EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2010)1938 final

Strasbourg, 14 December 2010

MINUTES

of the 1938th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 1 December 2010

(morning)

TABLE OF CONTENTS

Single sitting: Wednesday 1 December (morning)

The sitting opened at 9.42 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Baroness ASHTON	High Representative/Vice-President	Items 1 to 8
Mr ALMUNIA	Vice-President	Items 1 to 10 (in part)
Mr KALLAS	Vice-President	Items 1 to 8 (in part)
Ms KROES	Vice-President	
Mr TAJANI	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr POTOČNIK	Member	
Mr REHN	Member	Items 1 to 8 (in part)
Mr BARNIER	Member	Items 1 to 10 (in part)
Mr ŠEMETA	Member	
Mr DE GUCHT	Member	
Mr DALLI	Member	
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	Items 1 to 7 (in part)
Ms DAMANAKI	Member	
Ms GEORGIEVA	Member	Items 1 to 8 (in part)
Mr OETTINGER	Member	Items 1 to 9
Mr HAHN	Member	
Ms HEDEGAARD	Member	
Mr FÜLE	Member	Items 7 (in part) to 10
Mr ANDOR	Member	Items 7 (in part) to 10
Ms MALMSTRÖM	Member	Items 1 to 9
Mr CIOLOŞ	Member	Items 7 (in part) to 10

Absent:

Ms REDING	Vice-President
Mr PIEBALGS	Member
Ms VASSILIOU	Member

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

Ms HOFFMANN	Deputy Chef de cabinet to Ms REDING	
Mr USTUBS	Deputy Chef de cabinet to Mr PIEBALGS	
Ms CHRISTOPHIDOU	Deputy Chef de cabinet to Ms VASSILIOU	Items 1 to 9
Ms SUSTEK	A member of Ms VASSILIOU's staff	Item 10

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	
Mr DOENS	Head of the Commission Spokesperson Service	Items 1 to 7 (in part) and 8 (in part) to 10
Ms AHRENKILDE HANSEN	Commission Spokeswoman	Items 1 to 8 (in part)
Mr THEBAULT	Head of the Bureau of European Policy Advisers	
Ms VANNINI	Adviser in the PRESIDENT's Office	Items 8 and 9
Ms SUTTON	A member of the PRESIDENT's staff	Items 1 to 9
Mr MARTÍNEZ MONGAY	Chef de cabinet to Mr ALMUNIA	Item 8
Ms RISO	Deputy Chef de cabinet to Mr REHN	Items 1 to 7
Ms TÖRÖK	Deputy Chef de cabinet to Mr ANDOR	Items 1 to 7 (in part)
Ms ÅSENIUS	Chef de cabinet to Ms MALMSTRÖM	Item 10 (in part)
Mr HAEUSLER	Chef de cabinet to Mr CIOLOŞ	Items 1 to 7 (in part)

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

1. AGENDAS
(OJ(2010)1938/3; SEC(2010)1445/2)

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)1938)

The Commission considered the Secretary-General’s report on the weekly meeting of Chefs de cabinet held on Monday 29 November.

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 1936TH MEETING OF THE COMMISSION (17 AND 18 NOVEMBER) AND THE MINUTES OF THE 1937TH MEETING (23 NOVEMBER)
(PV(2010)1936; PV(2010)1936, PART II; PV(2010)1937)

The Commission approved the minutes of its 1936th and 1937th meetings.

4. GREEN PAPER ON THE FUTURE OF VAT – TOWARDS A SIMPLER, MORE ROBUST AND EFFICIENT VAT SYSTEM
(COM(2010)695 TO /4; SEC(2010)1455; SEC(2010)1456)

The Commission approved the Green Paper in COM(2010)695/4, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions and, for information, to the national parliaments, accompanied by the staff working paper distributed as SEC(2010)1455, the contents of which were noted.

5. MEMORANDUM TO THE COMMISSION ON THE NEW PROPOSAL ON THE REVISION OF THE FINANCIAL REGULATION APPLICABLE TO THE UNION BUDGET (SEC(2010)1493)

The Commission decided :

- to approve the memorandum in SEC(2010)1493;
- to empower, under Article 13 of its Rules of Procedure, Mr LEWANDOWSKI, the Member of the Commission with responsibility for the budget, to adopt, in agreement with the President, on behalf of the Commission and under its responsibility, the new proposal on the revision of the Financial Regulation, and to communicate this proposal to the other institutions defined in Article 1 of the Financial Regulation, according to the terms set out in SEC(2010)1493;
- to withdraw the proposals on the revision of the Financial Regulation adopted previously in COM(2010)260 and COM(2010)71.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED (SEC(2010)1448 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 22 and 26 November.

