



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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MINUTES

of the 1890th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 14 October 2009

(morning)

PV(2009)1890 final

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Single sitting: Wednesday 14 October 2009 (morning)

The sitting opened at 9.07 in the Jean Monnet room with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Mr VERHEUGEN	Vice-President	Items 11 (in part) to 14
Mr BARROT	Vice-President	Items 12/13 (in part) and 14
Mr KALLAS	Vice-President	Items 1 to 11
Mr TAJANI	Vice-President	Items 1 to 11
Ms REDING		
Mr DIMAS		
Mr ALMUNIA		Items 1 to 12/13 (in part)
Mr BORG		
Mr POTOČNIK		
Mr REHN		Items 10 to 14 (in part)
Mr KOVÁCS		
Ms KROES		Items 11 (in part) to 14
Ms FISCHER BOEL		
Mr McCREEVY		Items 1 to 12/13 (in part)
Ms KUNEVA		
Mr ORBAN		Items 10 to 14
Ms VASSILIOU		
Mr SAMECKI		
Mr ŠEFČOVIČ		

Absent:

Ms WALLSTRÖM Vice-President

Ms FERRERO-WALDNER

Mr ŠPIDLA

Mr PIEBALGS

Baroness ASHTON

Mr ŠEMETA

Mr DE GUCHT

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

Mr LEFFLER	Chef de cabinet to Ms WALLSTRÖM	Items 10 to 14
Mr CHILD	Chef de cabinet to Ms FERRERO-WALDNER	Items 1 to 14 (in part)
Ms SCHREIBER	Chef de cabinet to Mr ŠPIDLA	
Mr KESTERIS	Chef de cabinet to Mr PIEBALGS	
Mr MORRISON	Chef de cabinet to Baroness ASHTON	Items 1 to 11
Ms SKURATOWICZ	A member of Baroness ASHTON's staff	Items 12 to 14
Mr QUEST	Chef de cabinet to Mr ŠEMETA	
Mr DOENS	Chef de cabinet to Mr DE GUCHT	Items 1 to 14 (in part)

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr SØRENSEN	Director-General, DG Communication	
Mr LAITENBERGER	Commission Spokesman	Items 11 (in part) and 12/13 (in part)
Mr ALTAF AJ TARDIO	DG Communication – Commission Spokesman's Service	Items 1 to 11 (in part) and 12/13 (in part)
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers	Items 1 to 14 (in part)
Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT	
Mr CABRAL	Adviser hors classe in the PRESIDENT's office	Items 1 to 11
Ms MARTÍNEZ ALBEROLA	A member of the PRESIDENT's staff	Items 1 to 10
Mr SOBRAL	A member of the PRESIDENT's staff	Items 11 (in part) to 14
Ms JORNA	Chef de cabinet to Mr BARROT	Items 12/13 (in part)
Mr HOLOLEI	Chef de cabinet to Mr KALLAS	Items 12 to 14
Mr QUERO MUSSOT	Acting Chef de cabinet to Mr ALMUNIA	Item 11 (in part)
Mr PESONEN	Chef de cabinet to Mr REHN	Items 12 and 13

Mr LEIGH

Director-General, DG Enlargement

Items 12 and 13

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

1. AGENDAS

(OJ(2009)1890/4; SEC(2009)1325/2)

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) 1890)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 12 October.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1889TH MEETING
(7 OCTOBER)**

The Commission held over approval of the minutes of its 1889th meeting for the following week.

4. INTERINSTITUTIONAL RELATIONS

4.1. LEGISLATIVE MATTERS

- i) Preparations for the Agriculture and Fisheries Council
(Luxembourg, 19 and 20 October 2009)
(SI(2009)234/2)**

- Fishing opportunities and associated conditions for certain fish stocks and groups of fish stocks applicable in the Baltic Sea for 2010

The Commission authorised Mr BORG to support a Presidency compromise at the Agriculture and Fisheries Council on 19 and 20 October, following the line set out in SI(2009)234/2.

ii) Preparations for October II part-session of Parliament

(SP(2009)4330)

- Establishment of an evaluation mechanism to verify the application of the Schengen acquis (Council Regulation) / Establishment of an evaluation mechanism to monitor the application of the Schengen acquis (Council Decision) – COELHO report – 2009/0033 (CNS) / 2009/0032 (CNS)

The Commission authorised Mr BARROT to present the Commission's point of view to Parliament, following the line set out in SP(2009)4330.

iii) Preparations for Conciliation Committee meeting on 4 November

(SPI(2009) 79)

- Common regulatory framework for electronic communications networks and services, access to and interconnection and authorisation of such networks and services (Directive) / Universal service, users' rights relating to 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 authorised Ms REDING to pursue contacts with Parliament and the Council in order to reach a compromise on a joint draft at the Conciliation Committee meeting on 4 November, following the line set out in SPI(2009)79.

