



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2010)1935 final

Strasbourg, 23 November 2010

MINUTES
of the 1935th meeting of the Commission
held in Brussels
(Berlaymont)
on Tuesday 9 November 2010
(afternoon)

PV(2010)1935 final

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Single sitting: Tuesday 9 November 2010 (afternoon)

The sitting opened at 15.05 with Mr Barroso, President, in the chair.

Present:

Mr BARROSO	President	
Baroness ASHTON	High Representative/ Vice-President	Items 1 to 11 (in part)
Ms REDING	Vice-President	Items 1 to 11 (in part)
Mr ALMUNIA	Vice-President	Items 1 to 11 (in part)
Mr KALLAS	Vice-President	
Ms KROES	Vice-President	Items 8/9/10 (in part)
Mr TAJANI	Vice-President	
Mr POTOČNIK		
Mr PIEBALGS		
Mr BARNIER		Items 8/9/10 (in part) and 11
Ms VASSILIOU		Items 1 to 11 (in part)
Mr ŠEMETA		
Mr DE GUCHT		Items 1 to 8/9/10 (in part)
Mr DALLI		
Ms GEOGHEGAN-QUINN		
Mr LEWANDOWSKI		Items 8/9/10 (in part) and 11
Ms DAMANAKI		
Ms GEORGIEVA		Items 1 to 11 (in part)
Mr OETTINGER		Items 1 to 11 (in part)
Mr HAHN		
Ms HEDEGAARD		
Mr FÜLE		Items 1 to 10
Mr ANDOR		
Ms MALMSTRÖM		
Mr CIOLOŞ		

Absent:

Mr ŠEFČOVIČ

Vice-President

Mr REHN

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

Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ
Mr PESONEN	Chef de cabinet to Mr REHN

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr SØRENSEN	Director-General, DG Communication	Items 8 to 11
Ms AHRENKILDE HANSEN	Commission Spokeswoman	Items 1 to 8/9/10 (in part) and 11
Mr GRAY	DG Communication – Commission Spokesman's Service	Items 8/9/10 (in part)
Mr THEBAULT	Head of the Bureau of European Policy Advisers	
Mr FRUTUOSO DE MELO	Deputy Chef de cabinet to the PRESIDENT	
Mr SOBRAL	A member of the PRESIDENT's staff	Items 8 to 10
Ms SUTTON	A member of the PRESIDENT's staff	Item 11
Mr SELMAYR	Chef de cabinet to Ms REDING	Item 11 (in part)
Mr MORDUE	Chef de cabinet to Mr FÜLE	Items 1 to 10
Mr LEIGH	Director-General, DG Enlargement	Items 1 to 10

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

The PRESIDENT made a number of points about the organisation of the Commission's work. In view of the large number of substantive issues due to feature on the agenda of the Commission's weekly meetings between now and the end of the year, he had decided that the meeting of Wednesday 17 November would continue on the morning of Thursday 18 November, the meeting of 8 December might take the whole day, if necessary, and a meeting would have to be scheduled for Tuesday 21 December. These changes to the timetable for Commission meetings were in response to the request by a majority of Members to have enough time for in-depth discussion. He therefore asked the Members of the Commission to make the necessary arrangements to ensure they could attend these meetings.

Turning to the process of preparing certain politically sensitive dossiers in the Commission, he said that the special measures that had been taken were justified because of the risks of leaks associated with such cases. He deplored the fact that such problems had occurred again recently, in relation to an important competition case and a debate in the Commission meeting. He stressed that the disclosure of sensitive information undermined collective responsibility and the credibility of the institution and expressed his determination to punish those responsible for such breaches. Referring more specifically to competition cases, he suggested that the special meetings of Chefs de cabinet convened to fix the level of fines should in future be held on the morning of the Commission meetings, in order to leave less scope for information to be divulged before the Commission had adopted the decision.

* * *

1. AGENDAS

(OJ(2010)1935/4; SEC(2010)1294/2)

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(2010)1935)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 8 November.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1934TH MEETING (27 OCTOBER)

The Commission held over approval of the minutes of its 1934th meeting for the following week.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2010)1297 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 25 October and 5 November.

4.2. EMPOWERMENT

(SEC(2010)1298 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 25 October and 5 November.

4.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2010)1299 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 25 October and 5 November, as archived in e-Greffe.