6.2. EMPOWERMENT (SEC(2010)1449 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 22 and 26 November.

6.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2010)1450 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 22 and 26 November, as archived in e-Greffe.

6.4. SENSITIVE WRITTEN PROCEDURES (SEC(2010)1451)

The Commission took note of the sensitive written procedures for which the time limit expired between 29 November and 3 December.

6.5. GENERAL EMPOWERMENT FOR THE IMPLEMENTATION OF COUNCIL REGULATION (EC) 2182/2004 CONCERNING MEDALS AND TOKENS SIMILAR TO EURO COINS (SEC(2010)1474 AND /2)

The Commission granted the general empowerment set out in SEC(2010)1474 to the Member of the Commission responsible for the fight against fraud for the adoption, on behalf of the Commission and under its responsibility, of certain decisions concerning medals and tokens similar to euro coins.

6.6. *GENERAL EMPOWERMENT CONCERNING CERTAIN DECISIONS AND PROCEDURAL MEASURES TO BE TAKEN IN ACCORDANCE WITH ARTICLE 7 OF DIRECTIVE 2002/21/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON A COMMON REGULATORY FRAMEWORK FOR ELECTRONIC COMMUNICATIONS NETWORKS AND SERVICES AND ARTICLES 7 AND 7A OF DIRECTIVE 2002/21/EC AS AMENDED BY DIRECTIVE 2009/140/EC (SEC(2010)1481 AND /2)*

The Commission granted the general empowerment set out in SEC(2010)1481 to the Member of the Commission responsible for the digital agenda for the adoption, on behalf of the Commission and under its responsibility, of certain decisions in the field of electronic communications networks and services.

6.7. *GENERAL EMPOWERMENT CONCERNING THE AMENDMENT OF TWO PROPOSALS FOR COUNCIL REGULATIONS ON THE REMUNERATION AND PENSIONS OF OFFICIALS AND OTHER SERVANTS OF THE EUROPEAN UNION (SEC(2010)1509)*

Mr ŠEFČOVIČ referred to the judgment given by the Court of Justice of the European Union on 24 November in Case C-40/10 concerning the annual adjustment of the remuneration and pensions of officials and other servants of the European Union from 1 July 2009. He reported on the discussions under way within the Council and pointed out that the annual adjustment of remunerations for 2009 would have an impact on the 2010 annual adjustment and on the setting of the contribution rate for pensions from 1 July 2010. Depending on developments in these matters, the Commission might have to amend its two proposals for Council Regulations on remuneration and pensions.

The Commission took note of this information and decided to grant the empowerment set out in SEC(2010)1509 to Mr ŠEFČOVIČ, Member of the

Commission responsible for administration, in agreement with the PRESIDENT.

7. INTERINSTITUTIONAL RELATIONS

7.1. LEGISLATIVE MATTERS

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

(SP(2010)8361)

The Commission decided to empower the Commission Members responsible for the sectors in question, in agreement with the PRESIDENT and Mr ŠEFČOVIČ 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(2010)8361, drawn up following the November II part-session of Parliament, the contents of which were noted.

7.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

ii) Programming of Council business

(SI(2010)324)

The Commission took note of the information in SI(2010)324 on the Council meetings between 2 and 15 December.

iii) Results of the Economic and Financial Affairs Council and Euro Group meeting (Brussels, 28 November)

Mr REHN spoke first about the economic situation in Europe, stressing in particular the apparent gap that had emerged between the real economy and the financial markets: while the real economy was showing obvious signs of recovery, the financial markets were still nervous, despite the decisions adopted by the Euro Group Finance Ministers and the Economic and Financial Affairs Council on Sunday 28 November.

These decisions covered three main points – the decision to provide financial assistance to Ireland, the main features of the future European Stability Mechanism (ESM) and the agreement to extend the duration of the reimbursement of the loan to Greece. Mr REHN felt that the persistent uncertainties in the financial markets would have to be monitored closely in order to prevent the crisis becoming systemic.