4.2. RELATIONS WITH THE COUNCIL

iv) Programming of Council business

(SI(2009) 238)

The Commission took note of the information in SI(2009) 238 on the Council meetings between 15 and 28 October.

v) Negotiation of a free-trade agreement with the Association of South-East Asian Nations (ASEAN)

(SI(2009)235/3)

The Commission authorised Baroness ASHTON to give its agreement to any adaptation or revision of the negotiating directives in order to obtain the Member States' approval with a view to entering bilateral negotiations on a free-trade agreement with the Association of South-East Asian Nations (ASEAN), following the line set out in SI(2009)235/3.

4.3. RELATIONS WITH PARLIAMENT

vi) Results of Parliament's October I part-session

(SP(2009)4351)

The Commission took note of the information on Parliament's part-session held on 7 and 8 October in Brussels, set out in SP(2009)4351.

5. MONITORING THE APPLICATION OF COMMUNITY LAW

STATE AID – INDIVIDUAL CASES – RECAPITULATIVE LIST

(SEC(2009)1358; SEC(2009)1357)

The Commission adopted the decisions in SEC(2009)1358.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. *WRITTEN PROCEDURES APPROVED* (SEC(2009)1327 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 9 October.

6.2. *EMPOWERMENT* (SEC(2009)1328 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 9 October.

6.3. *DELEGATION AND SUBDELEGATION OF POWERS* (SEC(2009)1329 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 5 and 9 October, as archived in e-Greffe.

6.4. *SENSITIVE WRITTEN PROCEDURES* (SEC(2009)1330 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 12 and 16 October and of the "finalisation" written procedures initiated following the weekly meeting of Chefs de cabinet on 12 October.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2009)1326/2)

ADMINISTRATIVE MATTERS
(PERS(2009)119/2)

7.1. JOINT RESEARCH CENTRE – APPOINTMENT OF AD15 DIRECTOR

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, the Commission decided, under Article 7 of the Staff Regulations, to fill the post of Director of the Institute for Prospective Technological Studies, Seville, in the Joint Research Centre by transferring in the interest of the service Mr John BENSTED-SMITH, an AD15 official and currently Director, International Affairs II, in particular Enlargement, in DG Agriculture and Rural Development.

This decision would take effect on 1 May 2010.

7.2. DG EXTERNAL RELATIONS – EXTENSION OF THE EXTERNAL SERVICE: OPENING OF A DELEGATION IN ICELAND AND AN OFFICE IN LIBYA
(COM(2009)550 AND /2)

The Commission took note of the information set out at point 2 of PERS(2009)119/2 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER:

- approved the communication in COM(2009)550 for transmission to Parliament and the Council;
- approved the arrangements for developing and consolidating the external service network set out in COM(2009)550;
- authorised the Member of the Commission with responsibility for external relations and the European Neighbourhood Policy to sign the necessary establishment/international agreements.

These decisions would take effect immediately.

**7.3. DG EXTERNAL RELATIONS – APPOINTMENT OF AD14/15
PRINCIPAL ADVISER
(PERS(2009)12 TO /7)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii), Article 29(1)(b) and Article 29(2) of the Staff Regulations for the post of Principal Adviser in DG External Relations (PERS(2009)12 to /5).

The Commission took note of the opinions of the Consultative Committee on Appointments of 22 June and 2 July 2009 (PERS(2009)12/6 and /7).

It proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, it then decided to appoint Mr Timo PESONEN to the vacant post in question.

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

**7.4. DG PERSONNEL AND ADMINISTRATION – APPOINTMENT OF
RAPPORTEURS IN THE PROCEDURE FOR FILLING SENIOR
MANAGEMENT POSTS
(PERS(2009)120)**

The Commission noted the information at point 4 of PERS(2009)119/2 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, decided:

- to take note of the memorandum to the Commission in PERS(2009)120;
- to appoint six new rapporteurs, as listed in the Annex to PERS(2009)120, in accordance with Article 7 of the Commission decision laying down the rules of procedure for the Consultative Committee on Appointments.

