EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2013) 2036 final

Strasbourg, 12 March 2013

MINUTES

of the 2036th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 27 February 2013

(morning)

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<u>Single sitting</u>: Wednesday 27 February 2013 (morning)

The sitting opened at 9.14 with Mr BARROSO, President, in the chair.

<u>Present</u>:

Mr BARROSO	President	
Ms REDING	Vice-President	Items 1 to 10 (in part)
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	
Mr TAJANI	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr REHN	Vice-President	Items 1 to 10 (in part)
Mr POTOČNIK	Member	Items 1 to 9
Mr PIEBALGS	Member	Items 1 to 9
Mr BARNIER	Member	Items 1 to 9 (in part)
Mr ŠEMETA	Member	Items 9 (in part) and 10
Mr DE GUCHT	Member	Items 1 to 9 (in part)
Ms GEOGHEGAN-QUINN	Member	Items 1 to 9 (in part)
Mr LEWANDOWSKI	Member	
Ms DAMANAKI	Member	
Ms GEORGIEVA	Member	Items 9 (in part) and 10
Mr OETTINGER	Member	Items 1 to 9
Mr HAHN	Member	
Ms HEDEGAARD	Member	
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	
Mr CIOLOŞ	Member	
Mr BORG	Member	Items 1 to 10 (in part)

Absent:

Baroness ASHTON	High Representative/ Vice-President
Ms KROES	Vice-President
Ms VASSILIOU	Member

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

Mr CEBALLOS BARÓN	A member of Baroness ASHTON's staff	
Mr POWER	A member of Ms KROES's staff	
Mr ASIMAKIS	Chef de cabinet to Ms VASSILIOU	Items 1 to 9

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	Items 1 to 9
Mr PAULGER	Director-General, DG Communication	Items 1 to 9 (in part)
Mr DOENS	Head of the Commission Spokesperson Service	
Ms AHRENKILDE HANSEN	Commission Spokeswoman	Items 1 to 9 (in part)
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Item 9
Mr SOBRAL	Deputy Chef de cabinet to the PRESIDENT	Items 1 to 9 (in part)
Mr CABRAL	Adviser hors classe in the PRESIDENT 's Office	
Ms VANNINI	Adviser in the PRESIDENT’s Office	Item 10
Ms LUCAS	A member of the PRESIDENT's staff	Items 1 to 9
Ms SKURATOWICZ	A member of the PRESIDENT's staff	Items 1 to 9
Mr PESONEN	Chef de cabinet to Mr REHN	Items 1 to 9
Mr LAHTI	Adviser in Mr REHN's office	Items 1 to 9
Mr SADAUSKAS	Chef de cabinet to Mr ŠEMETA	Items 1 to 9 (in part)
Mr BELL	Chef de cabinet to Ms GEOGHEGAN-QUINN	Items 9 (in part) and 10
Mr KUTT	Deputy Chef de cabinet to Ms GEOGHEGAN-QUINN	Item 9 (in part)
Ms GAGO	Chef de cabinet to Mr ANDOR	Items 1 to 9 (in part)

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

The PRESIDENT was sorry to have to announce the sad news of the death on Thursday 21 February 2013 of Mr Bruce MILLAN, a Member of the European Commission from 1989 to 1995.

Bruce MILLAN, a Labour party member, committed European and staunch supporter of social justice, was a British MP for 29 years, from 1959 to 1988, and held several ministerial posts, including that of Secretary of State for Scotland.

In the European Commission, Jacques DELORS made him Commissioner for regional policy and cohesion. Bruce MILLAN made a decisive contribution to shaping and implementing the new economic and social cohesion policy and developed a genuine Europe of the regions. He played an active role in implementing the first Multiannual Financial Framework (1988-1992).

Bruce MILLAN was appreciated by his colleagues and collaborators above all for his honesty, rigour and strong sense of justice, as well as his commitment and enormous capacity for hard work.

He encouraged and developed the professional and personal capacities of the young European officials who served under him.

On behalf of the whole Commission and in his own name, the PRESIDENT offered his sincere condolences to Mr MILLAN’s family and friends.

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1. AGENDAS
(OJ(2013) 2036/FINAL; SEC(2013) 114/2)

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(2013) 2036)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 25 February.

