



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2012) 2012 final

Overijse, 5 September 2012

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

PV(2012) 2012 final

TABLE OF CONTENTS

Attendance list	5-7
1. AGENDAS (OJ(2012) 2012/FINAL; SEC(2012) 468)	8
2. WEEKLY MEETING OF CHEFS DE CABINET (RCC(2012) 2012).....	8
3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 2010TH MEETING OF THE COMMISSION (11 JULY) AND THE MINUTES AND SPECIAL MINUTES OF THE 2011TH MEETING (18 JULY) (PV(2012) 2010 AND /2; PV(2012) 2010, PART II; PV(2012) 2011; PV(2012) 2011, PART II)	8
4. INTERINSTITUTIONAL RELATIONS.....	8
4.1. RELATIONS WITH PARLIAMENT	8
4.2. RELATIONS WITH THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS, THE EUROPEAN OMBUDSMAN AND NATIONAL PARLIAMENTS.....	9
5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW	9
STATE AID – INDIVIDUAL CASES (SEC(2012) 483/2).....	9
6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	9
6.1. WRITTEN PROCEDURES APPROVED (SEC(2012) 469 ET SEQ.).....	9
6.2. EMPOWERMENT (SEC(2012) 470 ET SEQ.)	10
6.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2012) 471 ET SEQ.).....	10
6.4. SENSITIVE WRITTEN PROCEDURES (SEC(2012) 472)	10

7.	ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2012) 473)	10
7.1.	DG COMMUNICATION NETWORKS, CONTENT AND TECHNOLOGY – APPOINTMENT OF AD15 DEPUTY DIRECTOR-GENERAL (PERS(2012) 20 TO /5).....	10
7.2.	DG DEVELOPMENT AND COOPERATION - EUROPEAID – APPOINTMENT OF AD15/16 DEPUTY DIRECTOR-GENERAL (PERS(2011) 161 TO /5)	11
7.3.	DG DEVELOPMENT AND COOPERATION - EUROPEAID – APPOINTMENT OF AD15/16 DEPUTY DIRECTOR-GENERAL (PERS(2011) 162 TO /5)	11
7.4.	DG ENERGY – TERMINATION OF SELECTION PROCEDURE FOR AN AD15/16 DEPUTY DIRECTOR-GENERAL POST (PERS(2011) 11 TO /5).....	12
7.5.	DG HUMANITARIAN AID AND CIVIL PROTECTION (ECHO) – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2012) 11 TO /5).....	12
7.6.	DG HUMANITARIAN AID AND CIVIL PROTECTION (ECHO) – TERMINATION OF SELECTION PROCEDURE FOR AN AD14/15 DIRECTOR POST AND APPOINTMENT OF DIRECTOR (PERS(2012) 12 TO /4)	13
7.7.	JOINT RESEARCH CENTRE – APPOINTMENT OF AD14 DIRECTOR (PERS(2011) 142 TO /7).....	13
7.8.	DG RESEARCH AND INNOVATION – APPOINTMENT OF DIRECTOR (PERS(2012) 52 TO /3).....	14
7.9.	DG RESEARCH AND INNOVATION – APPOINTMENT OF DIRECTOR (PERS(2012) 39 TO /3).....	15
7.10.	DG COMMUNICATION – TEMPORARY POSTING AS DIRECTOR.....	15
7.11.	DG EDUCATION AND CULTURE – TEMPORARY POSTING AS DIRECTOR.....	16
7.12.	DG HUMAN RESOURCES AND SECURITY – DELTA AND PUL (PROJET URBAIN LOI) BUILDING PROJECTS IN BRUSSELS (INFO(2012) 77)	16
8.	AMENDED PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON INSIDER DEALING AND MARKET MANIPULATION (MARKET ABUSE) (SUBMITTED IN ACCORDANCE WITH ARTICLE 293(2) TFEU) (COM(2012) 421 AND /2; RCC(2012) 83)	16