These decisions would take effect on 1 January 2010.

**7.5. DG PERSONNEL AND ADMINISTRATION – DRAFT PROPOSAL FOR
A COUNCIL REGULATION (EC, EURATOM) ADJUSTING FROM
1 JANUARY 2010 THE EXPENSES SCALE FOR MISSIONS BY
OFFICIALS AND OTHER SERVANTS OF THE EUROPEAN
COMMUNITIES IN THE MEMBER STATES – CONCILIATION
PROCEDURE
(SEC(2009)1369/2)**

On a proposal from Mr KALLAS, in agreement with PRESIDENT, the Commission took note of the draft proposal for a Council Regulation (EC, Euratom), as set out in SEC(2009)1369/2, and authorised Mr KALLAS:

- to organise, on behalf of the Commission, a meeting with the trade unions and staff associations under the conciliation procedure;
- to ensure that the objectives and key components of the proposal were preserved;
- to inform the Commission of the results of this conciliation meeting;

These decisions would take effect immediately.

**8. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 81 OF
THE EC TREATY AND ARTICLE 53 OF THE EEA AGREEMENT
(COMP/39.416 – SHIP CLASSIFICATION)
(C(2009)7796 TO /4)**

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 28 September in C(2009)7796/3;
- took note of the final report of the Hearing Officer of 29 September in C(2009)7796/4;

- adopted in the authentic language (English) the decision in C(2009)7796, making the commitments offered by the addressees of the decision binding on them;
- decided that the decision in C(2009)7796 would be notified to the companies concerned, together with the final report of the Hearing Officer;
- empowered Mr KROES, Member of the Commission responsible for competition, in agreement with the PRESIDENT, to adopt the decisions necessary to implement the commitments attached to the decision in order to ensure that the undertakings concerned comply with those commitments;
- decided that the key parts of the decision, together with the Advisory Committee's opinions and the Hearing Officer's final report, would be published in the official languages of the Union in the *Official Journal of the European Union* (with business secrets and other confidential information removed);
- decided also to publish the decision on the internet (with business secrets and other confidential information removed).

9. TRENDS IN THE MEMBER STATES

(SEC(2009)1388)

The Commission took note of the information note from Ms WALLSTRÖM in SEC(2009)1388.

**10. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON JURISDICTION, APPLICABLE LAW, RECOGNITION AND ENFORCEMENT OF DECISIONS AND AUTHENTIC INSTRUMENTS IN MATTERS OF SUCCESSION AND THE CREATION OF A EUROPEAN CERTIFICATE OF SUCCESSION
(COM(2009)154 TO /4; SEC(2009)410 AND /2; SEC(2009)411; SEC(2009)412; SEC(2009)414)**

Mr BARROT presented the proposal for a Regulation making it easier to determine jurisdiction and applicable law in successions with a cross-border dimension, which he tabled for adoption. He noted that cross-border successions accounted for 10% of successions opened every year in Europe. He pointed out that the proposal followed a Green Paper published in 2005 and a detailed public consultation that confirmed the need for a Community instrument. The proposal struck the best possible balance and did not encroach upon the sphere of family law to the extent that it addressed solely questions relating to property, hence the legal basis selected, which allowed the European Parliament to be fully involved through the co-decision procedure.

The proposal provided for the application of a single criterion to determine both the jurisdiction of the authorities and the law applicable by default to a cross-border succession, that of the last habitual residence of the deceased, which would simplify matters since all property would be subject to a single law of succession. However, the Regulation also offered citizens the choice of the law applicable to their succession; citizens could choose to apply the law of the State of their nationality rather than the law of the State of their habitual residence. The proposal also provided for the introduction of a European Certificate of Succession, to be issued on application to the court with jurisdiction to settle the succession; this would allow citizens to prove their capacity as heirs or to execute the succession in any Member State.

Mr BARROT stressed that the proposal did not harmonise substantive law in the Member States; legislation on the existence of a reserved portion of the estate remained unchanged, as did tax law. He was convinced that the initiative would not only increase legal certainty but also offer the simplicity of a single applicable law

and the flexibility of choice between the law of the State of residence and the law of the State of nationality, thus making life easier for European citizens, at the same time respecting subsidiarity by leaving national law untouched.