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 2034TH AND 2035TH MEETINGS OF THE COMMISSION (13 AND 20 FEBRUARY)
(PV(2013) 2034; (PV(2013) 2034, PART II; (PV(2013) 2035; (PV(2013) 2035, PART II)

The Commission approved the minutes of its 2034th and 2035th meetings.

4. INTERINSTITUTIONAL RELATIONS
(RCC(2013) 21)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 22 February (RCC(2013) 21).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Ordinary legislative procedure
(point 1.2 of the IRG record)

Dossiers at Parliament first reading

– Multiannual financial framework 2014-2020 – Action programme for taxation in the European Union for the period 2014-2020 (Fiscalis 2020) and repealing Decision 1482/2007/EC (Regulation) – STOLOJAN report – 2011/0341B (COD)

The Commission approved the line set out in SI(2013) 68/2.

– Conferring on the European Central Bank of specific tasks concerning policies relating to the prudential supervision of credit institutions (Council Regulation) / Amendment of Regulation (EU) 1093/2010 establishing a European Supervisory Authority (European Banking Authority) as regards its interaction with Council Regulation (EU) …/… conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (Regulation) – THYSSEN / GIEGOLD reports – 2012/0242 (CNS) / 2012/0244 (COD)

The Commission approved the line set out in SI(2013) 69/4.

– Amendment of Directive 2005/36/EC on the recognition of professional qualifications and the Regulation on administrative cooperation through the internal market information system (Directive) – VERGNAUD report – 2011/0435 (COD)

The Commission approved the line set out in SI(2013) 71/3.

– Procurement by entities operating in the water, energy, transport and postal services sectors (Directive) – TARABELLA report – 2011/0439 (COD)

The Commission approved the line set out in SI(2013) 72/2.

– Amendment of Regulation (EC) 1760/2000 as regards electronic identification of bovine animals and deletion of the provisions on voluntary beef labelling (Regulation) / Amendment of Council Directive 64/432/EEC as regards computer databases which are part of the surveillance networks in the Member States (Directive) – AUCONIE reports – 2011/0229 (COD) / 2011/0228 (COD)

The Commission approved the line set out in SI(2013) 82/2.

– Safety of offshore oil and gas prospection, exploration and production activities (Regulation) – BELET report – 2011/0309 (COD)

The Commission approved the line set out in SI(2013) 88.

– Amendment of Directive 2009/16/EC on port State control (Directive) – SIMPSON Report – 2012/0062 (COD)

The Commission approved the line set out in SI(2013) 73/2.

– General provisions for macro-financial assistance to third countries (Regulation) – KAZAK report – 2011/0176 (COD)

The Commission approved the line set out in SI(2013) 74/2.

– Union customs code (Regulation – recast) – LE GRIP Report – 2012/0027 (COD)

The Commission approved the line set out in SI(2013) 75/3.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

ii) Programming of Council business
(SI(2013) 85)

The Commission took note of the information in SI(2013) 85 on the Council meetings between 28 February and 13 March.

4.3. RELATIONS WITH PARLIAMENT

iii) Participation by Members of Parliament in international conferences
(point 3.3 of the IRG record)

– 22nd session of the Human Rights Council of the United Nations (Geneva, 25 February to 22 March)

The Commission agreed to the request to the PRESIDENT from Mr Martin Schulz, President of Parliament, concerning the attendance of three Members of the European Parliament at the above-mentioned meeting, for the period 27 February to 1 March, as observers in the EU delegation, with a reminder about the procedure to be followed.

– 57th session of the Commission on the Status of Women (New York, 4-15 March)

The Commission agreed to the request to the PRESIDENT from Mr Martin Schulz, President of Parliament, concerning the attendance of five Members of the European Parliament at the above-mentioned meeting, for the period 4 to 6 March, as observers in the EU delegation, with a reminder about the procedure to be followed.