9. AMENDED PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON CRIMINAL SANCTIONS FOR INSIDER DEALING AND MARKET MANIPULATION (SUBMITTED IN ACCORDANCE WITH ARTICLE 293(2) TFEU) (COM(2012) 420 AND /2; RCC(2012) 83).....	17
10. PROPOSAL FOR A DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2003/87/EC CLARIFYING PROVISIONS ON THE TIMING OF AUCTIONS OF GREENHOUSE GAS ALLOWANCES (COM(2012) 416 TO /3; SWD(2012) 234; SEC(2012) 481; RCC(2012) 82)	17
11. OTHER BUSINESS.....	17
<i>BUDGETARY PROCEDURE CONCERNING THE ESTABLISHMENT OF THE GENERAL BUDGET OF THE EUROPEAN UNION FOR 2013</i>	
	17
12. RELATIONS WITH NON-MEMBER COUNTRIES.....	20
<i>RECENT DEVELOPMENTS IN EXTERNAL POLICY.....</i>	
	20
13. OTHER BUSINESS (CONTINUED FROM ITEM 11).....	24
<i>STATE OF PUBLIC OPINION IN EUROPE.....</i>	
	24

Single sitting: Wednesday 25 July 2012 (morning)

The sitting opened at 10.06 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Baroness ASHTON	High Representative/ Vice-President	
Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	
Ms KROES	Vice-President	
Mr TAJANI	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr POTOČNIK	Member	
Mr BARNIER	Member	Items 11 and 12 (in part)
Mr ŠEMETA	Member	
Mr DALLI	Member	
Ms GEOGHEGAN-QUINN	Member	Items 1 to 12 (in part)
Mr LEWANDOWSKI	Member	
Ms DAMANAKI	Member	
Ms GEORGIEVA	Member	
Mr OETTINGER	Member	
Mr HAHN	Member	
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	
Mr CIOLOȘ	Member	

Absent:

Mr KALLAS	Vice-President
Mr REHN	Vice-President
Mr PIEBALGS	Member
Ms VASSILIOU	Member
Mr DE GUCHT	Member
Ms HEDEGAARD	Member

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

Mr HOLOLEI	Chef de cabinet to Mr KALLAS	
Mr RITTER	A member of Mr REHN's staff	Items 11 (in part) to 13
Mr RAZAALY	A member of Mr PIEBALGS's staff	
Mr ASIMAKIS	Deputy Chef de cabinet to Ms VASSILIOU	
Mr LEVIE	A member of Mr DE GUCHT's staff	
Mr VIS	Chef de cabinet to Ms HEDEGAARD	

The following also sat in:

Mr SOBRAL	Deputy Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PAULGER	Director-General, DG Communication	
Mr ULZURRÚN DE ASANZA Y MUÑOZ	European Commission Spokesperson Service	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Items 1 to 11

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

1. AGENDAS

(OJ(2012) 2012/FINAL; SEC(2012) 468)

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) 2012)

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

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 2010TH MEETING OF THE COMMISSION (11 JULY) AND THE MINUTES AND SPECIAL MINUTES OF THE 2011TH MEETING (18 JULY)

(PV(2012) 2010 AND /2; PV(2012) 2010, PART II; PV(2012) 2011; PV(2012) 2011, PART II)

The Commission approved the minutes of its 2010th and 2011th meetings.

4. INTERINSTITUTIONAL RELATIONS

4.1. RELATIONS WITH PARLIAMENT

- i) Action taken on non-legislative resolutions adopted by Parliament at its April part-session**

(SP(2012) 487 and /2)

The Commission approved SP(2012) 487 and /2, for transmission to Parliament, on the action taken on the non-legislative resolutions adopted by Parliament at its April part-session.

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

ii) Follow-up to Committee of the Regions opinions – Forty-seventh report (October and December 2011 plenary sessions)

The Commission approved the replies to the opinions adopted by the Committee of the Regions during the October and December 2011 plenary sessions, contained in the document distributed as SR(2012) 21/2, for transmission to the Committee of the Regions.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

STATE AID – INDIVIDUAL CASES

(SEC(2012) 483/2)

The Commission adopted the decisions in SEC(2012) 483/2.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2012) 469 ET SEQ.)

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

6.2. EMPOWERMENT

(SEC(2012) 470 ET SEQ.)

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

6.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2012) 471 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 July, as archived in e-Greffe.