The Commission then held a brief exchange of views, during which it emphasized the relevance of the proposal, in particular for people living in cross-border regions.

The PRESIDENT concluded by thanking Mr BARROT for the important proposal, which was a new practical measure relating to European citizenship.

After this presentation the Commission adopted the proposal for a Regulation in COM(2009)154/4 for transmission to Parliament, the Council and the European Economic and Social Committee, and to the national parliaments, together with the impact assessment and the summary thereof set out in staff papers SEC(2009)410 and /2 and SEC(2009)411 respectively, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Regulation, as set out in SEC(2009)412.

**11. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN CENTRAL BANK – LONG-TERM SUSTAINABILITY OF PUBLIC FINANCES FOR A RECOVERING ECONOMY
(COM(2009)545 TO /3; SEC(2009)1354; SEC(2009)1355)**

The PRESIDENT introduced the dossier being presented to the Commission by Mr ALMUNIA by underlining its importance in the context of preparing the strategies for exiting the economic crisis, in line with the conclusions of the G20. The communication dealt only with the long-term sustainability of public finances and did not consider either short-term developments or other areas, such as social policy. Given that the purpose of this report was to help raise awareness among governments, parliaments and the general public, he felt it was important to ensure

that Member States correctly understood the message, particularly in view of the exceptional nature of the current period of crisis, compared with previous exercises. He reiterated the importance of the Commission's role in budgetary supervision, above all in the context of the Stability and Growth Pact, and felt that the presentation needed to take account of the exact nature and implications of these analyses and forecasts.

Mr ALMUNIA presented the communication which he was tabling for approval and thanked the Members and departments concerned for their contribution to the final text, which took account of the constraints of the current economic situation and expectations regarding economic recovery and the emergence from the crisis. The situation remained highly uncertain, but some positive signs could now be detected, as the fiscal stimulus measures started to take effect. Once the recovery was properly under way it would still be necessary to tackle the negative consequences of the economic downturn, particularly in terms of unemployment and the high level of public debt, while also dealing with the medium and long-term challenges that pre-dated the crisis, such as globalisation, the ageing population, maintaining and funding systems of social protection and tackling climate change.

He then described the criteria and indicators that had been used to analyse the long-term sustainability of public finances, explaining that the forecasts produced on this basis were made assuming that policies remained unchanged. He emphasised that this was the fundamental message of the communication, which related specifically to the importance of implementing appropriate policies that would enable the authorities to take into account and if necessary revise these forecasts. This type of forecast was particularly useful at a time of crisis, when unemployment was compounding the problem of an ageing population and public debt was rising.

Mr ALMUNIA felt that it was important to present a clear and objective picture of the long-term problems and to encourage the Member States to pursue and implement the necessary reforms and take the decisions that had to be taken. However, a degree of caution was called for in the way these messages were communicated, and he suggested a number of amendments to the text that would reflect this but without changing the substance of the analysis. Drawing a parallel

with climate change forecasts, he stressed the importance of firm action now in order to achieve the desired results in the longer term and said that the Commission was best placed to transmit these messages to the Member States.

At the end of this presentation the PRESIDENT opened the debate by saying that while the substantive analysis and the essential messages remained unchanged, steps needed to be taken to ensure that the different elements of the communication were properly presented, particularly as regards the proposed risk categorisation.

The Commission approved the substance of the communication and held a debate on the following aspects:

- the relevance of the analyses presented in the communication, which were in line with the IMF's research and the conclusions of the G20, and the messages which it contained for the Member States;
- confirmation of the role the Commission should play, as the only body capable of encouraging the Member States and supporting them in the implementation and pursuit of the structural reforms that were essential;
- the importance of taking measures now to tackle the major challenges that lay ahead, particularly the ageing of the population, the adjustments to pension systems and solidarity between the generations;
- the need for the right balance between conveying the message about the cumulative long-term risks arising from the economic crisis and the ageing of the population, on the one hand, and communicating the need for a policy response in all the Member States, on the other; in this connection, the support which this objective message from the Commission could provide to Member States likely to face opposition at home and criticism of the aims of the reforms and the need for them;
- on the other hand, some concern about the political sensitivity of this type of message at a time of crisis; the need also to take into account the necessarily

uncertain nature of the forecasts and the possible impact on the ability of the Member States in question to consolidate their budgets;

- consequently, the importance of retaining the message about the reforms needed, but at the same time of presenting these analyses and forecasts very carefully and ensuring effective communication and a clear explanation of the criteria on which this assessment of the long-term risks was based.

