the very serious decline in growth. A significant budgetary correction was essential so that the European Union and the International Monetary Fund (IMF) could continue their aid programmes, and in particular release a new tranche; this would in turn restabilise the Latvian economy and restore confidence in the financial markets, thereby staving off any risk of the problems spreading within the EU.

He referred to the measures adopted by the Latvian authorities in the budget law passed by the Latvian Parliament the previous day, in particular spending cuts, measures to increase revenue, and structural reforms. He firmly believed that the major efforts that had been made deserved the full support of the

European Council and justified the continuation of EU and IMF aid. He regarded the European Council's support as crucial.

During an exchange of views, the Commission discussed the following points:

- the foreign policy issues that would have to be discussed by the European Council, in particular Pakistan, Afghanistan, Iran, and possibly Serbia;
- the possible reaction of the European Council to the elections in Iran;
- the need for the European Council to respond to requests from the Mediterranean countries most affected by the problem of illegal immigration and for Europe to show solidarity;

On the economic situation in Latvia

- recognition of the major efforts made in preparing the Latvian finance law following the recommendations by the IMF and the Commission and in line with the conditions for payment of the new tranche of aid;
- a strong desire to see the conclusions include the support of the European Council for payment of the second tranche of the financial assistance facility for the balance of payments;
- certain differences of views between the Commission and the IMF, and the importance of expressing the Commission's support for the efforts made by the Latvian authorities;
- the risks to jobs and social protection as a result of the budget restrictions in Latvia and the need for the Commission to envisage additional measures, including the possibility of making available support from the European Social Fund without requiring cofinancing;
- the importance of showing solidarity and of reminding banks in the different Member States of their responsibilities;

- the special situation of the Baltic region as a whole, given its strategic and political importance for the EU, and hence the need to take all necessary measures to guarantee its stability and to enlist the support of all Member States for Latvia's efforts so as to avoid negative consequences and a chain reaction in the region.

Replying to these various comments, Mr ALMUNIA explained the role and special characteristics of the Structural Funds, in particular the European Social Fund, and the budgetary measures planned by Latvia in this field in order to stimulate investment. He stressed the importance of continuing Latvia's efforts not only to reduce spending but also to increase tax revenue. He reminded the meeting that the EU was currently one of the main donors, and reiterated the importance of support from the European Council and of ensuring that the Member States' representatives spoke with one voice on the IMF Executive Board.

Winding up the exchange of views on Latvia, the PRESIDENT endorsed the approach described by Mr ALMUNIA and hoped that the European Council would also support it.

The Commission took note of these points.

**iii) Results of General Affairs and External Relations Council
(Luxembourg, 15 and 16 June 2009)
(SI(2009)159)**

Mr REHN informed the Commission of the discussions by the General Affairs and External Relations Council concerning the Western Balkans.

First he referred to the talks on visa liberalisation: the Commission had recently presented updated reports on the progress achieved in this matter with Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia. He thanked Mr BARROT and his department, plus the departments under his own responsibility, for their work with the Council bodies. He confirmed that a legislative proposal amending

Regulation (EC) 539/2001 concerning visa arrangements would be referred to the Commission at its meeting on 14 July. The non-EU countries concerned attached considerable importance to visa liberalisation, a point which had also been emphasised at the last meeting between himself and the Serbian President, Mr Boris Tadić.

An exchange of views had also taken place during the Council meeting with the Prosecutor of the International Criminal Tribunal for the Former Yugoslavia (ICTY), Mr Serge Brammertz, who had recently submitted a report to the United Nations Security Council on the cooperation of Serbia and other countries with this Tribunal. While Mr Brammertz had welcomed Serbia's cooperation with the Tribunal, he had not described it as full and unconditional. The current Council Presidency wanted to refer this matter to the European Council, and felt that it should also be followed up at future meetings of the General Affairs and External Relations Council.

Lastly, Mr REHN reported to the Commission on his contacts with the representatives of the Slovenian and Croatian Governments concerning the deadlock over the land and sea borders between the two countries. He regretted the fact that a further proposal which he had recently submitted to the two governments had not been received more favourably, adding that another meeting would be held with the Slovenian and Croatian representatives on 18 June. He urged the Governments and all the stakeholders concerned to do everything possible to resolve the dispute and ensure a successful conclusion to the negotiations.

During a brief discussion, the Commission highlighted the following points:

- support for visa liberalisation for the Western Balkans, in particular in the case of the Former Yugoslav Republic of Macedonia, Montenegro and Serbia;

(17 June 2009)

- optimism regarding the positive response expected of the Council shortly with respect to the Commission's legislative proposal on visa liberalisation;
- the objective of introducing a single visa system for all Western Balkan countries, which would apply also to nationals of Bosnia and Herzegovina;
- the need to find a solution to the dispute between Slovenia and Croatia, not only for the sake of these two countries but for the European Union as a whole, and support for the initiatives launched by Mr REHN.

The Commission took note of this information.

**iv) Preparations for the Agriculture and Fisheries Council
(Luxembourg, 22 and 23 June 2009)**

(SI(2009)160)

- Proposals concerning the non-inclusion of active substances in Annex I to Council Directive 91/414/EEC concerning the placing of plant protection products on the market.

The Commission authorised Ms VASSILIOU to continue working with the Council along the lines set out in SI(2009)160.

v) Adoption by the Commission of non-binding international instruments

(SI(2009)156)

- Memorandum of understanding accompanying the Baltic Energy Market Interconnection Plan.

The Commission approved the memorandum of understanding attached as an annex to document SI(2009)156, and authorised the PRESIDENT and, where appropriate, Mr PIEBALGS, to sign it on behalf of the Commission in line with the approach set out in that document.

10.2. RELATIONS WITH PARLIAMENT

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

(SP(2009)3244 to /3; SP(2009)3245 to /3; SP(2009)3310)

The Commission approved documents SP(2009)3244 to /3, SP(2009)3245 to /3 and SP(2009)3310 on the action taken on the non-legislative resolutions adopted by Parliament at its March I 2009, March II 2009 and May 2009 part-sessions, for transmission to Parliament.

*

* *

The meeting closed at 10.28 hours.