



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2012)1987 final

Brussels, 8 February 2012

MINUTES
of the 1987th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 25 January 2012
(morning)

PV(2012)1987 final

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Single sitting: Wednesday 25 January 2012 (morning)

The sitting opened at 9.07 with Mr Barroso, President, in the chair.

Present:

Mr BARROSO	President	
Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	
Mr TAJANI	Vice-President	Item 12 (in part)
Mr ŠEFČOVIČ	Vice-President	
Mr REHN	Vice-President	
Mr POTOČNIK	Member	Item 12 (in part)
Mr PIEBALGS	Member	
Mr BARNIER	Member	
Ms VASSILIOU	Member	
Mr ŠEMETA	Member	
Mr DE GUCHT	Member	Item 12 (in part)
Mr DALLI	Member	Item 12 (in part)
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	
Ms DAMANAKI	Member	
Ms GEORGIEVA	Member	Item 12 (in part)
Mr OETTINGER	Member	
Mr HAHN	Member	
Ms HEDEGAARD	Member	
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	

Absent:

Baroness ASHTON

High Representative/
Vice-President

Ms KROES

Vice-President

Mr CIOLOŞ

Member

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

Mr CEBALLOS BARÓN	A member of Baroness ASHTON's staff	
Mr MOISA	Deputy Chef de cabinet to Mr CIOLOŞ	Item 12 (in part)

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PAULGER	Director-General, DG Communication	
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Item 12 (in part)
Ms SUTTON	A member of the PRESIDENT's staff	Item 12 (in part)
Mr SELMAYR	Chef de cabinet to Ms REDING	Items 1 to 12 (in part)
Ms HOFFMANN	Deputy Chef de cabinet to Ms REDING	Item 12 (in part)
Mr PESONEN	Chef de cabinet to Mr REHN	
Mr HOFFMEISTER	Deputy Chef de cabinet to Mr DE GUCHT	Items 1 to 12 (in part)
HRH the Hereditary Grand Duke of Luxembourg, Prince Guillaume		

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

1. AGENDAS

(OJ(2012)1987/3; SEC(2012)63/2)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2012)1987)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 23 January.

3. APPROVAL OF THE MINUTES OF THE 1985TH MEETING OF THE COMMISSION (11 JANUARY) AND THE MINUTES OF THE 1986TH MEETING (17 JANUARY)

(PV(2012)1985; PV(2012)1986)

The Commission approved the minutes of its 1985th and 1986th meetings.

4. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

STATE AID – INDIVIDUAL CASES

(SEC(2012)70; RCC(2012)5)

The Commission adopted the decisions in SEC(2012)70.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. *WRITTEN PROCEDURES APPROVED*

(SEC(2012)64 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 16 and 20 January.

5.2. *EMPOWERMENT*

(SEC(2012)65 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 16 and 20 January.

5.3. *DELEGATION AND SUBDELEGATION OF POWERS*

(SEC(2012)66 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 16 and 20 January, as archived in e-Greffe.

5.4. *SENSITIVE WRITTEN PROCEDURES*

(SEC(2012)67 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 23 and 27 January and of the 'finalisation' written procedure initiated following the weekly meeting of Chefs de cabinet on 23 January.

6. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2012)68)

ADMINISTRATIVE MATTERS
(PERS(2012)13)

**6.1. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF A LIST
OF CANDIDATES FOR A HEAD OF EUROPEAN UNION
DELEGATION POST**
(PERS(2011)148/2)

The Commission took note of the information in point 1 of PERS(2012)13 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided to approve the list of candidates for the post of Head of the EU Delegation in Libya in PERS(2011)148/2, which would serve as a basis for the competent authority of the European External Action Service to make a final appointment.

This decision would take effect immediately.

**6.2. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF A LIST
OF CANDIDATES FOR A HEAD OF EUROPEAN UNION
DELEGATION POST**
(PERS(2012)15)

The Commission took note of the information in point 2 of PERS(2012)13 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided to approve the list of candidates for the post of Head of the EU Delegation in Haiti in PERS(2012)15, which would serve as a basis for the competent authority of the European External Action Service to make a final appointment.