Mr ALMUNIA replied to these comments by reiterating the Commission's responsibility in the area of budgetary supervision and the long-term sustainability of public finances. At the same time, the Commission sought to safeguard competition and the social model and was fully committed to the fight against climate change and tackling the problems caused by demographic trends and globalisation. He mentioned the markets' own practices in the area of risk assessment, which were based on their own criteria and essentially short-term concerns, rather than the long-term perspective adopted by the Commission document under discussion. However, it was important properly to explain the methodology underlying these analyses and clearly to identify the challenges that lay ahead. Finally, he said that the forecasts would be regularly revised, in the light of the decisions taken and the policies actually implemented in the Member States.

The PRESIDENT concluded that there was a consensus within the Commission on the substance of the message contained in the communication as regards the challenges facing the European economies and the need for governments to implement the essential reforms. The Commission had to be rigorous in performing its budgetary supervision role, while being very careful about how it conveyed the messages in order to ensure that they were well-received and helped to secure positive results in the Member States.

He wound up the debate by noting the Commission's support for the communication and its agreement to the introduction of the following changes to the English-language version of COM(2009)545/3:

- the title of the communication should be:

"Long-term sustainability of public finances for a recovering economy";

- the first sentence of paragraph 7 should read:

"Sustainability relates to the ability of a government to assume the financial burden of its debt in the future.";

- the second sentence of paragraph 13 should read:

"However, there are large variations across the Member States in terms of the degree of long-term risk that they are exposed to and the sources of that risk.";

- paragraph 14 should read:

"On the basis of the quantitative sustainability indicators [footnote], the sensitivity analysis of the underlying assumptions and additional factors, such as debt, government assets and pension projections, an overall assessment of the long-term risks to public finance sustainability the different Member States might face is reached. [footnote] Based on this methodology and following the approach developed in the 2006 Communication, and as presented in that communication and endorsed in the ECOFIN Council conclusions of November 2006, Member States are classified into categories depending on the degree of long-term risks they face and where these risks mainly come from. In its conclusions the Council also considered that the categorisation used in the sustainability report provides an important tool to assess the sustainability challenges that Member States are facing.";

- paragraph 15 should read:

"Bulgaria, Denmark, Estonia, Finland and Sweden have relatively stronger budgetary positions and have undertaken comprehensive pension reforms in recent years. Though the crisis is leading to a deterioration in government balances and a substantial increase in government debt ratios of each of these countries, their structural fiscal positions remain sounder than in most other EU countries and present, therefore, a low long-term risk. In Bulgaria, Denmark, Estonia and Sweden, the increase in age-related expenditure over the next decades is projected

to be well below the EU average. In Finland, the projected increase in expenditure is substantial and the fiscal cost of the crisis has been large. However, the large stock of financial assets in the social security portfolio provides a cushion to absorb a deterioration in government accounts.";

- the first sentence of paragraph 16 should read:

"Belgium, Germany, France, Italy, Hungary, Luxembourg, Austria, Poland and Portugal are countries with very different characteristics in relation to their initial budgetary position and age-related expenditure.";

- the last sentence of paragraph 17 should read:

"In general, for this group of countries the long-term sustainability risk is medium.";

- paragraph 18 should read:

"The sustainability gaps of the Czech Republic, Cyprus, Ireland, Greece, Spain, Latvia, Lithuania, Malta, the Netherlands, Romania, Slovenia, Slovakia and the United Kingdom are all above 6 percent of GDP; over double that level in Ireland, Greece, Spain, Slovenia and the United Kingdom. In nearly all of these countries, the sustainability gaps are the result of a very large projected increase in age-related expenditure, compounded in most cases by large initial imbalances, and hence they are exposed to a higher long-term risk. This indicates that closing their gaps will require both ambitious consolidation programmes that reduce debts and deficits in the coming years, and profound reforms of social protection. This is particularly the case for Greece, which faces the second highest increase in age-related expenditure of the entire EU, while its very high debt ratio adds to the concerns on sustainability. The possible continuing effects of the crisis on the budgetary position and on medium-term growth are a serious concern for most of the high risk countries – in particular, Ireland, Greece, Latvia, Spain and United Kingdom – for whom avoiding a very fast increase in debt ratios is a policy challenge already in a medium-term perspective.";

