



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2011)1964 final

Brussels, 29 June 2011

MINUTES
of the 1964th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 15 June 2011
(morning)

PV(2011)1964 final

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Single sitting: Wednesday 15 June 2011 (morning)

The sitting opened at 9.08 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	
Ms KROES	Vice-President	
Mr TAJANI	Vice-President	Items 7 to 9
Mr POTOČNIK	Member	
Mr REHN	Member	Items 7 to 9
Mr PIEBALGS	Member	
Mr BARNIER	Member	Items 1 to 8 (in part)
Ms VASSILIOU	Member	
Mr ŠEMETA	Member	
Mr DALLI	Member	
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	
Mr OETTINGER	Member	Items 1 to 9 (in part)
Mr HAHN	Member	Items 7 (in part) to 9
Ms HEDEGAARD	Member	
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	Items 1 to 8 (in part)
Mr CIOLOŞ	Member	

Absent:

Baroness ASHTON

High
Representative/Vice-
President

Mr ŠEFČOVIČ

Vice-President

Mr DE GUCHT

Member

Ms DAMANAKI

Member

Ms GEORGIEVA

Member

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

Mr MORRISON	Chef de cabinet to Baroness ASHTON	Items 1 to 8 (in part)
Mr BANNERMAN	A member of Baroness ASHTON's staff	Items 8 (in part) and 9
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	Items 8 (in part) and 9
Ms CORREIA	A member of Mr ŠEFČOVIČ's staff	Items 1 to 8 (in part)
Mr VANHEUKELEN	Chef de cabinet to Mr DE GUCHT	
Mr MARKOPOULIOTIS	Chef de cabinet to Ms DAMANAKI	
Ms HRISTCHEVA	A member of Ms GEORGIEVA's staff	

The following also sat in:

Mr FRUTUOSO DE MELO	Deputy Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr SØRENSEN	Director-General, DG Communication	
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Items 7 (in part) to 9
Mr KLAUS	A member of the PRESIDENT's staff	Items 1 to 8 (in part)
Ms DARMANIN	Chef de cabinet to Mr DALLI	Item 8 (in part)
Mr LEMAÎTRE	Chef de cabinet to Mr LEWANDOWSKI	Item 9
Mr SCHWARZ	A member of Mr LEWANDOWSKI's staff	
Ms ÅSENIUS	Chef de cabinet to Ms MALMSTRÖM	Items 8 (in part) and 9
Mr JOUANJEAN	Director-General, DG Budget	

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

1. AGENDAS

(OJ(2011)1964/2; SEC(2011)742/2)

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(2011)1964)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Friday 10 June.

**3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE
1962ND MEETING OF THE COMMISSION AND THE MINUTES OF THE
1963RD MEETING (1 AND 7 JUNE)**

(PV(2011)1962; PV(2011)1962, PART II; PV(2011)1963)

The Commission approved the minutes of its 1962nd meeting, and decided to hold over for one week approval of the minutes of its 1963rd meeting.

4. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

STATE AID – INDIVIDUAL CASES

(SEC(2011)765/2)

The Commission adopted the decisions in SEC(2011)765/2.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2011)743 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 6 and 10 June.

5.2. EMPOWERMENT

(SEC(2011)744 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 6 and 11 June.

5.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2011)745 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 6 and 10 June, as archived in e-Greffe.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2011)746 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 14 and 17 June and of the ‘finalisation’ written procedures initiated following the weekly meeting of Chefs de cabinet on 6 and 10 June.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2011)747/2)

ADMINISTRATIVE MATTERS

(PERS(2011)63/2)

6.1. DG ENVIRONMENT / DG CLIMATE ACTION – APPOINTMENT OF AD14/15 DIRECTOR

(PERS(2011)16 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, ‘Shared Resources’, in DG Environment and DG Climate Action (PERS(2011)16 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 5 and 28 April (PERS(2011)16/3 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, Mr POTOČNIK and Ms HEDEGAARD, it then decided to appoint Mr Bruno PRAGNELL to the post.

This decision would take effect on 16 July 2011.

6.2. *LEGAL SERVICE – APPOINTMENT OF AD15 PRINCIPAL LEGAL ADVISER*

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, the Commission decided to fill the post of Principal Legal Adviser responsible for the ‘Justice, Freedom and Security, Private Law and Criminal Law’ team in the Legal Service by transferring in the interest of the service, under Article 7 of the Staff Regulations, Mr Guido BERARDIS, currently Director, ‘Services’, in DG Internal Market and Services.

This decision would take effect on 1 July 2011.