This decision would take effect immediately.

**6.3. DG HUMAN RESOURCES AND SECURITY – APPOINTMENT OF
RAPPORTEURS FOR SELECTION PROCEDURES FOR SENIOR
MANAGEMENT POSTS
(PERS(2012)16; PERS(2012)17)**

The Commission took note of the information in point 3 of PERS(2012)13 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided in accordance with Article 7 of the Commission decision laying down the rules of procedure of the Consultative Committee on Appointments:

- to reappoint for a second full three-year term the designated rapporteurs for selection procedures for senior management posts, as listed in Annex 1 to PERS(2012)16;
- to appoint new rapporteurs for a full three-year term, renewable once, as listed in Annex 2 to PERS(2012)17.

These decisions would take effect retroactively from 1 January 2012.

**6.4. DG ECONOMIC AND FINANCIAL AFFAIRS – AUTHORISATION TO
RECRUIT A TEMPORARY STAFF MEMBER UNDER ARTICLE 2(A)
OF THE CONDITIONS OF EMPLOYMENT OF OTHER SERVANTS OF
THE EUROPEAN UNION, AND AUTHORISATION TO PUBLISH
EXTERNALLY THE VACANCY NOTICE FOR AN AD15 PRINCIPAL
ADVISER POST (EU-27)
(PERS(2012)18)**

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr REHN, the Commission decided:

- to authorise the recruitment of a temporary staff member, under Article 2(a) of the Conditions of Employment of Other Servants of the European Union, as a grade AD15 Principal Adviser in order to fill for a period of three years, renewable once for a period of two years, the post of

Chief Economic Analyst created by decision of the Commission President of 27 October 2011 (C(2011)8000);

- to authorise the external publication (EU-27) of the vacancy notice set out in PERS(2012)18;
- to lay down that the selection panels for this post also include the Chef de cabinet to the Commission Vice-President responsible for economic and monetary affairs and the euro, an external expert with recognised experience in the coordination and surveillance of the Member States' economic and budgetary policies, the Director-General of DG Economic and Financial Affairs and the Deputy Director-General in that same DG with responsibility for economic and budgetary surveillance of the European Union Member States.

These decisions would take effect immediately.

7. COMMISSION DECISION ON BRINGING AN ACTION FOR THE ANNULMENT OF DIRECTIVE 2011/82/EU OF 25 OCTOBER 2011 FACILITATING THE CROSS-BORDER EXCHANGE OF INFORMATION ON ROAD SAFETY RELATED TRAFFIC OFFENCES (C(2012)438)

The Commission adopted the decision in C(2012)438.

8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN DATA PROTECTION SUPERVISOR – SAFEGUARDING PRIVACY IN A CONNECTED WORLD: A EUROPEAN DATA PROTECTION FRAMEWORK FOR THE 21ST CENTURY (COM(2012)9 TO /3; RCC(2012)6)

The Commission approved the Communication in COM(2012)9/3, for transmission to Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and the European Data Protection Supervisor, and, for information, to the national parliaments.

9. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE PROTECTION OF INDIVIDUALS WITH REGARD TO THE PROCESSING OF PERSONAL DATA AND ON THE FREE MOVEMENT OF SUCH DATA (GENERAL DATA PROTECTION REGULATION)

(COM(2012)11 TO /4; SEC(2012)72 AND /2; SEC(2012)73; SEC(2012)74; RCC(2012)6)

10. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE PROTECTION OF INDIVIDUALS WITH REGARD TO THE PROCESSING OF PERSONAL DATA BY COMPETENT AUTHORITIES FOR THE PURPOSES OF PREVENTION, INVESTIGATION, DETECTION OR PROSECUTION OF CRIMINAL OFFENCES OR THE EXECUTION OF CRIMINAL PENALTIES, AND THE FREE MOVEMENT OF SUCH DATA

(COM(2012)10 TO /3; SEC(2012)72 AND /2; SEC(2012)73; SEC(2012)74; RCC(2012)6)

The Commission adopted the proposal for a Regulation and proposal for a Directive in COM(2012)11/4 and COM(2012)10/3 respectively, for transmission to Parliament, the Council, the Economic and Social Committee, the Committee of the Regions, the European Data Protection Supervisor and the national parliaments, together with the impact assessment and the summary thereof in staff working documents SEC(2012)72 and /2 and SEC(2012)73, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Regulation and proposal for a Directive, as set out in SEC(2012)74.