- paragraph 19 should read:

"In many countries, there has been a deterioration in sustainability in comparison with previous assessments. Compared with the 2006 situation, the sustainability gaps are larger in most countries and ten of them (Ireland, Spain, Latvia, Lithuania, Malta, the Netherlands, Austria, Poland, Slovakia and the United Kingdom) are now in a higher risk category. In the case of the countries most hit by the crisis, the deterioration in sustainability gaps is particularly severe. However, thanks to consolidation and pension reform, Hungary and Portugal have shifted from the higher to the medium-risk group of countries.";

– the third to last sentence of paragraph 29 should read:

"Increases in the effective retirement age that reflect gains in longevity are being contemplated in several Member States and merit wider consideration."

Subject to the inclusion of these amendments and to a final general clean-up of the text, the Commission approved the communication in COM(2009)545/3 for transmission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Central Bank, and to the national parliaments, together with the document in staff paper SEC(2009)1354, the contents of which were noted.

12. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND TO THE COUNCIL – ENLARGEMENT STRATEGY AND MAIN CHALLENGES 2009-2010

2009 PROGRESS REPORTS FOR ALBANIA, BOSNIA AND HERZEGOVINA, CROATIA, THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA, MONTENEGRO, SERBIA, KOSOVO (UNDER UNITED NATIONS SECURITY COUNCIL RESOLUTION 1244 OF 10 JUNE 1999) AND TURKEY

(COM(2009)533 TO /4; SEC(2009)1337 TO /3; SEC(2009)1338 TO /3; SEC(2009)1333 AND /2; SEC(2009)1335 AND /2; SEC(2009)1336 AND /2; SEC(2009)1339 TO /3; SEC(2009)1340 TO /3; SEC(2009)1334 TO /3; SEC(2009)1345)

**13. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – KOSOVO (UNDER UNITED NATIONS SECURITY COUNCIL RESOLUTION 1244 OF 10 JUNE 1999) – FULFILLING ITS EUROPEAN PERSPECTIVE
(COM(2009)534 TO /4; SEC(2009)1345)**

The PRESIDENT briefly described the general background to this communication on enlargement, referring more particularly to the renewed consensus on enlargement endorsed by the December 2006 European Council and the outcome of the policy debate held during the Commission's working breakfast on 30 September. He thanked Mr REHN and the departments concerned for their excellent work when preparing this important dossier.

Mr REHN presented the two communications which he was tabling for approval together with the eight progress reports forming part of this "enlargement package". He referred to the key principles of the renewed consensus on enlargement, in particular the consolidation of commitments, conditionality and communication, combined with the EU's capacity to integrate new members.

As a result of the events of 2009, the communication on the enlargement strategy

focused in particular on certain cross-cutting questions such as the response to the economic crisis, the rule of law, the reinforcement of the fight against corruption and organised crime, and freedom of expression. There had been an increase in bilateral issues which must be solved promptly on a bilateral basis, in a neighbourly spirit and with due regard for the European Union's general interest.

Referring to the important contribution made by the proposal on the establishment of a visa-free regime for the Former Yugoslav Republic of Macedonia (FYROM), Mr REHN said that similar proposals might be tabled for Albania, Bosnia and Herzegovina and, in due course, Kosovo.

Mr REHN briefly reviewed the progress made by each one of the countries concerned. In relation to Croatia, he underlined the positive developments regarding the settlement of the border dispute with Slovenia, and thanked the PRESIDENT and Mr POTOČNIK for their contributions. He reiterated his conviction that, if Croatia met all the conditions, the accession negotiations could be concluded in 2010.

Turning to the situation of the FYROM, he said that there had been considerable progress in fulfilling the criteria relating to the Stabilisation and Association Agreement obligations, political dialogue, police reform, the judicial system, the fight against corruption, the reform of the public administration, employment, the economic environment and standards for democratic elections. He concluded by saying that, in view of the efforts made, the launching of accession negotiations could be recommended, but that the FYROM must be given continued encouragement to commit itself actively to a negotiated, mutually-accepted solution to the problem of the country's name.