6.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2012) 472)

The Commission took note of the sensitive written procedures for which the time limit expired between 23 and 27 July.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2012) 473)

ADMINISTRATIVE MATTERS

(PERS(2012) 92)

**7.1. DG COMMUNICATION NETWORKS, CONTENT AND TECHNOLOGY
– APPOINTMENT OF AD15 DEPUTY DIRECTOR-GENERAL**

(PERS(2012) 20 TO /5)

The Commission had before it applications under Article 29(1)(a)(i) and (iii), (1)(b) and (2) of the Staff Regulations for the post of Deputy Director-General with responsibility for Directorates B, D, F and G (CNECT.DDG.2) in DG Communication Networks, Content and Technology (PERS(2012) 20 to /3).

(25 July 2012)

It took note of the opinions of the Consultative Committee on Appointments of 22 June and 12 July (PERS(2012) 20/4 and /5).

The Commission proceeded to consider the applicants' qualifications for the post. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms KROES, it then decided to appoint Mr Roberto VIOLA to the post.

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

**7.2. DG DEVELOPMENT AND COOPERATION - EUROPEAID –
APPOINTMENT OF AD15/16 DEPUTY DIRECTOR-GENERAL
(PERS(2011) 161 TO /5)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General with responsibility for Directorates B, C and D (DEVCO.DGA.1) in DG Development and Cooperation - EuropeAid (PERS(2011) 161 to /3).

It took note of the opinions of the Consultative Committee on Appointments of 20 March and 10 May (PERS(2011) 161/4 and /5).

The Commission proceeded to consider 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 FÜLE and Mr PIEBALGS, it then decided to appoint Mr Klaus RUDISCHHAUSER to the post.

This decision would take effect on 1 August 2012.

**7.3. DG DEVELOPMENT AND COOPERATION - EUROPEAID –
APPOINTMENT OF AD15/16 DEPUTY DIRECTOR-GENERAL
(PERS(2011) 162 TO /5)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General with

responsibility for Directorates E, F, G and H (DEVCO.DGA.2) in DG Development and Cooperation - EuropeAid (PERS(2011) 162 to /3).

It took note of the opinions of the Consultative Committee on Appointments of 20 March and 10 May (PERS(2011) 162/4 and /5).

The Commission proceeded to consider 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 FÜLE and Mr PIEBALGS, it then decided to appoint Mr Markus CORNARO to the post.

This decision would take effect on 1 August 2012.

**7.4. DG ENERGY – TERMINATION OF SELECTION PROCEDURE FOR AN AD15/16 DEPUTY DIRECTOR-GENERAL POST
(PERS(2011) 11 TO /5)**

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr OETTINGER, the Commission decided to terminate – without making any appointment – internal selection procedure COM/2011/129 for the post of Deputy Director-General with responsibility for Directorates D and E (ENER.DDG.2) in DG Energy.

This decision would take effect immediately.

**7.5. DG HUMANITARIAN AID AND CIVIL PROTECTION (ECHO) – APPOINTMENT OF AD14/15 DIRECTOR
(PERS(2012) 11 TO /5)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director, 'Strategy, Policy and International Co-operation', in DG Humanitarian Aid & Civil Protection (ECHO) (PERS(2012) 11, /2 and /4).

It took note of the opinions of the Consultative Committee on Appointments of 20 April and 31 May (PERS(2012) 11/3 and /5).

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 Ms GEORGIEVA, it then decided to appoint Ms Florika FINK-HOOIJER to the post.

This decision would take effect on 16 September 2012.

**7.6. DG HUMANITARIAN AID AND CIVIL PROTECTION (ECHO) –
TERMINATION OF SELECTION PROCEDURE FOR AN AD14/15
DIRECTOR POST AND APPOINTMENT OF DIRECTOR
(PERS(2012) 12 TO /4)**

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

- to terminate internal selection procedure COM/2011/2916 for the post of Director, 'Humanitarian and Civil Protection Operations', in DG Humanitarian Aid and Civil Protection (ECHO), with immediate effect and without making an appointment;
- to fill that post by transferring in the interest of the service under Article 7 of the Staff Regulations, Mr Jean-Louis DEBROUWER, an AD15 official and currently Director, 'Europe 2020: Employment policies', in DG Employment, Social Affairs and Inclusion; this decision would take effect on a date to be determined.