6.3. *DG EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION – LIST OF CANDIDATES FOR THE POST OF DIRECTOR OF THE EUROPEAN AGENCY FOR SAFETY AND HEALTH AT WORK (PERS(2011)50 AND /2)*

The Commission noted the procedure followed, as set out in point 3 of PERS(2011)63/2, and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr ANDOR, decided:

- to approve the list of two candidates, presented in order of priority, set out in point 3 of PERS(2011)63/2;
- to consider this list as the Commission proposal;
- to ask Mr ANDOR to communicate this list to the Governing Board of the European Agency for Safety and Health at Work.

These decisions would take effect immediately.

7. RELATIONS WITH NON-MEMBER COUNTRIES

TWENTY-SEVENTH EU-RUSSIA SUMMIT (NIZHNY NOVGOROD, 9 AND 10 JUNE)

The PRESIDENT informed Members of the progress and outcome of the 27th EU-Russia summit in Nizhny Novgorod on 9 and 10 June. He noted that the EU delegation had been led by the President of the European Council and himself, with Baroness ASHTON and Mr DE GUCHT also taking part, while the Russian delegation was headed by President Medvedev, and included the Minister for Foreign Affairs, Mr Sergei Lavrov, and the Minister for Economic Development, Ms Elvira Nabiullina.

He reported first on the talks with President Medvedev on Russia's embargo on imports of fresh vegetables from Europe following the *E. coli* outbreak, describing them as very positive. The talks had underlined the unfairness of the ban and its adverse impact on the EU-Russia partnership. He added that President Medvedev had made his thoughts clear on the subject at the joint press conference and that both he and the Russian President had instructed officials to find a technical solution to allow the embargo on imports to be lifted immediately. He thanked both Mr DE GUCHT and Mr DALLI and their departments for their work in this respect, adding that their efforts had resulted in the establishment of a certification procedure that would allow the embargo to be lifted. The arrangements and details for implementing the procedure, which gave effect to the undertaking made at political level, would be finalised shortly by the Russian authorities and the Commission departments concerned (see also item 8.2 of these minutes).

The PRESIDENT also remarked that the summit had taken place at a time when the EU-Russia partnership for modernisation was starting to produce results on the ground, particularly as regards justice reforms, action to tackle corruption, regulatory harmonisation and the approximation of standards. He stressed that the political will on this issue was backed up by concrete funding measures, noting that the European Investment Bank and the European Bank for Reconstruction and Development had concluded a memorandum of understanding with the Russian

Bank for Development and Foreign Economic Affairs that earmarked of EUR 2 billion for projects conducted under the Partnership for Modernisation. He also mentioned a suggestion put forward by Russia to increase the partnership's visibility by setting up a joint internet site.

The PRESIDENT noted that, despite current disagreements, the summit had taken a longer-term perspective and maintained a positive forward dynamic in the strategic partnership between the European Union and Russia. He added that Russia had been given a message of support at the summit for its membership of the World Trade Organisation, but that the Union expected substantial progress in return on a number of outstanding issues, particularly the new Russian investment scheme in the automobile industry, trade in agricultural products and Siberian overflight fees, questions which the Commission would continue to monitor closely. He also told Members of Russia's suggestion to hold a three-way meeting between the European Union, the United States and Russia covering the whole range of international trade issues.

He also reported on the talks on visas, migration and energy issues, as well as on the subject of nuclear safety. Lastly he said that a number of issues in international politics had been raised, including the Middle East Peace Process and the situation in the countries of the southern Mediterranean.

The Commission took note of this information.

8. OTHER BUSINESS

8.1. *LATEST ECONOMIC DEVELOPMENTS*

Mr REHN referred to the recent discussions by Finance Ministers concerning legislative proposals on economic governance and the situation in Greece.

No decision had been taken at the Eurogroup meeting on 14 June in relation to support for Greece and the question of involving private bondholders; the group would meet again on the evening of Sunday 19 June.

The proposals on economic governance had been discussed at an informal dinner of EU Finance Ministers on 14 June, in particular the question of reverse qualified majority voting and indicators for macroeconomic imbalances. It was essential for the three institutions to reach agreement on the proposals during the first reading in July, thus avoiding any delay in the entry into force of this important set of legislative proposals.

In the brief discussion that ensued the following matters were highlighted:

- the worrying situation regarding Greece and the euro area, which needed rapid, firm decisions;
- regret that there was no national political consensus, in particular among the opposition parties, on the plans for fiscal reform and consolidation carried out by the Greek Government, even though these plans played an important part in ensuring the success of the ongoing efforts;
- the hope that the Commission would do everything it could to encourage the emergence of a consensus between Member States on the measures to be taken to guarantee short and medium-term stability in Greece and consequently in the euro area; this would involve working towards a

longer-term European strategy for Greece, concerning for instance infrastructure, education, innovation and energy.