4.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2010)1300 AND /3)

The Commission took note of the sensitive written procedures for which the time limit expired between 8 and 12 November and of the "finalisation" written procedures initiated following the weekly meeting of Chefs de cabinet on 25 October and 8 November.

5. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2010)1296)

ADMINISTRATIVE MATTERS

(PERS(2010)154)

**5.1. DG ECONOMIC AND FINANCIAL AFFAIRS – APPOINTMENT OF
AD15/16 DEPUTY DIRECTOR-GENERAL**

(PERS(2010)85 TO /4)

The Commission had before it the application under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General in DG Economic and Financial Affairs (PERS(2010)85 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 17 and 30 September (PERS(2010)85/3 and /4).

The Commission proceeded to consider the applicant's qualifications for the post. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr REHN, it then decided to appoint Mr Servaas DEROOSE to the post.

This decision would take effect on 16 November 2010.

**5.2. PUBLICATIONS OFFICE – APPOINTMENT OF AD14 DIRECTOR
(EU-6)
(PERS(2010)92 TO /4)**

The Commission had before it applications under Article 29(2) of the Staff Regulations for the post of Director, 'Official Journal and Research', in the Publications Office (PERS(2010)92 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 27 September and 14 October (PERS(2010)92/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms REDING, it then decided to appoint Ms Eva BENOVA to the post.

This decision would take effect on 1 December 2010.

**5.3. DG AGRICULTURE AND RURAL DEVELOPMENT – APPOINTMENT
OF AD14/15 DIRECTOR
(PERS(2010)76 TO /4)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director, 'International Affairs II, in particular enlargement', in DG Agriculture and Rural Development (PERS(2010)76 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 3 and 23 September (PERS(2010)76/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr CIOLOŞ, it then decided to appoint Mr John CLARKE to the post.

This decision would take effect on 1 December 2010.

**5.4. DG HOME AFFAIRS – LIST OF CANDIDATES FOR THE AD14 POST OF EXECUTIVE DIRECTOR OF THE EUROPEAN ASYLUM SUPPORT OFFICE (EASO)
(PERS(2010)103 AND /2)**

Having noted the procedure followed, as set out in point 4 of PERS(2010)154, the Commission, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms MALMSTRÖM, decided:

- to approve the list of three candidates, presented in order of priority, set out in point 4 of PERS(2010)154;
- to consider this list as the Commission proposal under Article 30 of Regulation (EU) No 439/2010 of the European Parliament and of the Council;
- to ask Ms MALMSTRÖM to communicate this list to the Management Board of the European Asylum Support Office.

These decisions would take effect immediately.

**5.5. DG JUSTICE (FORMERLY DG JUSTICE, FREEDOM AND SECURITY)
– TEMPORARY POSTING AS DIRECTOR**

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms REDING, the Commission decided, under Article 7(2) of the Staff Regulations, to grant a temporary posting as Director, 'Justice', in the former DG Justice, Freedom and Security to Mr Alain BRUN, an AD14 official and adviser in that DG, from 1 June to 31 December 2009.

This decision would take effect immediately.

5.6. DG JUSTICE – TEMPORARY POSTING AS DIRECTOR

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms REDING, the Commission decided, under Article 7(2) of the Staff

Regulations, to grant a temporary posting as Director, 'Civil justice', in DG Justice to Mr Alain BRUN, an AD14 official and adviser in that DG, from 1 July 2010 until such time as the post was filled, but in principle without exceeding the maximum period of one year laid down in the Staff Regulations.

This decision would take effect immediately.

5.7. *DG EDUCATION AND CULTURE – TEMPORARY POSTING AS DIRECTOR*

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms VASSILIOU, the Commission decided, under Article 7(2) of the Staff Regulations, to grant a temporary posting as Director, 'Culture and media', in DG Education and Culture to Mr Xavier TROUSSARD, an AD12 official and head of unit in that DG, from 1 June 2010 until such time as the post was filled, but in principle without exceeding the maximum period of one year laid down in the Staff Regulations.

This decision would take effect immediately.

5.8. *SECRETARIAT-GENERAL – TEMPORARY POSTING AS DIRECTOR*

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, the Commission decided, under Article 7(2) of the Staff Regulations, to extend the temporary posting as Director, 'Relations with the European Parliament, the European Ombudsman, the European Economic and Social Committee, the Committee of the Regions and national parliaments', in the Secretariat-General of Mr Panayotis ANASTOPOULOS, an AD13 official and head of unit in the Secretariat-General, until the post was filled, taking into account the interest of the service and the need to ensure fair treatment of the official concerned.