4.4. EXTERNAL RELATIONS

iv) Position to be adopted on the European Union's behalf with regard to certain proposals submitted to the 16th meeting of the Conference of the Parties to the Convention on international trade in endangered species of wild fauna and flora (CITES) (Bangkok, Thailand, 3-14 March) (Council Decision) – 2013/0008 (NLE) (point 5.2 of the IRG record)

The Commission approved the line set out in SI(2013) 78.

v) Particular status of the European Union within the International Organisation of Vine and Wine
(point 5.3 of the IRG record)

The Commission approved the line set out in SI(2013) 79/2.

vi) Reopening of negotiations concerning a comprehensive air transport agreement between the European Union and the Federative Republic of Brazil – empowerment
(point 5.4 of the IRG record)

Empowerment

The Commission empowered Mr KALLAS, under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT and Mr ŠEFČOVIČ and any associated Members, to adopt and transmit to the Council a recommendation, setting out the content of SEC(2010) 539 not adopted by the Council in its decision of 15 October 2010, for a new Council Decision authorising the Commission to negotiate a comprehensive air transport agreement between the European Union and the Federative Republic of Brazil, on the basis of the line set out in SI(2013) 48.

vii) Draft conclusions of the Council of the EU and of the Representatives of the Governments of the Member States meeting within the Council on the renewal of the Swiss financial contribution

The Commission approved the line set out in SI(2013) 89.

viii) Recommendation for a Council Decision authorising the opening of negotiations on a free trade agreement between the European Union and Thailand

The Commission approved the line set out in SI(2013) 90.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED (SEC(2013) 115 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 18 and 22 February.

5.2. EMPOWERMENT (SEC(2013) 116 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 18 and 22 February.

5.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2013) 117 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 18 and 22 February, as archived in e-Greffe.

5.4. SENSITIVE WRITTEN PROCEDURES (SEC(2013) 118 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 25 February and 1 March and of the finalisation written procedures initiated following the weekly meeting of Chefs de cabinet on 25 February.

6. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2013) 119/2)

ADMINISTRATIVE MATTERS
(PERS(2013) 40/2)

6.1. DG ENERGY – CLOSURE OF A SELECTION PROCEDURE FOR AN AD14/15 DIRECTOR POST AND APPOINTMENT OF AN AD14 DIRECTOR (PERS(2012) 91 TO /4)

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

– to terminate the internal selection procedure COM/2012/1889 for the post of Director, 'Internal Energy Market', in DG Energy, without making an appointment; this decision would take effect immediately;

– to fill this position by transferring in the interests of the service, pursuant to Article 7 of the Staff Regulations, Klaus-Dieter BORCHARDT, grade AD14 official and currently Director of the Directorate 'International Affairs I, in particular multilateral negotiations' in DG Agriculture and Rural Development; this decision would take effect on 1 April 2013.

6.2. DG MOBILITY AND TRANSPORT – LIST OF CANDIDATES FOR THE AD14 POST OF EXECUTIVE DIRECTOR OF THE EUROPEAN AVIATION SAFETY AGENCY (EASA) (PERS(2012) 124 AND /2)

The Commission noted the procedure followed, as set out in point 2 of PERS(2013) 40/2, and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr KALLAS, decided:

– to approve the list of two candidates laid before it at point 2 of PERS(2013) 40/2 for the post of Executive Director of the European Aviation Safety Agency;

– to consider this list as the Commission proposal;

– to ask Mr KALLAS, Member of the Commission with responsibility for transport, to communicate this decision to the Management Board of the European Aviation Safety Agency.

These decisions would take effect immediately.

6.3. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF LISTS OF CANDIDATES FOR HEAD OF EUROPEAN UNION DELEGATION POSTS
(PERS(2013) 41; PERS(2013) 42)

The Commission took note of the information at point 3 of PERS(2013) 40/2 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided to approve the lists of candidates in PERS(2013) 41 and PERS(2013) 42 for the posts of Head of the European Union Delegations to Norway (AD9-14/AD12) and Serbia (AD13-14/AD13); these lists would serve as a basis for the competent authority of the European External Action Service to make the final appointments.

This decision would take effect immediately.