Mr REHN referred to the Commission opinion currently being drafted on Montenegro's accession application pursuant to Article 49 of the Treaty on European Union, and to the possibility of preparing the same kind of opinion for Albania once the Council requested this.

Politicians from Bosnia and Herzegovina had, under the aegis of the Commission,

recently met representatives of the current Council Presidency and the United States. Mr REHN recalled the conditions laid down for an accession application from Bosnia and Herzegovina, namely the full implementation of the Dayton peace agreement obligations and the closure of the Office of the High Representative, together with the constitutional reforms which were necessary if the country was to be granted the status of a candidate country. He said that responsibility for the country's progress towards such an application lay with its political leaders.

Serbia had made progress despite the economic crisis; the Interim Agreement with this country should be implemented shortly by the European Union.

Little progress had been made by Kosovo, which was also facing major challenges in terms of combating corruption and organised crime, and guaranteeing the rule of law. It was important to examine Kosovo's long-term European perspective, in particular by identifying the Community instruments that could be used to sustain the momentum of peace and stability in the region. There was also the possibility of an easing of the visa regime once the relevant conditions were met, and the signing of a trade agreement in due course.

In the case of Turkey, progress had been made in relation to judicial matters and to foreign policy and security, mainly because of the conclusion of agreements on the Nabucco energy project and with Armenia. Further efforts would have to be made, however, in particular as regards fundamental rights, finding a comprehensive solution to the Cyprus question and the implementation of the Ankara protocol. The principles applying to good neighbourhood relations would also have to be respected.

Mr REHN concluded by thanking the Commission Members and all the departments involved, in particular Mr BARROT, for their close cooperation when preparing the dossier.

In the ensuing discussion the following points were raised:

In relation to general issues

- certain specific developments which had occurred recently, for instance Iceland's accession application and the progress in the negotiations with Croatia;
- the importance of the message conveyed to the candidate and potential candidate countries and to Member States, and the positive momentum created by the accession process in the countries concerned;
- the priority to be given to solving bilateral issues where possible before the start of the accession negotiations, and the importance of ensuring that the candidate countries' process of negotiation and adoption of Community legislation moved ahead irrespective of the need to resolve bilateral disputes;
- compliance with the timetable laid down for the introduction of the visa-free regime, and the importance of the border question in terms of implementing provisions relating to the Schengen area;
- concerns about the position of women and children in society in some of the countries involved.

In relation to the Western Balkans

- the importance of a concrete perspective in order to conclude the accession negotiations with Croatia, and the acknowledgement of the progress made lately by this country, in particular as regards the encouraging steps towards solving the border dispute with Slovenia and specific issues connected with State aid for shipyards;
- in relation to the FYROM, the need to ensure the sustainability of reforms and the effective implementation of the legislation adopted, not forgetting the request for prior progress on the question of the country's name;
- the importance of Bosnia and Herzegovina in ensuring the stability of the Western Balkans as a whole;

- the prospect of easing the visa regime for Kosovo, and the fact that several Member States had not recognised Kosovo's independence;
- the need for a debate on future relations between Serbia and Kosovo.

In relation to Turkey

- the observation that progress had been made in certain areas such as the historic signing of protocols establishing normal relations with Armenia, and in the health sector;
- on the other hand, the lack of progress on Turkey's part since 2006 in certain other important areas, in particular implementation of the Ankara protocol and food safety;
- the various bilateral conflicts that persisted, repeated violations of Greek airspace by Turkish military aircraft and the authorisations issued by the Turkish authorities for research to be carried out over the Greek continental shelf;
- a request for a reference to be made to the recent judgment of the Court of Justice of the European Communities concerning the acquisition and inheritance of property in Turkey by European citizens, in addition to the existing reference to the case law of the European Court of Human Rights;
- the priority to be attached to implementation of the bilateral readmission agreement between Turkey and Greece pending the conclusion of an agreement between Turkey and the European Union;
- the importance of resolving the Cyprus question and the contribution Turkey could make in that respect;
- the political situation in northern Cyprus.

Winding up the exchange of views, the PRESIDENT stressed the importance of maintaining the positive momentum of the enlargement process, which had brought the Union great overall benefits. He stressed the leading role played by the

Commission in this context. In his view, it was vital to send out messages of encouragement to the countries concerned, while insisting on strict compliance with the criteria that had been defined and with the commitments that had been made.