This decision would take effect immediately.

**5.9. TRANSITIONAL PROVISIONS FOR THE AUTHORISATION AND IMPLEMENTATION OF EXPENDITURE INCURRED BY THE EUROPEAN EXTERNAL ACTION SERVICE
(SEC(2010)1381)**

The Commission took note of the information in point 9 of PERS(2010)154 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, Baroness ASHTON and Mr LEWANDOWSKI, decided to approve the decision by the Commission and the High Representative for Foreign Affairs and Security Policy, as set out in SEC(2010)1381, and to authorise Mr LEWANDOWSKI to sign that decision on behalf of the Commission.

These decisions would take effect immediately.

**5.10. EUROSTAT – APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS (SECOND STAGE) WITH RESPECT TO AN AD15 OFFICIAL
(PERS(2010)155)**

The Commission continued its discussions on this matter begun at the meeting on 29 September 2010 (PV(2010)1930).

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, the Commission adopted the decision in PERS(2010)155 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations with respect to Mr Michel GLAUDE, an AD15 official and currently Director, 'Quality, methodology and information systems' in DG Eurostat.

This decision would take effect on 1 December 2010.

**5.11. SECRETARIAT-GENERAL – ACTIVITIES OF A MEMBER OF THE COMMISSION AFTER LEAVING OFFICE
(SEC(2010)1374)**

The Commission approved the communication in SEC(2010)1374 concerning the activities planned by Ms KUNEVA after leaving the Commission. It

concluded that these activities were compatible with the second paragraph of Article 245 of the Treaty on the Functioning of the European Union.

6. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 101 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION, ARTICLE 53 OF THE EEA AGREEMENT AND ARTICLE 8 OF THE AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND THE SWISS CONFEDERATION ON AIR TRANSPORT (CASE COMP/39258 – AIR FREIGHT)
(C(2010)7694 TO /19; SEC(2010)1382)

The Commission:

- took note of the opinions of the Advisory Committee on Restrictive Practices and Dominant Positions of 4 September 2009 and 5 November 2010 in C(2010)7694/3 and /7;
- took note of the final report of the Hearing Officer of 14 April in C(2010)7694/4;
- adopted, in the authentic languages (Dutch, English and French), the decision set out in C(2010)7694/5 finding that the companies to which the decision was addressed had infringed Article 101 of the Treaty on the Functioning of the European Union, Article 53 of the Agreement on the European Economic Area and Article 8 of the Agreement between the European Community and the Swiss Confederation on air transport, and imposing fines on those companies totalling €799 445 000;
- decided that the decision in C(2010)7694/8 to /19 would be notified to the companies concerned, together with the final report of the Hearing Officer;
- 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).

**7. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN INVESTMENT BANK, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – CONCLUSIONS OF THE FIFTH REPORT ON ECONOMIC, SOCIAL AND TERRITORIAL COHESION – THE FUTURE OF COHESION POLICY
(COM(2010)642 TO /4; SEC(2010)1348; SEC(2010)1349)**

The Commission approved the communication presenting the conclusions of the fifth report on economic, social and territorial cohesion and the key ideas for the future direction of cohesion policy, set out in COM(2010)642/4, for transmission to Parliament, the Council, the European Investment Bank, the Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments, together with the staff working paper in SEC(2010)1348, the contents of which were noted.

**8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND TO THE COUNCIL – ENLARGEMENT STRATEGY AND MAIN CHALLENGES 2010-2011
(COM(2010)660 TO /4; SEC(2010)1326 AND /2; SEC(2010)1327 TO /3; SEC(2010)1328 AND /2; SEC(2010)1329 AND /2; SEC(2010)1330 AND /2; SEC(2010)1331 AND /2; SEC(2010)1332 AND /2; SEC(2010)1325; SEC(2010)1338)**

9. COMMISSION OPINION ON ALBANIA'S APPLICATION FOR MEMBERSHIP

(COM(2010)680 TO /4; SEC(2010)1335 AND /2; SEC(2010)1325; SEC(2010)1338)

10. COMMISSION OPINION ON MONTENEGRO'S APPLICATION FOR MEMBERSHIP

(COM(2010)670 TO /4; SEC(2010)1334 AND /2; SEC(2010)1325; SEC(2010)1338)

The PRESIDENT introduced the communication and the two opinions which Mr FÜLE was tabling for approval, reminding the meeting of the fruitful debate on enlargement policy that had taken place on 27 October, which had helped to provide a framework and set the political tone for these documents. He thanked Mr FÜLE for the effort he had made to incorporate the results of that debate in particular in the strategy document.