**7.7. JOINT RESEARCH CENTRE – APPOINTMENT OF AD14 DIRECTOR
(PERS(2011) 142 TO /7)**

The Commission had before it the list of applications under Article 29(1)(a)(i) and (iii), (1)(b) and (2) of the Staff Regulations for the post of Director of the

Institute for Environment and Sustainability (Ispra) in the Joint Research Centre (PERS(2011) 142 to 4, and /6).

It took note of the opinions of the Consultative Committee on Appointments of 19 June and 5 July (PERS(2011) 142/5 and /7).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms GEOGHEGAN-QUINN, it then decided to appoint Ms Maria BETTI to the post.

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

**7.8. DG RESEARCH AND INNOVATION – APPOINTMENT OF DIRECTOR
(PERS(2012) 52 TO /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the European Research Council Executive Agency (ERCEA) in Brussels, in DG Research and Innovation (PERS(2012) 52).

It took note of the opinions of the Consultative Committee on Appointments of 31 May and 7 June (PERS(2012) 52/2 and /3).

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 Ms GEOGHEGAN-QUINN, it then decided:

- to appoint Mr Pablo AMOR to the post, at grade AD14;
- to second him in the interests of the service to the European Research Council Executive Agency (ERCEA) in Brussels, for the duration of his four-year term as Director, during which time he would serve as a member of temporary staff.

These decisions would take effect on 1 August 2012.

**7.9. DG RESEARCH AND INNOVATION – APPOINTMENT OF DIRECTOR
(PERS(2012) 39 TO /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the Research Executive Agency (REA) in Brussels, in DG Research and Innovation (PERS(2012) 39).

It took note of the opinions of the Consultative Committee on Appointments of 31 May and 7 June (PERS(2012) 39/2 and /3).

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 Ms GEOGHEGAN-QUINN, it then decided:

- to appoint Mr Gilbert GASCARD to the post, at grade AD15;
- to end his secondment in the interests of the service to the post of Director of the Education, Audiovisual and Culture Executive Agency (EACEA);
- to second him in the interests of the service to the Research Executive Agency (REA) in Brussels, for the duration of his four-year term as Director of that Agency, during which time he would serve as a member of temporary staff.

These decisions would take effect on 1 November 2012.

7.10. DG COMMUNICATION – 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, 'Representations', in DG Communication from 16 November 2011 to 31 August 2012 to Mr Ludolf VAN HASSELT, an AD13 official and head of unit in that DG.

This decision would take effect immediately.

7.11. 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, ‘Youth and sport’, in DG Education and Culture from 1 January 2012 to 31 August 2012 to Mr Pascal LEJEUNE, an AD14 official and head of unit in that DG.

This decision would take effect immediately.

7.12. DG HUMAN RESOURCES AND SECURITY – DELTA AND PUL (PROJET URBAIN LOI) BUILDING PROJECTS IN BRUSSELS (INFO(2012) 77)

The Commission took note of the information note from Mr ŠEFČOVIČ in INFO(2012) 77.

8. AMENDED PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON INSIDER DEALING AND MARKET MANIPULATION (MARKET ABUSE) (SUBMITTED IN ACCORDANCE WITH ARTICLE 293(2) TFEU) (COM(2012) 421 AND /2; RCC(2012) 83)

The Commission adopted the amended proposal for a Regulation set out in COM(2012) 421/2 for transmission to Parliament and the Council and, for information, to the national parliaments.

**9. AMENDED PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON CRIMINAL SANCTIONS FOR INSIDER DEALING AND MARKET MANIPULATION (SUBMITTED IN ACCORDANCE WITH ARTICLE 293(2) TFEU)
(COM(2012) 420 AND /2; RCC(2012) 83)**

The Commission adopted the amended proposal for a Directive set out in COM(2012) 420/2 for transmission to Parliament and the Council and, for information, to the national parliaments.

**10. PROPOSAL FOR A DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2003/87/EC CLARIFYING PROVISIONS ON THE TIMING OF AUCTIONS OF GREENHOUSE GAS ALLOWANCES
(COM(2012) 416 TO /3; SWD(2012) 234; SEC(2012) 481; RCC(2012) 82)**

The Commission:

- adopted the proposal for a Decision set out in COM(2012) 416/3 for transmission to Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and the national parliaments;
- took note of the staff working document and the supporting document in SWD(2012) 234 and SEC(2012) 481 respectively.