**11. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN DATA PROTECTION SUPERVISOR BASED ON ARTICLE 29(2) OF THE COUNCIL FRAMEWORK DECISION OF 27 NOVEMBER 2008 ON THE PROTECTION OF PERSONAL DATA PROCESSED IN THE FRAMEWORK OF POLICE AND JUDICIAL COOPERATION IN CRIMINAL MATTERS
(COM(2012)12 AND /2; SEC(2012)75; RCC(2012)6)**

The Commission approved the report in COM(2012)12/2, for transmission to Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and the European Data Supervisor, and, for information, to the national parliaments, together with the annex to the report, as set out in staff working document SEC(2012)75, the contents of which were noted.

12. INTERINSTITUTIONAL RELATIONS

12.1. LEGISLATIVE MATTERS

- i) OTC derivatives, central counterparties and trade repositories
(Regulation) – LANGEN report – 2010/0250 (COD)
(SI(2012)15/2)**

The Commission approved the line set out in SI(2012)15/2.

- ii) Amendment of Directives 89/666/EEC, 2005/56/EC and 2009/101/EC as regards the interconnection of central, commercial and companies registers (Directive) – LECHNER report – 2011/0038 (COD)**
(SI(2012)16)

The Commission approved the line set out in SI(2012)16.

- iii) European Network and Information Security Agency (ENISA) – CHICHESTER report – 2010/0275 (COD)**
(SI(2012)17/3)

The Commission approved the line set out in SI(2012)17/3.

- iv) Position to be taken by the European Union concerning the adoption of a Decision by the Joint Committee of the Convention of 20 May 1987 on a common transit procedure and a Decision by the Joint Committee of the Convention of 20 May 1987 on the simplification of formalities in trade of goods concerning an invitation to Croatia and Turkey to accede to these Conventions (Council Decision) – 2011/0271 (NLE)**
(SI(2012)18)

The Commission approved the line set out in SI(2012)18.

- v) Action to be taken on Parliament's legislative opinions and resolutions of a legal nature**
(SP(2012)46)

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(2012)46, drawn up following the January part-session of Parliament, the contents of which were noted.

12.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

vi) Programming of Council business

(SI(2012)21)

The Commission took note of the information in SI(2012)21 on the Council meetings between 26 January and 8 February.

vii) Preparation for the European Council (Brussels, 30 January)

Results of the Eurogroup meeting and the Economic and Financial Affairs Council (Brussels, 23 and 24 January)

Mr REHN reported on the latest economic developments and the results of the Eurogroup meeting and the Economic and Financial Affairs Council in Brussels on 23 and 24 January.

Turning first to the economic situation, he said that most of the risks identified in the autumn forecasts had actually materialised, with serious repercussions on short-term growth prospects: (i) progress on resolving the crisis had not been as swift as hoped, and uncertainty remained as regards Greece and the financial safety nets; (ii) additional budgetary consolidation measures in a number of Member States, although necessary, were holding down growth in the short term; and (iii) the banking system remained under constant pressure in terms of financing.

The net effect of these different factors was likely to produce a mild recession in the euro area in 2012, rather than the 0.5% growth in GDP predicted in the autumn forecast. The return to positive growth was not now expected until the second half of 2012.

Mr REHN stressed that the forecasts differed between Member States and that there remained a risk of an escalation of the debt crisis which could lead to deep and prolonged recession in the euro area unless decisive action was taken to implement the comprehensive response outlined by the Commission.

He concluded this point by saying that the interim forecasts would be ready in the second half of February.

Mr REHN then described the discussions in the meetings of the Eurogroup and the Economic and Financial Affairs Council on 23 and 24 January.

On the positive side, agreement had been reached by the enlarged Eurogroup on the treaty on the European Stability Mechanism, and satisfactory progress had been made on the international agreement on stability, coordination and governance within the Economic and Monetary Union.