The PRESIDENT pointed out that the serious problems under discussion did not affect just one Member State, and that it was important to show determination in protecting the entire euro area.

He hoped that the various actors involved would reach a consensus quickly so that a solution could be found that was politically and economically acceptable to Greece; in fact he and Mr REHN were already busy working on this, with the help of the European Council President. What was important now was to find a satisfactory solution as far as private sector involvement was concerned.

Lastly, he underlined the importance of the decisions to be taken in the near future covering both the short and the long terms, and emphasised that governments should act with conviction and responsibility – also in relation to the implementation of the Structural Funds – with a view to achieving higher growth.

Mr REHN replied to the comments and questions, regretting the lack of a political consensus in Greece on the reforms to be implemented. He was in favour of a light working structure within the Commission to examine the question of structural assistance for Greece.

The PRESIDENT thanked Mr REHN for his commitment and agreed that the Secretariat-General together with the other Commission services should give some thought to what could be proposed for Greece in the medium and long terms.

The Commission took note of this information.

8.2. HEALTH ALERT IN EUROPE FOLLOWING CONTAMINATION BY THE *E. COLI* BACTERIUM

On the basis of the latest information available, Mr DALLI briefed the meeting on the health crisis caused by the *E. coli* bacterium.

He began with an account of the tragic human toll of the outbreak: 35 people had died in Germany and 1 in Sweden, while so far over 3 300 people had been contaminated, of whom 800 had developed complications.

He noted that, since the alert began, the Commission had mobilised all its resources to ensure smooth coordination at European level; it had also arranged for experts from the European Centre for Disease Prevention and Control and the European Food Safety Authority to assist the German authorities, particularly in epidemiological research. This expertise had played a key role in identifying sprouted seeds as the source of the contamination. The competent authorities were also investigating how the bacterium had come to enter the food chain. He felt that this crisis should prompt the Commission and the Member States to consider ways of improving the operation of the alert and rapid response systems.

He then turned to the embargo imposed by Russia on vegetables imported from Europe. He explained the proposal put forward by the Commission departments to end this embargo, following the political agreement reached at the EU-Russia Summit (see also item 7 of these minutes) on the issuing of certificates by the competent authorities in the Member States. However, given the difficulties that had arisen with the Russians over technical issues, he felt that the question should again be raised at political level in order to ensure that the undertakings given at the summit with Russia were actually implemented.

Mr CIOLOŞ took the floor to point out that the Commission had also made it a priority to help the European vegetable producers affected as quickly as possible. An emergency plan had been proposed to that end, consisting of

exceptional, targeted and temporary measures. The plan had been endorsed by the Member States in the management committee on 14 June, which meant that the first payments of aid to European vegetable producers could be made shortly. Compensation would be granted to all producers at 50% of the reference price of the products concerned – cucumbers, tomatoes, lettuce, courgettes and peppers. A total of EUR 210 million had been earmarked, which should be sufficient to meet the compensation claims for the period from 26 May to 30 June. All producers would have access to these funds through producers' organisations or, if Member States so wished, national paying agencies. He considered that the Commission had sent an important signal to producers by demonstrating its ability to react quickly when necessary.

In conclusion the PRESIDENT recalled the undertaking given by Russia at the summit of 9 and 10 June and asked Baroness ASHTON and Mr DE GUCHT to contact their Russian counterparts on this matter.

The Commission took note of this information.

9. INTERINSTITUTIONAL RELATIONS

9.1. *LEGISLATIVE MATTERS*

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

(SP(2011)5137)

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(2011)5137, drawn up following the June I part-session of Parliament, the contents of which were noted.

- ii) Technical requirements for credit transfers and direct debits in euros (Regulation) – ESSAYAH report – 2010/0373 (COD)**
(SI(2011)207 and /2)

The Commission approved the line set out in SI(2011)207/2.

- iii) Detailed rules for access to the public regulated service offered by the global navigation satellite system established under the Galileo programme (Decision) – GLANTE report – 2010/0282 (COD)**
(SI(2011)216)

The Commission approved the line set out in SI(2011)216.

9.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

- iv) Programming of Council business**
(SI(2011)209)

The Commission took note of the information in SI(2011)209 on the Council meetings between 16 and 29 June.