11. OTHER BUSINESS

BUDGETARY PROCEDURE CONCERNING THE ESTABLISHMENT OF THE GENERAL BUDGET OF THE EUROPEAN UNION FOR 2013

The PRESIDENT referred to the letter he had drafted for the Heads of State or

Government following the compromise reached by the Council on 11 July on the draft budget for 2013. He noted that the compromise conflicted with the European Council's positions on the importance of the EU budget as a tool for investing in growth, and would lead to significant cuts in commitment appropriations for expenditure under headings 1a (Competitiveness for Growth and Employment) and 4 (EU as a global player) of the Multiannual financial framework 2007-2013. He added that the situation was even more difficult as regards payment appropriations, especially for competitiveness and heading 4.

He had therefore decided it would be helpful to write to the Heads of State or Government expressing his concern that the negotiations on the 2013 budget were already compromising the spirit of consensus achieved at the recent European Council by reducing the funds available to the European Union for financing many growth-enhancing projects as planned.

He then invited Mr LEWANDOWSKI to report in greater detail on the present state of negotiations on the establishment of the 2013 budget.

Mr LEWANDOWSKI said that the Commission's proposal for the 2013 budget stressed priority measures and investments to boost growth; he too noted that the Council compromise did not meet its own commitments in this respect, since both commitment appropriations and payment appropriations had been reduced to such an extent that they were already inadequate to meet payments due in 2013 as part of the closure of the current Multiannual financial framework 2007-2013.

He felt that the proposed approach, which involved an increase in payments by 2014-2015, was unrealistic and he agreed on the need to point out to the Member States the absurdity of a situation in which they presented invoices to the Commission expecting to be paid without providing it with the means to do so.

The Commission also held a brief discussion in which it touched on the problems caused in some beneficiary Member States by the failure to pay or late payment of amounts due under the structural funds, the need to develop a coordinated strategy with regard to the European Investment Bank so that the positions adopted by the

Member States were also represented in a consistent way in decisions on loans taken by the EIB Board of Directors, the question of the inclusion in the budget of the GMES Programme, which still had to be resolved for the next Multiannual financial framework 2014-2020, and the importance of ensuring that the EU could continue to finance humanitarian actions, not only for the sake of its credibility on the world stage but also in response to the wishes of its citizens in this respect.

The PRESIDENT stressed the seriousness of a situation in which the Commission was unable to pay some of its bills, stating that Mr LEWANDOWSKI was going to draw up a list which would highlight the areas in which certain payments were particularly urgent.

He also mentioned the differences between Member States depending on whether they were net contributors to or net beneficiaries of the budget, and the resulting challenges for the 2013 budgetary procedure.

Besides the contradictions between the recent European Council positions in favour of growth and the points of view adopted during the ongoing negotiations on the 2013 budget, he reminded the meeting of the need for the European Union to honour its legal obligations to beneficiaries resulting from commitments in relation to the financing of projects from the European budget. He noted that the increase in payment appropriations, currently at 6.8%, for the 2013 budget was largely due to these legal obligations and the consequent need to make up a shortfall, and pointed out in this respect that his letter mentioned the fact that the real increase would have been significantly smaller if payment appropriations had been set at the level of actual needs in the 2012 budget.

He explained that this situation would mean that some beneficiary Member States, finding themselves in difficulty, would not be able to achieve their objectives in terms of their budget deficit. He concluded by stressing that the aim of his letter, of which he had also sent a copy to the European Parliament, was both to encourage the Member States to make an effort to support the Commission's balanced proposal and finance initiatives that would have a leverage effect on growth at EU level, and to establish clearly what the true responsibilities were when it came to adopting

budgetary decisions and their consequences for national budgets.

The Commission took note of this information.

12. RELATIONS WITH NON-MEMBER COUNTRIES

RECENT DEVELOPMENTS IN EXTERNAL POLICY

Opening the discussion, Baroness ASHTON said that while the need for a common approach in the Union's external action sometimes encountered internal obstacles and was not always evident to the Member States, in her numerous political and diplomatic contacts the Union's partners expressed a clear wish for Europe to be more visible on the international stage, not just to defend its world view and values but also to remedy the current crisis by a return-to-growth strategy, in the interests of the international community as a whole.