He noted the Commission's support for the Communication on enlargement strategy and its agreement on the following amendments to the English-language version of COM(2009)533/4:

- in section 4.1 *“Steering the candidate countries and potential candidates towards the EU”*, the ninth paragraph under the heading *“Turkey”*, on page 17, should read as follows:

“Turkey plays a key role in regional security and the promotion of dialogue between civilisations. Turkey has taken initiatives to contribute to stabilisation in the Southern Caucasus, the Middle East and other regions. It participates in a number of EU peace-keeping missions. Significant diplomatic efforts to normalise relations with Armenia were made, resulting in the historic signature of protocols for the normalisation of relations in October 2009. It is important that these protocols are swiftly ratified by both countries.”;

- in Chapter 5, *“Conclusions and Recommendations”*, on page 19, point 7 concerning Croatia should read as follows:

“Croatia has made good progress in meeting the benchmarks set in the accession negotiations. This progress was noted by the Accession Conference in October 2009, following the political agreement of September 2009 between Slovenia and Croatia on the handling of the border issue. This was a significant step forward giving new impetus to the accession negotiations. Croatia needs to pursue reform efforts, in particular on the judiciary and public administration, the fight against corruption and organised crime, minority rights, including refugee return, war crimes trials. Croatia needs to settle the issue of access to documents for ICTY. If Croatia meets all outstanding conditions, the accession negotiations could be concluded next year.”;

- Also in Chapter 5, “*Conclusions and Recommendations*”, on page 19, point 8 concerning the FYROM should read as follows:

“The former Yugoslav Republic of Macedonia has substantially addressed the key priorities of the accession partnership. On this basis, and in view of the overall progress of reforms, the Commission considers that the country sufficiently fulfils the political criteria set by the Copenhagen European Council in 1993 and the Stabilisation and Association Process. The country has moved closer towards becoming a functioning market economy and has made progress in a number of areas linked to its ability to take on the obligations of membership.

In the light of the above considerations and taking into account the European Council conclusions of December 2005 and December 2006, the Commission recommends that negotiations for accession to the European Union should be opened with the Former Yugoslav Republic of Macedonia.

Maintaining good neighbourly relations, including a negotiated and mutually accepted solution to the name issue, under the auspices of the UN, remains essential.”;

- still in Chapter 5, “*Conclusions and Recommendations*”, on page 20, point 14 concerning Turkey should read as follows:

“Turkey needs to build on the renewed political reform efforts which have begun. The accession negotiations have reached a more demanding stage requiring Turkey to step up its efforts in meeting relevant conditions. The EU accession process provides a strong incentive for Turkey to strengthen democracy and human rights, further modernise the country and bring the country closer to the EU. Turkey plays a key role in regional security, energy supply and the promotion of dialogue between civilisations. Significant diplomatic efforts to normalise relations with Armenia were made, resulting in the historic signature of protocols for the normalisation of relations in October 2009. Turkey needs to ensure full, non-discriminatory implementation of the

Additional Protocol to the Association Agreement and to make progress towards the normalisation of relations with the Republic of Cyprus. The EU will continue to follow up and review progress made on the issues covered by the Declaration of 21 September 2005, in accordance with the Council Conclusions of 11 December 2006. Good neighbourly relations remain key.”.

Subject to the above amendments, the Commission approved the Communication in COM(2009)533/4 for transmission to Parliament and the Council and to the national parliaments, together with the follow-up reports concerning Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Kosovo (under the terms of UN Security Council Resolution 1244) and Turkey, in staff papers SEC(2009)1337/2 and /3, SEC(2)1338/2 and /3, SEC(2008)1333/2, SEC(2009)1335/2, SEC(2009)1336/2, SEC(2009)1339/2 and /3, SEC(2009)1340/2 and /3 and SEC(2009)1334/3 respectively, the contents of which were noted.

The Commission also approved the communication in COM(2009)534/4, for transmission to the European Parliament and the Council, and to the national parliaments.

14. OTHER BUSINESS

POLITICAL SITUATION IN THE CZECH REPUBLIC

The PRESIDENT reported to the Commission on his meeting with the Czech Prime Minister on 13 October concerning the Lisbon Treaty ratification process. He had also informed the current Council Presidency about the meeting.

Following this information, the Commission held a brief exchange of views on the state of play in the process for ratification of the Lisbon Treaty by the Czech Republic.

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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 12.47.