He stressed that the enlargement process needed to be credible and rigorous, and that strict conditions therefore needed to be imposed, but he also emphasised the need to move forward once those conditions had been fulfilled by the countries concerned.

The PRESIDENT also stressed the importance of taking political realities and public perceptions into account, and highlighted the crucial role of communication in relation to this matter. He reminded the meeting that although enlargement policy so far had been a success, past achievements were not a guarantee of future success, which made it vital for the Commission to steer and manage the process on an ongoing basis.

He then invited Mr FÜLE to present his conclusions and recommendations, and expressed his satisfaction that the thoroughness of the preparatory work had allowed the number of questions for debate that day to be reduced.

Mr FÜLE first of all thanked the Commission Members for their close cooperation, and confirmed that he had made every effort to ensure that the documents being presented that day reflected the broad thrust of the policy debate. In particular he thanked Ms MALMSTRÖM for her cooperation as regards visa liberalisation, Ms REDING for her help on judicial and fundamental rights issues and the results achieved in this area, and Baroness ASHTON, with whom he had worked closely.

He then reported on the recommendations made in the opinions on Montenegro and Albania respectively, stressing that they were based on a detailed analysis of the progress made by each of these two countries, which revealed significant differences between them.

Mr FÜLE emphasised the crucial importance of respecting the political criteria for recommending the opening of accession negotiations, and noted that, while both countries had made progress, there were still some questions to be resolved before such a recommendation could be envisaged, particularly in relation to the rule of law.

He explained however that, as the opinion on Montenegro recognised that a certain amount of progress had been made in this area, particularly as regards the introduction of a legal and institutional framework in conformity with EU law, and also noted its constructive role in regional and interethnic relations, it could be recommended to the Council that Montenegro be granted the status of candidate country. He considered that this action constituted just recognition of the efforts Montenegro had made and would be an important signal to the country and the whole region.

In the case of Albania, progress towards the political criteria had also been noted, paving the way for visa liberalisation, and while the country had also played a positive role in regional relations, Mr FÜLE regretted that advances had been hindered by the internal political situation, which was compromising the stability of the institutions and the proper functioning of the parliament and blocking the adoption of essential reforms. As these issues constituted a major obstacle to

achieving the Copenhagen criteria, Mr FÜLE concluded that the status of candidate country could not be recommended for Albania.

He also pointed out that, in both cases, the opinions laid down clear priorities concerning the work which still needed to be done before a recommendation to begin accession negotiations could be made.

Concerning the report on Croatia, Mr FÜLE noted that good progress had been made towards achieving the accession criteria and that the negotiations had entered the final stage. The key point now was to ensure that Croatia satisfied the final criteria, particularly in the areas of the judiciary and fundamental rights, after which it would be possible to envisage dates for the conclusion of negotiations and accession.

As regards Turkey, the picture was less clear. The process of political reform was ongoing and the constitution had been reformed, but additional progress was needed in the field of fundamental rights, particularly as regards freedom of expression, democratisation and participation of all of the key stakeholders in the reform process. Mr FÜLE noted that efforts in this regard and towards achieving the requirements of the negotiation process would speed up the negotiations and stressed the importance of the full and non-discriminatory implementation by Turkey of the additional protocol to the association agreement, and the vital need for progress towards the normalisation of bilateral relations with Cyprus.

With regard to the former Yugoslav Republic of Macedonia, Mr FÜLE said there had been uneven progress but unchanged respect for the political criteria. While the Commission recommendation to open accession negotiations still stood, it was still essential to find a solution to the country name issue.

Turning to Serbia, Mr FÜLE noted that work was continuing on the programme of political reform, that cooperation with the EU on the UN resolution on Kosovo was ongoing and that significant efforts had been made towards reconciliation. He stressed the significance of the Council's request for the Commission to give an opinion on Serbia's application for membership; this opinion was being prepared

and the document could form part of the 2011 enlargement package. He emphasised however that full cooperation with the International Criminal Tribunal for the former Yugoslavia remained a prerequisite for Serbia's accession.

Mr FÜLE then outlined the need, in the case of Kosovo, to make progress on implementing the initiatives presented in the 2009 communication, without prejudice to the question of status, and in particular to start dialogue on visa liberalisation, to help Kosovo overcome the shortcomings standing in the way of a trade agreement, and to improve Kosovo's participation in EU programmes.

