EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2009)1887 final

Brussels, 30 September 2009

MINUTES

of the 1887th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 23 September 2009

(morning)

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Single sitting: Wednesday 23 September 2009 (morning)

The sitting opened at 9.11 in the Jean Monnet room with Mr VERHEUGEN in the chair in the PRESIDENT's absence.

Present:

Mr VERHEUGEN	Vice-President	
Mr BARROT	Vice-President	Items 11 to 15
Mr KALLAS	Vice-President	
Mr TAJANI	Vice-President	
Ms REDING		
Mr DIMAS		
Mr ALMUNIA		
Mr BORG		
Mr POTOČNIK		
Mr KOVÁCS		
Ms KROES		Items 1 to 11/15 (in part)
Ms FISCHER BOEL		
Mr McCREEVY		
Mr ŠPIDLA		
Ms KUNEVA		
Mr ORBAN		
Baroness ASHTON		
Mr ŠEMETA		
Mr SAMECKI		

Absent:

Mr BARROSO	President
Ms WALLSTRÖM	Vice-President
Mr FIGEL'	
Mr REHN	
Ms FERRERO-WALDNER	
Mr PIEBALGS	
Ms VASSILIOU	
Mr DE GUCHT	

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

Mr LEFFLER	Chef de cabinet to Ms WALLSTRÖM
Mr ADAMIŠ	Chef de cabinet to Mr FIGEL'
Mr PESONEN	Chef de cabinet to Mr REHN
Mr HEILBRONN	Deputy Chef de Cabinet to Ms FERRERO-WALDNER
Mr KESTERIS	Chef de cabinet to Mr PIEBALGS
Mr BRUNET	Chef de cabinet to Ms VASSILIOU

The following also sat in:

Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT
Mr ROMERO REQUENA	Director-General, Legal Service
Mr CARVOUNIS	Deputy Director-General, DG Communication
Mr ENGLISH	DG Communication – Commission Spokesman's Service
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers
Mr KLAUS	A member of the PRESIDENT's staff
Mr POWER	Chef de cabinet to Mr McCREEVY

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

On behalf of the Members of the Commission, Mr VERHEUGEN congratulated the PRESIDENT following the vote in the European Parliament on 16 September approving his appointment for a second term. Mr VERHEUGEN noted that for the first time the presentation of political guidelines for the next Commission had served as a basis for in-depth discussions, first with the political groups and then in plenary session, before the vote in Parliament.

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1. AGENDAS
(OJ(2009)1887/4; SEC(2009)1214/2)

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)1887)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 21 September.

3. APPROVAL OF THE MINUTES OF THE 1885TH AND 1886TH MEETINGS AND THE SPECIAL MINUTES OF THE 1885TH MEETING (10 AND 15 SEPTEMBER)
(PV(2009)1885; PV(2009)1885, PART II; PV(2009)1886)

The Commission approved the minutes of its 1885th and 1886th meetings.

4. INTERINSTITUTIONAL RELATIONS

4.1. LEGISLATIVE MATTERS

i) Action to be taken on Parliament's legislative opinions

(SP(2009)4030)

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)4030, drawn up following the September part-session of Parliament, the contents of which were noted.

ii) Preparation of agreement on common position (early second reading)

(SI(2009)215)

– Labelling of tyres with respect to fuel efficiency and other essential parameters (Directive) – BELET report – 2008/0221 (COD)

The Commission authorised Mr PIEBALGS to pursue contacts with Parliament and the Council with a view to reaching agreement on a common position (at second reading) following the line set out in SI(2009)215.

4.2. RELATIONS WITH THE COUNCIL

iii) Programming of Council business

(SI(2009)217)

The Commission took note of the information in SI(2009)217 on the Council meetings between 24 September and 7 October.

4.3. RELATIONS WITH PARLIAMENT

iv) Results of Parliament's September part-session
(SP(2009)4017 to /3)

The Commission took note of the information in SP(2009)4017 to /3 on the proceedings of the part-session of Parliament held in Strasbourg from 14 to 17 September.

5. MONITORING THE APPLICATION OF COMMUNITY LAW

STATE AID – INDIVIDUAL CASE
(C(2009)6868 TO /4)

The Commission adopted the decision in C(2009)6868/3 and /4.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED (SEC(2009)1216 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 and 18 September.

6.2. EMPOWERMENT (SEC(2009)1217 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 and 18 September.

6.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2009)1218 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 14 and 18 September, as archived in e-Greffe.

6.4. SENSITIVE WRITTEN PROCEDURES (SEC(2009)1219)

The Commission took note of the sensitive written procedures for which the time limit expired between 21 and 25 September.