She then reviewed the latest external policy developments, beginning with the current situation of civil war in Syria. She referred to the measures taken by the UN Security Council, the Russian and Chinese positions, the significant risk of a worsening of the conflict, the serious concern caused by the Syrian regime's threat to use chemical weapons in the event of foreign intervention, the humanitarian action by Europe in Syria and adjacent countries, and the recent closing of the Turkish borders. Her departments were to hold a meeting that day on this last issue. She explained the European Union's contribution to the diplomatic efforts being deployed, in particular the action taken by the delegation in Damascus, and her own contacts with the EU Member States which were permanent members of the Security Council and with the 'Friends of Syria', the Syrian opposition movements, the adjacent countries and the Arab League.

She reported on a very fruitful meeting she had held on 19 July with the new Egyptian President, Mohamed Morsi, who spoke of the three main challenges facing the country: guaranteeing security, reviving tourism and attracting investment, as well as issues concerning women and minorities. She welcomed the Egyptian

President's wish for the Union to support the development of the democratic political process in that country – an important meeting would soon be held for that purpose – and Mr Morsi's probable visit to the headquarters of the Commission in September.

Baroness ASHTON referred briefly to the success of the PRESIDENT's visit to Israel and Palestine on 8-10 July and explained what was being done at European level to prepare for the United Nations General Assembly in September, which might discuss again the question of the recognition of the Palestinian state. She also referred to Palestine's current serious budget difficulties.

She then mentioned a number of other recent events, relating for example to the strategic dialogue with China, the opening of the post-ministerial conference between the European Union and the Association of South-East Asian Nations (ASEAN), which she had attended on 11 July at Phnom Penh, and the preparation of other agenda items for the United Nations General Assembly, which would be attended by several Commission Members.

An extensive exchange of views followed in which the following points were raised:

Concerning relations with certain countries or regions

- as regards Syria, a warning about the serious humanitarian problems that could result from the current situation; the observation that the humanitarian aid provided by the European Union in response to the situation in Syria was divided between aid to the Syrian people and aid to adjacent countries; recognition of the work done by the EU Delegation to Damascus despite the difficulties; a reference to the recent contacts with the Israeli foreign minister, Avigdor Lieberman, in relation to the Syrian threat to use chemical weapons;
- a reminder of the European Union's global strategy of political dialogue in its relations with Lebanon, which comprised fifteen priorities, one of the most pressing of which was the question of refugees;
- concerning the Southern Neighbourhood, the need for Europe to provide

support and expertise to the Maghreb and Mashrek countries to help them to lay the foundations for an economic area on the other side of the Mediterranean, based on the European single market, thereby enabling them, if necessary, to consolidate their democracies and hold out the hope of a better economic prospect for their people; the suggestion that the growing number of projects launched under the Union for the Mediterranean should be used to contribute to this end; the announcement of a Commission communication in the autumn on the cooperation with the Arab Maghreb Union to promote ‘South-South’ exchanges and an integrated market, which would be a real breakthrough on the political front; recognition of the progress made in negotiating comprehensive and extensive free trade agreements with certain countries in the region;

- with regard to the Eastern Partnership, the need to take account of the political nature of the ministerial meeting held on Monday 23 July and the challenges that this partnership must address before the Vilnius summit at the end of 2013, particularly by stressing that our partners must achieve tangible results, especially in the areas of visa policy, free trade agreements and sectoral cooperation;
- with regard to neighbourhood policy in general, the need to ensure that concrete results were secured, for example in the field of agriculture;
- concerning Mali, a call for support for the action taken by the Economic Community of West African States (ECOWAS);
- as regards relations with China, reference to a series of upcoming summits to consolidate this highly important strategic partnership, and to a number of crucial issues, for example intellectual property rights, on which the European Union had initiated discussions; the need to settle the outstanding questions concerning agriculture; a reminder of the performance of concrete cooperation projects of special interest;

As regards more general policy matters

- a reminder of the ongoing enlargement process, which was still an issue and

would be the subject of a Commission policy debate in the autumn;

- the importance for the European Union of being present on the international stage to respond to the food security questions which might arise shortly as a result of the drought in the USA and other regions, and would inevitably have a negative impact on international prices of cereals and foodstuffs; in this connection, the announcement of an important Commission communication on food security and resilience;
- support for the work done by the Commission in the current interinstitutional debate on European civil protection, the establishment of which would be further discussed at two Council meetings before the end of 2012;
- concerning common defence, regret that Europe had not progressed and the suggestion that research efforts and capacities be pooled in order to work towards a cohesive European defence in the framework of the North Atlantic Treaty Organization, and to develop a single defence market and an industrial policy in this field. The Commission intended to issue a Green Paper soon on these matters.