With regard to Bosnia and Herzegovina, he briefly mentioned the need for the country to improve reform of its internal governance and not to lag behind its neighbours.

Lastly, with regard to Iceland, he announced the start of the process of analytical examination of the acquis following the opening of accession negotiations in July, and pointed out that the report had highlighted the need for Iceland, like all the other countries, to respect its existing contractual obligations, in particular the Agreement on the European Economic Area (EEA).

Mr FÜLE ended by thanking all the Commission Members, the Secretary-General and their departments for their excellent cooperation.

The Commission then expressed its broad support for the proposed approach, which was a fair reflection of the results of the recent policy debate, and raised the following main points:

- the significance of enlargement policy as a whole – one of the EU's successes – particularly in safeguarding stability and security in Europe and helping to drive forward reforms in the countries concerned; a reminder that this policy was the result of a long-term commitment by the Member States and that the Commission's duty was to carry this process through to a conclusion;
- the importance from this point of view of striking the right balance between the aspirations of candidate countries and potential candidate countries, which

should be offered a European perspective, and the need to maintain credibility in the eyes of Member States' citizens as regards compliance with the rules and requirements of the process;

- the importance of stressing that progress towards enlargement must also be analysed from an economic perspective;
- the need to take account of European public opinion, which was showing some signs of fatigue towards enlargement, a phenomenon that must be countered through communication on enlargement issues in order to explain and highlight the mutual benefits; mention was made here of the role of the Commission's representation offices;
- recognition of both the positive impact of the process on reforms in the countries concerned and the importance of an objective assessment of progress achieved so as to guarantee the credibility of the process; hence the relevance of the recommendations proposed for Montenegro and Albania, although greater emphasis should be placed on the efforts made by Albania and prudence was required in pursuing the process in general and vis-à-vis Montenegro in particular;
- the special nature of the Western Balkans region and its role in Europe's stability and security as a whole, as well as recognition of the EU's responsibility in that region and hence (1) the case for developing a European perspective for these countries and for cooperating in their preparations at an early stage, in particular through programmes such as the strategy for the Danube, (2) the importance of assessing each country's implementation of reforms on its own merits and of acknowledging the positive developments in some of them, notably Serbia, but also (3) the importance of not setting a timetable at this stage so as to allow for future developments and to maintain the incentive effect of the process, particularly in the case of Croatia;
- the importance of the analysis concerning Kosovo, particularly with regard to the visa liberalisation process, although progress in its relations with Serbia was

desirable;

- recognition of the progress made by Turkey, although efforts were still needed in certain areas and there was particular concern regarding the process for recognition by the Turkish authorities of the Republic of Cyprus; the role which the Member States could also play in creating a favourable climate for progress in that country;
- the relevance of the proposed analysis concerning Iceland, but also the need to stress the importance of dealing with matters relating to fisheries policy.

Mr FÜLE thanked the Commission Members for their support and comments. He agreed to highlight the progress made by Albania, while at the same time reiterating the importance of granting candidate country status to Montenegro in the light of its achievements. He stressed that the countries concerned were assessed on their own merits and that the granting of candidate country status in no way predetermined subsequent stages of the process, in particular the opening of accession negotiations; on the contrary, such a step was intended to encourage reforms. Returning to the question of enlargement policy in general, he was thoroughly convinced of its value and recalled that the prospect of enlargement was a commitment that had been made towards the Western Balkans region by the Member States. He felt that the Commission was duty bound to honour that commitment by establishing a solid framework and conducting an objective analysis of the progress observed. He thanked the Commission for this constructive debate and hoped that it would discuss the matter again at a later date in the light of various cross-cutting issues.

The PRESIDENT then recalled the principles that formed the basis for the renewed consensus for enlargement – consolidation, conditionality and communication. He was proud of this process and stressed the need to engage with public opinion in order to explain it more effectively. He noted that the Member States which had joined in the last two rounds of enlargement had not been responsible for the major problems that had since emerged and pointed out what the situation would be today if enlargement had not happened.

Seen from this angle, he felt that the process must be continued, while ensuring that the criteria laid down were adhered to and that efforts already made were given due recognition. He acknowledged the need to proceed with caution, but also stressed the persistent problems of stability and security in the region, which merited close attention. He asked all the Commission Members to support this initiative vis-à-vis the other European institutions, the Member States and public opinion, and in their contacts with the countries concerned.