9.3. RELATIONS WITH PARLIAMENT

- v) Results of Parliament's June I part-session**
(SP(2011)4679 and SP(2011)4678)

The Commission took note of the information in SP(2011)4679 and SP(2011)4678 on the proceedings of the part-session of Parliament held in Strasbourg from 6 to 9 June.

- vi) Investing in the future: a new Multiannual Financial Framework for a competitive, sustainable and inclusive Europe (European Parliament resolution) - GARRIGA POLLEDO Report – 2010/2211 (INI)**

The President started by proposing an exchange of views on the political context for preparation of the future Multiannual Financial Framework following the adoption by the European Parliament on 8 June of a resolution based on the report by Mr Salvador Garriga Polledo and the work carried out by the special parliamentary committee on policy challenges and budgetary resources for a sustainable European Union after 2013 (*SURE*).

He welcomed the progress made in the Commission on the decision to be adopted by the end of June. This would be a genuinely collective decision, going beyond individual priorities, on a set of proposals forming a coherent and credible whole and striking the right balance between ambition and realism. Referring to the discussions held on this subject at Commission seminars, he said that although certain policy points still had to be decided, satisfactory progress was being made in the right direction.

Noting the success of the bilateral meetings organised by Mr LEWANDOWSKI with each Commission Member, he called on each of them to show moderation and to revise requests for resources downwards in order to contribute effectively to the credibility of the exercise as a whole. Each European policy would receive appropriate financing, but the limited financial resources meant that choices must be made and pragmatic priorities would have to be established.

The PRESIDENT told the meeting that on 29 and 30 June the Commission would hold an in-depth debate, including discussion of the figures. He hoped that today's exchange would focus on the points relating to the political context of the dossier, in particular at the European Parliament.

Mr LEWANDOWSKI welcomed the good interaction between the Commission and the European Parliament on this dossier, which had enabled trust to be established and considerable convergence to be reached between the two institutions.

In terms of overall amounts, the European Parliament was in favour, firstly, of a 5% increase with respect to 2013; secondly, a gradual adjustment of the own resources ceiling on the basis of the Union's powers and objectives and lastly, it felt that the existing ceiling did not allow the European budget to be used as an efficient tool in the service of economic governance.

He also noted that in Parliament's view the structure of the next Multiannual Financial Framework should be broadly based on that of the Europe 2020 strategy and that it was important to ring-fence expenditure relating to large-scale projects and to achieve greater flexibility between the sub-chapters of the Europe 2020 strategy. Furthermore, the European Parliament, like the Commission, recommended a seven-year period for the next Multiannual Financial Framework with a mid-term review, as well as a simplified procedure for revising the ceilings and increased flexibility within headings as well as across headings.

With regard to expenditure, Mr LEWANDOWSKI welcomed the position taken concerning the added value of the European budget and its leverage effect, although he noted the lack of clearly set priorities. He also noted the European Parliament's wish to maintain the budget of the common agricultural policy at the 2013 level, to increase research and development expenditure and to maintain the current framework for cohesion policy while supporting the concept of intermediate regions but opposing macroeconomic conditionality.

He also pointed out that the European Parliament supported an increase in expenditure on infrastructure, sufficient financing and effective flexibility mechanisms for foreign policy, adequate financing for education, mobility, small and medium-sized enterprises and the digital agenda, and a possible reduction in administrative expenditure.

Mr LEWANDOWSKI welcomed Parliament's commitment to a simpler and fairer system. This would enable sufficient financing by introducing one or several new own resources to replace the current system essentially based on

gross national income (GNI) without however increasing the burden on European citizens, and by phasing out the rebates and correction mechanisms currently available to Member States.

He noted also that the European Parliament had asked the Commission and the Council to agree on a working method at interinstitutional level, in which it could be involved from the start and to which would be added a wide-ranging public debate and the holding of a convention-type conference on the future financing of the Union, to include members of the national parliaments and the European Parliament.

Mr LEWANDOWSKI said that the trends discernable in the European Parliament's position were encouraging and should enable the Commission to support a subsequent compromise. He noted the points of convergence, in particular as regards the duration of the financial framework, flexibility and the issue of own resources, and of divergence, for example concerning the structure of the multiannual framework or the incorporation of the European Development Fund into the budget.

The PRESIDENT thanked Mr LEWANDOWSKI and said that as there was not enough time today, the Commissioners would return to these matters at another meeting soon. He stressed the points of convergence between Parliament's position and the Commission's proposals, which provided a good basis for continuing this process with a view to ultimately reaching a solution that was both realistic and ambitious for Europe.

The Commission took note of this information.

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The meeting closed at 10.51.