The process of ratification by the Member States of the treaty on the European Stability Mechanism could now begin, so that it could be in place in July. He mentioned two significant issues in the debate: (i) the last-minute attempt to introduce substantial changes to the mechanism's capacity and instruments, which would have required detailed discussion at technical and political level; it was decided that these could be dealt with at a later stage; and (ii) the agreement sought by the United Kingdom whereby the entry into force of the European Stability Mechanism would signal the end of the commitments under the European Financial Stability Facility.

Mr REHN hoped that rapid progress would be made on strengthening European financial safety nets and increasing the resources of the International Monetary Fund and that it would be possible to reach an agreement at the meeting of the G20 Finance Ministers at the end of February.

Satisfactory progress had been made on the international agreement on stronger economic governance and only three questions remained unresolved for the Heads of State or Government: (i) the question of whether reverse qualified majority should be applied to the entire excessive deficit procedure or only to the deficit criterion; (ii) the question of whether non-euro area Member States and the President of the European Parliament should take part in euro area summits; and (iii) what the ratification threshold should be for the agreement to enter into force.

Mr REHN said that the Eurogroup had also discussed the situation of the Member States that were particularly vulnerable, namely Greece, Italy, Spain and Hungary. In the case of Greece, he felt the constituent elements were in place for an early agreement, in that the discussions between the private creditors and the government had resumed and the troika was working tirelessly with the government to determine the priority measures and the terms of the second aid programme.

As far as Hungary was concerned, the Economic and Financial Affairs Council had endorsed the Commission's position that the country had failed to take decisive action to remedy its excessive deficit. It had backed the possibility of considering suspending the commitments under the Cohesion Fund and supported the conditions laid down for starting negotiations on a precautionary credit programme.

During the ensuing discussion, the following points were raised:

- the unanimous agreement on the proposal for a Regulation on derivatives – secured in the Council the previous day – was very important and it was hoped that final agreement would be reached at the triologue to be held the following week;
- discussions had also been held on the tax on financial transactions; political conclusions on this point were expected at the next European Council, and the Danish Council Presidency had expressed its intention of stepping up the debate on this matter in the relevant Council formations;
- questions were raised about the advisability of closing down the European Financial Stability Facility;
- the European Stability Mechanism faced significant challenges and could not be the solution to all the problems;

- questions were asked about the institutional basis for the request of the new President of the European Parliament for permanent guest status at European Councils and euro area summits;
- questions were raised about the outcome of the discussions on the different types of financing under the second aid programme for Greece and the possibility of the Commission facilitating the process of securing an agreement;
- regrets were expressed that the Greek internal political calendar was interfering with the need to address the country's economic priorities;
- there was a request for clarification concerning the date on which the formal negotiations for the precautionary credit programme for Hungary would be launched;
- reference was made to the strict rules for the operation of the structural funds, in particular the link between the quality of the projects and financial commitments. These rules did not give carte blanche to reallocate funds not used;
- concerns were raised about the possibility of supplementing the medium-term measures introduced to stimulate growth with actions in the shorter term. These actions could relate to the sovereign debt interest rate and the problem of the shortage of bank capital, which prevented loans being made to businesses; the aim would be to counteract the increased risk of a recession in the light of the additional fiscal consolidation plans required in the case of certain Member States;
- the Commission should discuss the economic and financial situation in general, the role of the European Central Bank, what could be done to counteract the risk of recession associated with fiscal consolidation policies, and the significant discrepancies between Member States;

- it was important for the informal meeting of the European Council on 30 January to produce results and deliver a clear message to avoid problems arising in the coming weeks. These problems would not just be economic but also social, political, monetary and institutional.

In reply, Mr REHN explained the various options for combining the European Financial Stability Facility with the European Stability Mechanism, and how they tied in with reinforcement of the firewalls. These options depended on a political choice, the priority being to ensure that the model chosen could operate satisfactorily and produce results. It was necessary to clarify to the public and investors how this model would operate. However, he himself considered that the most rational way forward was to reinforce the capacities of the European Stability Mechanism.