He discussed the economic situation in detail and pointed out that the economic forecasts published on 29 November predicted an upturn in growth in the Union. Although overall this recovery appeared to be sustainable, progress was uneven among the Member States. He also remarked on the slow improvement in labour market conditions and the gradual reduction in government deficits, although the deficit-to-debt ratio was not falling fast enough. Lastly, he noted with regret that there was still a great deal of uncertainty, citing in particular the recent tensions on the sovereign debt markets.

He explained that the economic programme and financial assistance to Ireland were the fruit of intense negotiations between the Irish authorities, the Commission, the International Monetary Fund (IMF) and the European Central Bank (ECB) and were based on three pillars: an immediate and comprehensive overhaul of the banking sector, an ambitious and realistic programme of fiscal adjustment, and reforms aimed at boosting growth. The financial assistance package came to a total of EUR 85 billion, of which 67.5 billion was shared equally between (i) the IMF, (ii) the European Financial Stabilisation Mechanism and (iii) the European Financial Stability Facility together with bilateral loans from the United Kingdom, Sweden and Denmark. The remaining EUR 17.5 billion would be borne by Ireland.

As regards the European Stability Mechanism, which was designed as part of a new system of European economic governance, the Euro Group had taken its decision on the basis of a Commission proposal, in cooperation with the President of the European Council, Mr Herman Van Rompuy. The involvement of the private sector would be decided on a case-by-case basis and in line with usual IMF practices. He also noted the distinction that had been drawn between liquidity crises and solvency crises.

Turning to the third decision – on extending the duration of the reimbursement of the loans granted to Greece in May – he explained that the aim here was to dispel any doubts concerning this country's ability to repay these loans on time; a Commission proposal to that effect would be presented shortly.

He ended by stressing the importance of pursuing these efforts and of creating an environment in which the ECB could continue its work on providing a systemic response that contributed to stability within the Union.

The Commission then held an in-depth discussion during which the following aspects in particular were raised:

– the significance of the solutions agreed to resolve problems relating to sovereign debt, to tighten budgetary and macroeconomic discipline in the countries concerned and on economic governance in general; the importance too of welcoming the swift reaction of the European institutions in developing these solutions and pursuing coordinated efforts to guarantee the stability of the euro area in general;

– the importance of seeking comprehensive, long-term solutions, particularly in view of the different degrees of recovery in the Member States;

– the need, in public communications in Ireland and in contacts with stakeholders, to convey a clear message that the measures proposed and the efforts recommended were vital, and more generally to adopt a cautious approach in the run-up to the adoption of the Irish budget and given the prospect of early elections; the observation that in Ireland the image of European aid had deteriorated in comparison with that of the IMF; these perceptions would have to be rectified by presenting hard evidence of the benefits of EU support;

- as a consequence, the need for appropriate and coherent communication in order to counter the uncertainties and doubts still present in the markets; the importance too of keeping discussions confidential, notably in the Council, in order to safeguard the credibility of the European response;

- the need to deliver an encouraging message regarding progress already achieved in terms of economic recovery, economic governance measures and the supervision and relaunch of the internal market, as the proposed tools were also capable of preventing further crises in future; the importance, nevertheless, of improving the stress tests for banks in future;

- concern at developments regarding certain Member States, in particular the risk of contagion, and the need for a coordinated response to the markets, in particular private investors holding sovereign debt;

- the need to take into account the impact on the private sector of measures designed to resolve sovereign debt problems;

- the need for caution in presenting the various solutions for a European Stability Mechanism, particularly as regards the date when it would enter into force and the arrangements for a possible amendment to the Treaty that would precede it, including the ratification process in the Member States; also, the need to achieve progress on the question of own resources.

In reply to these comments, Mr REHN acknowledged the need to keep a close eye on future developments and to deploy an appropriate and targeted communication strategy in the Member States concerned in order to tackle these issues. He therefore called for the reinforcement of the cooperation between the Commission departments responsible for communication and for economic and financial affairs.

He outlined the next steps in preparing the European Stability Mechanism and advised caution in the run-up to the next European Council. He recommended that work continue on putting together a systemic, coordinated response at European level, while adopting an approach that was tailored to the situation in the different Member States, in cooperation with the IMF and the ECB.

The PRESIDENT underlined the large amount of assistance granted to Ireland and the considerable intervention by the ECB, and also pointed to the shortcomings in communication on this matter which had resulted, illogically, in the Irish having a better perception and greater appreciation of the much smaller IMF support compared with the aid granted by the European Union and Member States, and the ECB.