Following this discussion, Baroness ASHTON added a few words on the recent worrying developments in certain African countries, for example Côte d'Ivoire, Niger, Sudan, the Democratic Republic of Congo and Rwanda.

With regard to European defence, she supported the idea of bringing this matter forward by taking advantage of the opportunities provided both by the current economic crisis, to justify pooling capacities, and by the settlement of the Libyan conflict. However, the difficulties should not be played down, in particular the reluctance of some Member States to take this way forward.

In conclusion, she said that the Union fully supported the efforts and plan of the UN special envoy for Syria, Kofi Annan. On Friday she would be meeting the Lebanese Prime Minister to discuss, in particular, the Syrian refugee question. She added that she would also report on the current negotiations with Iran at the end of August.

The PRESIDENT thanked the Commission Members for their comments and confirmed that regular exchanges of views on external relations would be held at the Commission's weekly meetings.

He was pleased that his recent visit to Israel and Palestine had been seen by both sides as a very positive sign. He had called on Israel to do more to resolve its conflict with the Palestinian side in a positive spirit, as he had discussed with the President and the Prime Minister, Shimon Peres and Benjamin Netanyahu. As regards the situation in the Palestinian territories, during his visit he had been sorry to observe how much it had worsened in recent years.

On 20 and 21 July he had visited Mozambique and Tanzania and had called on Europe to use its historical links with Africa and the very important work it was already carrying out there to reinforce further its relations with this continent, which had the highest growth rate in the world and so much to offer.

With Africa, as with other regions, it was particularly important to develop an energy diplomacy, in which the Commission had a key role to play, in close cooperation with the European External Action Service.

He said that the first signals sent by Egypt to the Union were positive and that the Commission would return to this and other questions in September. He concluded his comments on the issue of European defence by saying that he supported the development of a European defence policy and industry and that the crisis could give this issue new momentum. He strongly emphasised that the Commission was uniquely positioned to shape an integrated vision for all these issues.

The Commission took note of this information.

13. OTHER BUSINESS (CONTINUED FROM ITEM 11)

STATE OF PUBLIC OPINION IN EUROPE

Ms REDING introduced the brochure handed out to the meeting, which set out the

findings of opinion polls carried out on citizens of the 27 Member States in May and June 2012.

The main trend was a gradual loss of public confidence in the European institutions, with Parliament the least affected, the European Council the most affected and the Commission somewhere in the middle. It was important to note which Member States still trusted the European institutions and which no longer did so, and political messages should be tailored accordingly. The findings from Greece, especially as regards dealings between Greeks and the outside world, provided food for thought in the light of the PRESIDENT's forthcoming visit to that country.

She also drew the meeting's attention to replies indicating what ordinary people expected the European Union to do, primarily action on the economy and crisis resolution measures. Few of those consulted referred to measures in specific sectors.

Interest in issues relating to free movement varied to a very considerable degree between Member States.

The EU's most positive achievements were seen as peace, closely followed by free movement, both of which were rated far more highly than any other European achievements.

Ms REDING was surprised by the limited extent to which EU citizens had dealings with people outside their own Member State or travelled abroad, and by the lack of openness which this suggested on the part of most Europeans.

When asked what the main benefits of the EU were, the most frequent answer given by those polled was border-free travel within the European Union. Ms REDING thought it a shame that other tangible benefits enjoyed by ordinary people as a result of European policies were not perceived as such.

Views on the state of the economy had stabilised, as had the level of satisfaction with the measures taken by the EU and national governments in this area.

She concluded that these poll findings should be taken on board as they provided a basis for the work to be carried out over the coming months and years.

The Commission took note of this information.

*

* *

The meeting closed at 11.38.