In conclusion, the PRESIDENT noted the Commission's support for the opinions on Albania and Montenegro and for the general communication, as well as its agreement to make the following amendment to the English language version of the communication, distributed as COM(2010)660/4:

– **on page 22, point 18 of the conclusions was amended to read as follows:**

"In its Opinions adopted today the Commission recommends that accession negotiations should be opened with Montenegro and Albania once these countries have achieved the necessary degree of compliance with the membership criteria set out by the 1993 Copenhagen European Council. In particular, Montenegro and Albania need to meet the specific key priorities set out in each Opinion. The Commission recommends that the Council grant the status of candidate country to Montenegro. It urges Albania to make further efforts to build on the progress made to date. The Commission's progress report on both countries in the 2011 enlargement package will focus in particular on the implementation of the key priorities which need to be addressed with a view to the opening of accession negotiations."

Subject to inclusion of the above amendment and to a final general clean-up of the text, the Commission approved the communication in COM(2010)660/4, for transmission to Parliament and the Council and, for information, to the national parliaments, together with the 2010 progress reports concerning Croatia, Turkey,

Iceland, Kosovo,¹ Serbia, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia, set out respectively in staff working papers SEC(2010)1326 and /2, SEC(2010)1327 to /3, SEC(2010)1328 and /2, SEC(2010)1329 and /2, SEC(2010)1330 and /2, SEC(2010)1331 and /2, and SEC(2010)1332 and /2, the contents of which were noted.

The Commission also adopted the opinions in COM(2010)680/4 and COM(2010)670/4, for transmission to Parliament and the Council and, for information, to the national parliaments, together with the analytical reports on Albania and Montenegro set out respectively in staff working papers SEC(2010)1335 and /2, and SEC(2010)1334 and /2, the contents of which were noted.

11. INTERINSTITUTIONAL RELATIONS

(SEC(2010)1317)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 29 October (SEC(2010)1317).

It paid particular attention to the following points.

11.1. LEGISLATIVE MATTERS

i) Ordinary legislative procedure

(point 1.2 of the IRG record)

Preparation of agreements at first reading

- Preventing and combating trafficking in human beings, and protecting victims (directive) – BAUER / HEDH Report – 2010/0065 (COD)

¹ Under UN Security Council Resolution 1244/1999.

The Commission authorised Ms MALMSTRÖM to pursue contacts with Parliament and the Council in order to reach agreement swiftly, if possible at first reading, following the line set out in SPI(2010)69.

- Extension of the status of long-term residents to beneficiaries of international protection (directive) – MORAES Report – 2007/0112 (COD)

The Commission authorised Ms MALMSTRÖM to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SPI(2010)70/2.

- Restriction of the use of certain hazardous substances in electrical and electronic equipment (directive – recast) – EVANS Report – 2008/0240 (COD)

The Commission authorised Mr POTOČNIK to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SPI(2010)72/3.

ii) Special legislative procedure

(point 1.3 of the IRG record)

- Multiannual financial framework for 2007-2013 (0.03% flexibility) (Council regulation) – 2010/0048 (APP) (budgetary conciliation)

The Commission approved the approach set out in SPI(2010)71.

- Technical adjustment to amending letter No 1/2011 concerning the setting up of the European External Action Service (budgetary conciliation)

The Commission approved the approach set out in SPI(2010)73.

iii) Preparation for the November I 2010 part-session of Parliament

(point 1.4 of the IRG record)

Ordinary legislative procedure – Codecision – 1st reading

- Alternative investment fund managers (Directive) - GAUZÈS Report – 2009/0064 (COD)

The Commission approved the line set out in SP(2010)6998/3 and /4.

- Programme to aid economic recovery by granting Community financial assistance to projects in the field of energy (regulation) - VAN BREMPT Report – 2010/0150 (COD)

The Commission approved the approach set out in SP(2010)7592.

11.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business

(SI(2010)288)

The Commission took note of the information in SI(2010)288 on the Council meetings between Wednesday 10 November and Wednesday 24 November.

v) Results of the European Council (Brussels, 28-29 October 2010) and preparation of the G20 summit (Seoul, 11-12 November 2010)

(SI(2010)300)

The PRESIDENT began by pointing out that the October European Council had been more significant and complex than anticipated and had focused on two main issues, the amendment of the Treaty concerning the economic governance and the budget, neither of which had been initially scheduled.