With regard to the participation of the President of the European Parliament at summits of euro area Heads of State or Government, he stressed that the Eurogroup discussions had not led to an agreement on this point, which was a controversial one much debated by the Member States.

Moving on to how to address the Greek debt, he referred to the wish expressed at the meeting of the Eurogroup Finance Ministers for agreement on the participation of the private sector to be reached if possible before the European Council on 30 January, or at the latest during that summit, while ensuring that this point did not monopolise the agenda. He stressed that it was essential for a sustainable solution to be found for the problem of Greek sovereign debt and for work to proceed simultaneously on reaching an agreement between the Greek authorities and private creditors, on the one hand, and on the adoption of measures to provide funds for European financial aid, on the other.

The Commission must continue to encourage Member States to respect the budgetary criteria of the stability and growth pact. Current deficits called for urgent consolidation of national budgets rather than Keynesian-type fiscal stimulus measures.

Winding up, he said that the next two European Councils, on 30 January and in the spring, should be considered together, on the one hand to provide an urgent response through budgetary measures and the setting up of firewalls and on the other to take initiatives to stimulate growth. These initiatives would be drawn up by mid-February as part of the annual growth survey. In conclusion, he hoped that the Commission would discuss all these points in depth at its seminar on 31 January and 1 February.

The PRESIDENT underlined the three main political challenges facing the informal European Council meeting on 30 January: (i) putting the emphasis on growth and employment; (ii) reaching a consensus on the size of the firewalls; and (iii) achieving progress on an agreement on stronger economic governance.

Budget consolidation was essential to boost growth, since Member States had very little margin for manoeuvre. He drew attention to the considerable risks which fiscal stimulus policies could have on the assessment of financial markets and on the spread of bond yields applied to different Member States. He did not wish to minimise the recessionary effect that consolidating national budgets would have in the short term, however he felt that this would not last long. The European Union should not confine itself to adopting decisions on disciplinary measures and sanctions, but should also endeavour to restore confidence and instil hope, two key factors in coping with the crisis.

At the informal European Council meeting, the PRESIDENT intended to spell out the current situation to the Heads of State or Government, reminding them that while the European Union had adopted a growth strategy – Europe 2020 – this could not succeed unless Member States were quite consistent and aware of the urgent need to take steps to pursue this strategy. He went on to quote several examples of very specific and ambitious measures to boost economic growth proposed by the Commission some months or even years ago which, unfortunately, had still not been implemented, such as the Services Directive, the Single Market Act, the agreement on a European patent and the December 2011 initiative to promote training under the European Social Fund. It was pointless to keep on tabling new measures at each European Council meeting; what was absolutely vital, however, was to take

unambiguous decisions right away to implement the measures already put forward and approved, so that their full impact would be felt on growth.

At the request of the President of the European Council, Herman Van Rompuy, he would present measures to the Heads of State or Government on Monday which would have immediate effect in a bid to combat unemployment, particularly youth unemployment, and to boost European competitiveness, for instance by improving access to financing and risk capital for small and medium-sized enterprises. He also supported the establishment of task forces which, together with the governments of the Member States with above-average youth unemployment, would draw up targeted employment plans to be integrated into the national reform programmes.

Turning then to the agreement concerning the writing-off of part of the Greek sovereign debt by the private sector, he confirmed what Mr REHN had said, adding that it would be good if this matter were settled before the European Council so that it did not overshadow the extremely important issues to be discussed at the meeting.

The PRESIDENT stated that it was not yet certain whether the international agreement on stability, coordination and governance in the Economic and Monetary Union would be concluded as several contentious issues still had to be settled. The consultations were being pursued by all the stakeholders.

He rounded off the discussion by pointing out that the Commission should take advantage of its seminar on 31 January and 1 February to engage in an in-depth exchange of views on what its Members could do both collectively and individually to stimulate growth in the EU in the medium or even short term.

The Commission took note of this information.

12.3. RELATIONS WITH PARLIAMENT

viii) Results of Parliament's January part-session

(SP(2012)39; SP(2012)40)

The Commission took note of the information in SP(2012)39 and SP(2012)40 on the proceedings of the part-session of Parliament held in Strasbourg from 16 to 19 January.

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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 10.24.