7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2009)1215/2)

ADMINISTRATIVE MATTERS
(PERS(2009)109/2)

7.1. OFFICE FOR ADMINISTRATION AND PAYMENT OF INDIVIDUAL ENTITLEMENTS – INTERNAL AND INTERINSTITUTIONAL PUBLICATION (GRADE AD14/15) AND EXTERNAL PUBLICATION (GRADE AD14 - EU-27) OF VACANCY NOTICES FOR A DIRECTOR POST (PERS(2009)110)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT, the Commission decided to authorise the publication, under Article 29(1)(a)(i) and (iii), 29(1)(b) and 29(2) of the Staff Regulations, of the vacancy notices in PERS(2009) 110 for the post of Director of the Office for Administration and Payment of Individual Entitlements.

This decision would take effect immediately.

7.2. INITIAL COMMUNICATION UNDER ARTICLE 50 OF THE STAFF REGULATIONS

The Commission decided to initiate the procedure laid down in Article 50 of the Staff Regulations with respect to an AD15 official.

7.3. AUDIT PROGRESS COMMITTEE – APPOINTMENT OF TWO MEMBERS

The Commission took note of the information set out in point 3 of document PERS(2009) 109/2 and, on a proposal from Mr KALLAS in agreement with Ms WALLSTRÖM, Ms FISCHER BOEL, Ms FERRERO-WALDNER and Mr PIEBALGS, members of the Audit Progress Committee, decided to appoint Mr ŠEMETA and Mr SAMECKI as members of that Committee.

This decision would take effect immediately.

8. TRENDS IN THE MEMBER STATES (SEC(2009)1256)

The Commission took note of the information note from Ms WALLSTRÖM in SEC(2009)1256.

9. RELATIONS WITH NON-MEMBER COUNTRIES

9.1. VISIT OF THE EUROPEAN UNION TROIKA TO ZIMBABWE (HARARE, 12-13 SEPTEMBER) (SEC(2009)1254)

The Commission took note of the information note from Mr DE GUCHT in SEC(2009)1254.

9.2. SECOND EU-SOUTH AFRICA SUMMIT (KLEINMOND, 11 SEPTEMBER) (SEC(2009)1255)

The Commission took note of the information note from Mr DE GUCHT in SEC(2009)1255.

10. OTHER BUSINESS

COMMUNITY BALANCE-OF-PAYMENTS SUPPORT FOR HUNGARY, LATVIA AND ROMANIA (SEC(2009)1253)

The Commission took note of the information note from Mr ALMUNIA in SEC(2009)1253.

11. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON COMMUNITY MACRO-PRUDENTIAL OVERSIGHT OF THE FINANCIAL SYSTEM AND ESTABLISHING A EUROPEAN SYSTEMIC RISK BOARD (COM(2009)499 TO /4; SEC(2009)1234 AND /2; SEC(2009)1235; SEC(2009)1236; SEC(2009)1237; SEC(2009)1238)

12. PROPOSAL FOR A COUNCIL DECISION ENTRUSTING THE EUROPEAN CENTRAL BANK WITH SPECIFIC TASKS CONCERNING THE FUNCTIONING OF THE EUROPEAN SYSTEMIC RISK BOARD (COM(2009)500 TO /4; SEC(2009)1234 AND /2; SEC(2009)1235; SEC(2009)1236; SEC(2009)1237; SEC(2009)1238)

13. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING A EUROPEAN BANKING AUTHORITY
(COM(2009)501 AND /2; SEC(2009)1233 AND /2; SEC(2009)1234 AND /2; SEC(2009)1235; SEC(2009)1236; SEC(2009)1237; SEC(2009)1238)

14. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING A EUROPEAN INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY
(COM(2009)502 AND /2; SEC(2009)1233 AND /2; SEC(2009)1234 AND /2; SEC(2009)1235; SEC(2009)1236; SEC(2009)1237; SEC(2009)1238)

15. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING A EUROPEAN SECURITIES AND MARKETS AUTHORITY
(COM(2009)503 AND /2; SEC(2009)1233 AND /2; SEC(2009)1234 AND /2; SEC(2009)1235; SEC(2009)1236; SEC(2009)1237; SEC(2009)1238)

By way of introduction, Mr VERHEUGEN emphasised the importance of the five legislative proposals submitted to the Commission for adoption. He felt that this financial supervision initiative was very timely, and he thanked Mr McCREEVY, Mr ALMUNIA and all the departments involved for their high-quality work within such a tight deadline.

Mr McCREEVY presented the legislative proposals in points 13 to 15 of these minutes aimed at reinforcing supervision of the financial sector in the European Union. The objective was to increase financial stability in the EU, ensure coherent implementation of the rules and technical standards, identify risks at an early stage and enable more effective joint action to be taken in emergencies and in the case of disagreements between national supervisors. A European Systemic Risk Board, described in more detail later by Mr ALMUNIA, would be established, together with a European System of Financial Supervisors made up of three new European authorities for the banking sector, the insurance and occupational pension sector, and the securities and financial market sector. This set of proposals was accompanied by a staff working document on the relevant technical measures; further proposals would be submitted shortly to the Commission in relation to these same issues.