With regard to economic governance, he reported that agreement had been reached in favour of amending the Treaty, but stressed that legally there were other possibilities for setting up a permanent crisis resolution mechanism, and warned that there was no way of guaranteeing that the discussion on amendment of the Treaty could be confined to a single issue.

He noted that the German Chancellor, Angela Merkel, had set out very clearly the constitutional reasons why amendment of the Treaty was necessary for Germany, and that despite the way in which this matter had been raised at the

recent Franco-German summit at Deauville, these reasons had been respected by the other Member States.

He had made it clear that such a decision should be taken unanimously by the Member States and not by the European Council, and that the Commission would be giving its opinion on this matter at a later date. However, following his public intervention prior to the Council meeting, many Member States had set clear limits for certain issues such as, for example, the possible suspension of voting rights. He said that although these issues had been raised, the way in which they had been raised considerably decreased their scope of application. They would not be addressed until a later stage in the process, which in his view meant that it was unlikely the Treaty would be amended with regard to these points.

He pointed out that most Member States wanted the future permanent crisis resolution mechanism to be intergovernmental and that since the EU budget would not be able to provide the volume of funds needed to implement the mechanism, it would be financed solely by the Member States. Such a mechanism, however, would depend on the Commission's expertise and impartiality in establishing the conditions for implementing it, and the proposed Treaty amendment would be relatively small and would merely require a simplified revision procedure, without the need for a Convention or an intergovernmental conference. Since there was no change in the powers of the European Union, he felt that national referenda should not be necessary.

While recognising that certain commentators would probably point out that the proposed amendment would allow the Member States to act intergovernmentally in future, he warned against over-dramatising this in the case in question; apart from the recent precedent of the European Financial Stability Facility in June 2010, the main concern was to ensure that whatever was put in place in Europe was what it needed, i.e. a permanent, effective and credible mechanism to ensure long-term stability in the euro area.

The PRESIDENT felt that the tendency of some commentators to view results that did not come fully within the scope of a Community approach as a failure of the European Union and of the Commission was misplaced. On the contrary, we should not forget the complexity of the political and economic issues in question and the progress made in terms of Europe's capacity to act, beyond the current capacity which was manifestly insufficient.

As usual, the European Council had turned to the Commission for help and had asked it to work quickly on the detailed implementation of an effective system of economic governance. With regard to the permanent crisis resolution mechanism, he observed that the Commission was best placed to design the structure of this mechanism, and that the Commissioner responsible for economic and monetary affairs, Mr REHN, was already working on this.

He added that the December European Council would revisit these matters and discuss both the substance of the Treaty amendment and the procedure involved. It would also return again to the issue of pension reform raised by several Member States. It would be necessary to explain how this reform and strict application of the Stability and Growth Pact rules were working towards the same goals.

With regard to the permanent mechanism, the most delicate substantive issue to be settled would probably be how far it was appropriate to involve the private sector, a point that was emphasised by several Member States, including Germany. On this point, he felt that market stability should be maintained and pointed out that whatever change was agreed on, its consequences would not be felt until after 2013. He considered that the degree of involvement of the private sector in the future mechanism should include a whole range of possibilities, adding that at present, in most cases, this sector was not involved.

The PRESIDENT then went on to discuss the question of the budget, which had come up unexpectedly in the European Council, although it was not

unrelated to the discussion on amending the Treaty. The lack of preparation on the part of the Member States for a discussion of such importance had been most unfortunate and he felt that, while it had been perfectly legitimate to raise the matter of the 2011 budget, discussion of the forthcoming multiannual financial framework represented an attempt to pre-empt the debate to be held the following year; the Commission would also have to be on its guard against a further such attempt at the December European Council.

He noted that the matter had first been raised at the opening session of the European Council by the President of the European Parliament, Mr Jerzy Buzek, who had referred in his address to the 2011 budget and the role of Parliament in future budget discussions; a number of Heads of State or Government had then taken up the point. Such a foretaste of the upcoming debate had probably been helpful both for the Member States and for the European Parliament, as was a reminder of the need for all parties to compromise in the interests of a final agreement. He said that, because of the lack of balance in the European Council's Conclusions on this point he had been unable to support them.