He could not understand some reactions in Ireland to a mechanism that the country had in fact requested. He therefore considered it necessary to draw up a strategy to cope with these positions and to work on communication aspects, the key issue being European solidarity and the European integration project.

In addition, the follow-up to the decisions concerning Ireland that had been taken on 28 November at the Economic and Financial Affairs Council and at the Euro Group meeting would require decisions by the Commission in the coming days.

The PRESIDENT emphasised how serious the situation was since the problems did not concern just one or two countries but were now affecting the very heart of Europe, and the markets were questioning the EU's ability to provide an adequate solution.

Regretting the fact that contradictory comments by several European leaders had worsened the situation, he said that he had warned the European Council against holding a debate on a permanent stabilisation mechanism during this crisis, but his recommendation had not been followed. Political statements on this point had increased market uncertainty, and he echoed Mr REHN's comments by urging caution during the forthcoming stages of setting up the stabilisation mechanism.

It was very important that any comments made should be much more consistent to ensure market stability and the future of the euro area. Progress had been achieved with the agreement reached the previous Sunday on the main features of the mechanism, but efforts must be continued in the coming days to dispel uncertainty on the markets. Mr REHN would keep the Commission informed of developments. All Members should keep this matter confidential.

As regards the question of amending the Treaty, he confirmed that this would be necessary to settle the constitutional problem raised in Germany by the establishment of a permanent mechanism. It was for the President of the European Council, Mr Herman Van Rompuy, to submit a proposal for an amendment. The amendment must be limited and aimed solely at solving the German problem, and should not raise other issues once again such as voting rights in the Council.

He ended by asking the Members who would have to speak publicly about these matters to first contact Mr REHN to ensure that the messages conveyed were consistent.

The Commission took note of this information.

iv) Preparation of COREPER I meeting of 1 December 2010

– Position to be adopted on behalf of the Union in the Joint Committee established by the Agreement of 21 June 1999 between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other part, on the free movement of persons as regards the replacement of Annex II on the coordination of social security schemes (Council Decision) – 2010/0187 (NLE)

The Commission approved the line as discussed at the weekly Chefs de Cabinet meeting (see SEC(2010)1938, point 4.2.4).

v) Preparations for the Foreign Affairs Council – Development session (Brussels, 9 December 2010)
(SI(2010)322)

– Financial contributions to be paid by the Member States to finance the European Development Fund in 2011 and 2012, including the first instalment for 2011 (Council Decision) – 2010/0288 (NLE)

The Commission approved the line set out in SI(2010)322.

vi) Preparations for the Justice and Home Affairs Council (Brussels, 2 and 3 December)
(SI(2010)326)

– Recommendation from the Commission to the Council to authorise the opening of negotiations for an agreement between the European Union and the United States of America on protection of personal data when transferred and processed for the purpose of preventing, investigating, detecting and prosecuting criminal offences, including terrorism, in the framework of police cooperation and judicial cooperation in criminal matters

The Commission approved the line set out in SI(2010)326.

7.3. RELATIONS WITH PARLIAMENT

vii) Results of November II part-session
(SP(2010)8350 to /3)

The Commission took note of the information in SP(2010)8350 to /3 on the proceedings of the part-session of Parliament held in Strasbourg from 22 to 25 November.

viii) Presence of Members of the Commission at Question Time during Parliament's part-sessions in Strasbourg in 2011
(SP(2010)7957 to /3)

The Commission approved document SP(2010)7957/3 setting out the list of Commission Members to be present at Question Time during Parliament's part-sessions in Strasbourg in 2011, for transmission to Parliament.

8. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

8.1. STATE AID – INDIVIDUAL CASES (SEC(2010)1477)

The Commission adopted the decisions in SEC(2010)1477.

8.2. STATE AID – HORIZONTAL CASES

i) State aid scoreboard – Autumn update 2010
(COM(2010)701 to /3; SEC(2010)1462 and /2; SEC(2010)1476)

The Commission approved the scoreboard in COM(2010)701/3, for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments, together with the staff working paper distributed as SEC(2010)1462/2, the contents of which were noted.

ii) Communication from the Commission on amending the Community guidelines on state aid to promote risk capital investments in small and medium-sized enterprises
(C(2010)8732; SEC(2010)1460; SEC(2010)1476)

The Commission:

– adopted the notice in C(2010)8732;

- decided to publish it in the Official Journal of the European Union in order to inform the Member States and interested parties;
- authorised its publication as soon as possible on the websites of the Directorate-General for Competition, pending its publication in the Official Journal of the European Union.

iii) Communication from the Commission amending the temporary Union framework for state aid measures to support access to finance in the current financial and economic crisis
(C(2010)8733; SEC(2010)1460; SEC(2010)1476)

Mr ALMUNIA reminded the Members of the main points of the proposals which he was tabling for approval (see points 8.2 ii), iii), iv) and v) of these minutes).