Recalling the background to this matter, Mr McCREEVY pointed out that less than twelve months after the setting-up of the high-level group chaired by Mr Jacques de Larosière, the reflection process had culminated in legislative proposals which clearly demonstrated the Commission's ability to take concrete, effective and prompt action to address the shortcomings which had surfaced as a result of the financial crisis. Once these three proposals and those relating to the European Systemic Risk Board were implemented, this should help prevent future crises.

He then briefly mentioned certain key points in the proposals, for instance powers and responsibilities, referring in particular to the mechanism to ensure that decisions taken by the European supervisory authorities did not impinge on the fiscal responsibility of Member States. He felt that this initiative by the Commission was in line with the conclusions of the European Council of June 2009.

While the current situation was conducive to improving financial supervision, things seemed to be evolving, hence the need to act promptly. Therefore discussions with the Council and Parliament would have to be initiated right away. He hoped that more efficient supervision would be in place within a year which would help maintain financial stability in Europe.

Mr McCREEVY concluded by expressing sincere thanks to the departments under his and Mr ALMUNIA's responsibility for their prompt, professional work.

Mr ALMUNIA agreed with this assessment of the joint effort put into preparing this urgent, sensitive dossier. Turning to the legislative proposals in points 11 and 12 of these minutes concerning the establishment of a European Systemic Risk Board (ESRB), he reviewed the current shortcomings in both European and international macro-prudential supervision because of the absence to date of any institution in charge of establishing interconnections between the technical analysis of risks to financial stability and the macroeconomic dimension, or of acting on such an analysis and making recommendations to the institutions which were the cause of the risks. While the financial crisis was inevitable, the effects could have been alleviated had such an instrument existed already.

This was the kind of shortcoming the ESRB would address in future since it was in charge of identifying and analysing macro-prudential risks, issuing early warnings about risks and recommending corrective measures. The ESRB would be tasked in particular with examining the implications of the information collated by the national supervisory authorities, drawing up general conclusions and establishing interconnections with macroeconomic aspects. There was a real need for an institution responsible for analysing risks, defining priorities, identifying the causes of these risks and proposing suitable solutions. Mr ALMUNIA then went on to explain the composition and functioning of the ESRB.

Given the huge challenge of setting up efficient financial supervision, in particular in the light of the debate under way in the United States, Mr ALMUNIA welcomed the fact that the EU was once again making the first move. He hoped that the initiative would be adopted rapidly during the coming interinstitutional process so that it could be up and running in 2010. Since the current crisis was affecting the entire world, he would work closely with the Financial Stability Board set up by the G20 and with the International Monetary Fund. Within the EU, efforts must be continued, going beyond macro- and micro-prudential supervision to tackle the question of cross-border financial institutions from the point of view of crisis resolution and management in order to prevent the fragmentation of the European financial sector.

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

- general support for the initiative and praise for the quality and balance of the five proposals as well as the flawless cooperation that had marked the preparatory work;

- the sense of initiative and responsibility displayed by the Commission in the face of the major challenges thrown up by the economic and financial crisis; its leading role too in promoting an ambitious reform of the financial supervision system;

- the valuable contribution this initiative would make to the development of an international framework for financial supervision;

- given the urgency of the situation and the high public expectations, the importance of Parliament and the Council examining and adopting the proposals as soon as possible;

- the need for a carefully planned communication strategy on this issue, highlighting the importance of the proposals for European and global financial stability and also for Europe's economy as a whole;

- the action planned by the Commission to follow up this initiative at Community and international level.

Winding up the discussion, Mr VERHEUGEN observed that the five proposals had the full support of the Commission. He stressed the broad scope of the proposals and their value as an international benchmark. He noted that this dossier had again highlighted the Commission's key role in responding to the economic and financial crisis and encouraging economic recovery. Lastly, he insisted on the importance of following up the proposals and mentioned in particular the review clause.

Subject to a final general clean-up of the texts, the Commission:

- adopted the proposal for a Regulation and the proposal for a Council Decision in COM(2009)499/4 and COM(2009)500/4, for transmission to the European Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and the European Central Bank, and to the national parliaments, together with the impact assessment and the summary thereof contained in the staff papers distributed as SEC(2009)1234/2 and SEC(2009)1235, the contents of which were noted;

- adopted the proposals for Regulations in COM(2009)501/2, COM(2009)502/2 and COM(2009)503/2, for transmission to the European Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and the European Central Bank, and to the national parliaments, together with the annex, the impact assessment and the summary thereof contained in the staff papers distributed as SEC(2009)1233/2, SEC(2009)1234/2 and SEC(2009)1235, the contents of which were noted;
- took note of the opinion of the Impact Assessment Board on these five legislative proposals, as set out in SEC(2009)1236.

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The Commission's other discussions on certain agenda items are recorded in the special minutes.

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The meeting closed at 9.47.