The PRESIDENT felt that the Commission's initiative on the budget review had allowed the discussions to be kept within acceptable limits, avoiding the general criticism of the Commission and the EU budget from certain Member States. However, these preliminary discussions, by highlighting the determination in some quarters to bring about a reduction, pure and simple, in the EU budget, often with little in the way of coordination, reinforced the importance of the work to be carried out on this dossier in future and the need for the Commission to start now to make it clear how the proposed changes, the stringency and the European added value would be applied to each part of the budget. Secondly, he referred to the strong criticism of the size and cost of administrative expenditure in general and the European public service in particular, which, given its symbolic and populist nature, and the fact that the critics included Member States that benefitted from large transfers of EU funds, was an indication of greater problems to come.

The PRESIDENT then raised the other topics mentioned at the European Council, particularly the G20 Summit – reminding the meeting of the information note circulated on his authority – and the Cancún conference on climate change, on which a broad consensus had emerged and was reflected in the Conclusions. He praised the Commission's preparations for these discussions and observed that the agreed method of a preliminary discussion in the European Council, without formal Conclusions, was much more in line with the reality of present-day international summits and enabled the EU to exert more influence in the discussions and negotiations.

Finally, he pointed out that the European Council had shown that the coming months would be difficult, including in terms of institutional debate, and that a major effort would be required on all sides to reach a satisfactory conclusion regarding the challenges facing the European Union, from economic governance to budgetary matters. He also felt that overcoming these challenges could only benefit the EU, even if certain working methods and instruments were not as “communautaire” as one might like.

The PRESIDENT concluded his remarks with a reminder that the role of Commission Members was to defend and promote the role of the EU in general and the Commission in particular, but without escalating criticism of individual Member States. He stressed that the Member States, far from being opponents, were partners in the European project and it was important to remember both that they had to implement at national level whatever had been adopted, including reconciling it with the individual political and social realities, and that the substantial powers of the Commission demanded at the same time great responsibility from its Members, who must act without arrogance but with confidence, restraint and conviction.

Lastly, the Commission should not over-react to criticism; it was only natural that the Commission, as both a technical and a political body, should become a target, as happens in any political process involving a necessary confrontation between different points of view and ideas. The PRESIDENT concluded by recalling the progress made by the European Union in recent

years and the need to defend this progress vigorously and objectively, without however overlooking the challenges facing the EU in the coming months and years.

In the brief discussion that followed, the following matters were highlighted:

- the progress made on European integration in recent years, especially in the field of governance, and the need to continue in the same vein;
- the difficult discussions ahead in the budgetary field and the importance for the Commission of protecting its right of initiative in this context;
- a degree of concern regarding monetary policy initiatives adopted in other countries and their consequences for the EU and its Member States, and the hope that the forthcoming G20 meeting would discuss these issues.

The PRESIDENT thanked the speakers and once again stressed the sensitive and difficult nature of the forthcoming talks on the budget, for which the Commission would have to be fully prepared. He also felt that the G20 summit, at which he hoped the EU and its Member States would speak with a single voice, should consider these questions, in particular the need to avoid any protectionism and the use of monetary policy as a tool, and provide an opportunity for certain countries to explain the reasons behind recent measures adopted in this field.

The Commission took note of this information.

vi) Preparation of COREPER meeting of 12 November

(point 2.2.5 of the IRG record)

- State aid to facilitate the closure of uncompetitive coal mines (Council Regulation) – RAPKAY Report – 2010/0220 (NLE)

The Commission approved the line set out in SI(2010)289.

vii) Adoption by the Commission of non-binding instruments at international level

(point 2.3.1 of the IRG record)

- Group on Earth Observations (GEO) Ministerial Summit (Beijing, 5 November 2010)

The Commission authorised Mr TAJANI to endorse the Beijing Ministerial Declaration on behalf of the Commission, along the lines set out in SI(2010)283.

11.3. RELATIONS WITH PARLIAMENT

viii) Participation by Members of Parliament in international conferences

(point 3.6 of the IRG record)

- Seventeenth extraordinary meeting of the International Commission for the Conservation of Atlantic Tunas (ICCAT) (Paris, 17 to 27 November)

The Commission agreed to the request to the PRESIDENT from Mr Buzek, President of Parliament, concerning the attendance of four Members of the European Parliament at the above-mentioned meeting, with a reminder about the procedure to be followed.

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

ix) National parliaments

(point 4.3 of the IRG record)

- Proposal for a Directive of the European Parliament and of the Council on the conditions of entry and residence of third-country nationals for the purposes of seasonal employment – 2010/0210 (COD)

The Commission took note of SP(2010)7595.

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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 17.45.