He first referred to the Communication on extending the state aid rules on bank restructuring that had been taken in the context of the economic and financial crisis, pointing out that these rules, which were adopted in 2008 and based on four sets of guidelines, were of a temporary nature, as they were, in principle, due to expire on 31 December 2010. He explained that these provisions had been put in place in the hope of a quick exit from the crisis, which, unfortunately, had not been the case: there remained many uncertainties regarding the economic and financial situation, particularly on the financial markets.

Mr ALMUNIA was therefore proposing that the Commission extend these exceptional measures for a further year, while setting more restrictive access conditions so that the exceptional regime could be phased out in a gradual and appropriate manner. He noted that one specific proposal was to stop distinguishing between troubled banks and 'healthy' banks – given that any bank requesting state aid in 2011 would necessarily be a troubled bank – and to ask any bank that took this step to propose a restructuring plan.

He indicated that implementation of these stricter conditions reflected the steps already taken in June 2010 for guarantee mechanisms and that this approach had the support of the European Central Bank, the Member States and the Economic and Financial Committee.

Mr ALMUNIA then set out the main features of the package of measures for extending the temporary framework introduced at the end of 2008 to facilitate access to finance for the real economy.

He referred in particular to the following points: (i) the prolongation, on a more stable basis, of the measures for risk capital, and a two-year extension of the measures for short-term export credit; (ii) the one-year extension, subject to more restrictive conditions, of the measures to make it easier to grant guarantees and subsidised loans, an area where SMEs should benefit from more favourable conditions than large companies, which have easier access to the capital markets; and (iii) a one-year extension, subject to more restrictive conditions, of measures to promote green products, again with more advantageous terms for SMEs than for big companies.

He noted that the discussion was still continuing on one point, namely the question of whether to renew the extraordinary *de minimis* rule allowing state aid up to a maximum of EUR 500 000 and go back to the normal threshold of EUR 200 000. He explained that abandoning the extraordinary rule was justified because unconditional state aid that was not targeted at a particular objective was usually ineffective from an economic point of view and was more like an operating subsidy. He also said that this sort of mechanism created distortions within the internal market and had moreover been used mainly by Member States which were in a favourable financial situation. He added that he had asked DG Competition to produce a study of the use of such instruments.

Mr ALMUNIA concluded by referring to the general overhaul of the regulatory framework for state aid to the financial sector and access to finance for the real economy, which was currently under way and would continue in

2011, in parallel with the prolongation of the temporary schemes referred to earlier.

In the ensuing debate there was general support for the approach proposed, and the following points were highlighted:

- the fact that the financial situation had improved for the 'real' economy, i.e. for both enterprises and households in recent months;
- the need for good communication and a proper explanation of the abolition of the EUR 500 000 rule, of which SMEs were the main beneficiaries, and also the need to reiterate that it was an exceptional and temporary measure; the Commission had always made this clear, in order to give firms the legal security they needed and enable them to prepare for the return to the ordinary system;
- the need to point out that other temporary measures for SMEs were being maintained (particularly those aimed at reducing the cost of borrowing, exports and investment), as was the existing state aid framework, which offered numerous possibilities for Member States to support SMEs (in areas such as research and development, innovation, environment and regional policy).

At the end of the discussion the PRESIDENT noted the Commission Members' agreement to support Mr ALMUNIA in this package of measures and reiterated the need for proper communication.

He reminded Members of the fundamental importance of the internal market for the European Union, and the essential role the Commission played in preserving it, particularly from the dangers of fragmentation, distortion of competition and divergences between the Member States. These risks were heightened in a period of economic and financial crisis, and extra care was therefore called for.

The PRESIDENT said that the internal market was more than just a commercial issue; it had to be vigorously defended because it was central to the notion of fairness in Europe. In this connection it was vital for all Members of the Commission to explain these issues in the Member States and in their contacts with the various interested parties.

The Commission:

– adopted the notice in C(2010)8733 in principle;

– acting under Article 13 of its Rules of Procedure, empowered Mr ALMUNIA, the Member of the Commission responsible for competition, in agreement with the PRESIDENT, to formally adopt the notice in all the official languages of the Union and to publish it in the Official Journal of the European Union.

iv) Communication of the Commission amending the period of application of Communication of the Commission to the Member States pursuant to Article 93(1) of the EC Treaty applying Articles 92 and 93 of the Treaty to short-term export-credit insurance
(C(2010)8734; SEC(2010)1460; SEC(2010)1476)

The Commission:

– adopted the notice in C(2010)8734;

– decided to publish it in the Official Journal of the European Union in order to inform the Member States and interested parties;

– authorised its publication as soon as possible on the websites of DG Competition, pending its publication in the Official Journal of the European Union.

v) Communication from the Commission on the application, from 1 January 2011, of State aid rules to support measures in favour of banks in the context of the financial crisis
(C(2010)8735; SEC(2010)1476)

The Commission:

– adopted the notice in C(2010)8735;

– decided to publish it in the Official Journal of the European Union in order to inform the Member States and interested parties;

– authorised its publication as soon as possible on the websites of DG Competition, pending its publication in the Official Journal of the European Union.

9. INTERINSTITUTIONAL RELATIONS (CONTINUED FROM ITEM 7)

RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

Results of the Competitiveness Council (Brussels, 25 and 26 November 2010) and preparation of the next Competitiveness Council (Brussels, 10 December 2010)

– Translation arrangements for the European Union patent (Council Regulation) – 2010/0198 (CNS)

Mr BARNIER first recalled the background to this dossier, which dated back thirty years. He then mentioned, in particular, the recent Commission proposal on the linguistic regime of the European Union patent, and highlighted the importance of the patent for the smooth operation of the internal market and the competitiveness of European businesses. Following examination at the Council of the Commission's proposal, amended with its consent by the Presidency-in-Office, 23 Member States had reached agreement on it and four had expressed reservations, two of which

(Spain and Italy) had opposed the proposal for reasons relating to the linguistic regime.

Consequently, it had not been possible to reach unanimous agreement and one solution would be to opt for enhanced cooperation, which could only be implemented if a formal request were made by at least nine Member States at a proposal of the Commission or the Council.

Discussions were continuing, particularly between the legal services of the Commission and the Council, and he intended to revisit this issue at the Commission once a formal request for enhanced cooperation had been made by the Member States concerned.

Mr BARNIER wound up by stressing the importance for the Commission of encouraging the development of a high-quality machine translation system.

In conclusion, the PRESIDENT noted that the Commission authorised Mr BARNIER, at the Competitiveness Council on 10 December, to give a positive response to the implementation of enhanced cooperation. The Commission would exercise its right of initiative if the current efforts aimed at adoption of the EU patent failed and if a formal request for enhanced cooperation were lodged by a sufficient number of Member States.

Lastly, he noted that if agreement were not reached despite all the Commission's efforts, it would be the responsibility of the Member States who had been unable after all these years to agree on a coherent and effective European approach to this dossier.

The Commission took note of this information and of the PRESIDENT's conclusion.

10. RELATIONS WITH NON-MEMBER COUNTRIES

THIRD EU-AFRICA SUMMIT (TRIPOLI, 29 AND 30 NOVEMBER)

The PRESIDENT reported on the third EU-Africa summit in Tripoli on 29-30 November, which he had attended with Mr PIEBALGS. He welcomed the progress made at this summit in several areas, particularly towards a partnership more focused on growth and employment, and the open and pragmatic nature of the discussions held. A joint declaration and a new action plan for 2011-2013 had been adopted. However, he regretted that procedural issues had prevented the adoption of a joint declaration on the fight against climate change.

He emphasised the importance of Africa for the European Union both as a trade partner and a strategic partner and asked all the Commission Members to work closely with Mr PIEBALGS, each in his own field, towards the specific implementation of this partnership, in particular in the areas of energy and agriculture. He referred also to the issue of the economic partnership agreements (EPAs), which continued to raise many questions and criticisms from African countries, and hoped the Commission would continue actively to debate these agreements.

In conclusion, the PRESIDENT said that the next summit would, in principle, be held in Brussels. It was important to start preparing for it now, for example with regard to the issue of the EPAs, which he asked Mr PIEBALGS and Mr DE GUCHT to study carefully. He also reminded the meeting that in 2011 the Commission would be visited by the African Union Commission.

The Commission took note of this information.

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The meeting closed at 12.51.