7. COMMISSION DECISION CONCERNING A PROCEDURE UNDER ARTICLE 8(3) OF COUNCIL REGULATION (EC) 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS AND ARTICLE 57 OF THE EEA AGREEMENT (*CASE COMP/M.6663 – RYANAIR/AER LINGUS III*)
(COM(2013) 1106 TO /6; RCC(2013) 24)

The Commission:

- took note of the opinion of the Advisory Committee on Concentrations of 18 February in C(2013) 1106/3;
- took note of the final report of the Hearing Officer of 19 February in C(2013) 1106/4;
- adopted, in the authentic language (English), the decision in C(2013) 1106/6, declaring the notified operation to be incompatible with the common market and with the functioning of the agreement on the European Economic Area;
- decided to notify the decision set out in C(2013) 1106/6 to the firm concerned, together with the final report of the Hearing Officer and the opinion of the Advisory Committee;
- decided that the key parts of the decision, together with the Advisory Committee's opinion and the Hearing Officer's report, would be published in the official languages of the Union in the Official Journal of the European Union (with business secrets and other confidential information removed);
- decided to publish the decision on the internet (with business secrets and other confidential information removed).

8. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – A DECENT LIFE FOR ALL – ENDING POVERTY AND GIVING THE WORLD A SUSTAINABLE FUTURE (COM(2013) 92 TO /3; RCC(2013) 22)

The Commission approved the Communication in COM(2013) 92/3 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments.

9. POLICY DEBATE ON DEEPENING ECONOMIC AND MONETARY UNION

The PRESIDENT introduced the policy debate on Economic and Monetary Union (EMU), which he described as building on the work the Commission had already done, notably with its Blueprint for a Deep and Genuine EMU, adopted on 28 November 2012. The Blueprint had outlined practical instruments ranging from stronger policy coordination to the creation of fiscal capacity and including a debt redemption fund. In the present debate, he proposed that, in addition to these instruments, the Members consider the measures to be presented to the June European Council in three specific areas: (i) ex ante coordination of major reforms, (ii) the feasibility of and detailed arrangements for the contractual agreements associated with these reforms, and (iii) the social dimension of EMU, including social dialogue.

Turning first to ex ante coordination of major economic reform plans, he felt that this was justified because of the significant impact such national reforms could have inside the euro area, and that Article 11 of the Treaty on Stability, Coordination and Governance provided a legal basis which allowed the Commission and the Council to assess the repercussions of national measures that were likely to affect the working of EMU. The Commission was willing to produce a communication outlining the main features of such coordination, which might in time lead to a legislative proposal, given that the deadlock in the negotiations on the ‘two-pack’ proposals to strengthen economic and budgetary surveillance in the euro area had now been broken.

The PRESIDENT then considered the Convergence and Competitiveness Instrument (CCI), and as part of this the contractual agreements associated with structural reforms, which would be accompanied by a mechanism providing limited financial assistance to Member States to support the timely introduction of such reforms. These agreements could be directly linked to the country-specific recommendations issued in the framework of the European Semester and the macroeconomic imbalance procedure. He gave examples of major reforms that could benefit from support, such as measures relating to youth employment or social investment. The Commission intended to present a communication on this Convergence and Competitiveness Instrument in the near future.

Finally, as regards the social dimension of EMU, he advocated an emphasis on the aspects of governance that helped to reinforce both the social dimension and social dialogue. For the proper functioning of EMU it was important to concentrate on reforms in employment and social policy which had a direct impact on the viability of the euro area, in other words reforms which increased the economies' adjustment capacity, promoted labour mobility or pre-empted major imbalances and made the adjustment processes more sustainable. This was why it was essential to involve the social partners in this process of deepening Economic and Monetary Union, through the consultation structures which already existed at European level, by introducing new ones, where necessary, and by developing any structures that might be required at national level. On this key question of the social dimension of EMU, the PRESIDENT noted that an analysis was currently being drafted based on the contribution provided by Mr ANDOR on 21 January; this document would be ready for the tripartite social summit on 14 March.

Mr REHN also saw this policy debate as building directly on the Blueprint, and reminded Members that the European Council last December had broadly endorsed the measures proposed by the Commission in this document, particularly those for the short term. He referred to the progress towards the adoption of the ‘two-pack' proposals on reinforcing economic and budgetary surveillance, and stated in particular that he had been encouraged by the fact that several Member States had asked the Commission to present specific initiatives to structure the debate on the deepening of the EMU, thus expressing a desire for this deepening to be anchored in the Community method.

The Commission must therefore take strong initiatives to incorporate these new features into the current European economic governance architecture.

He explained that ex ante coordination of major economic reforms was intended to launch a debate at European level on the major reform initiatives proposed by the Member States, before their adoption. This procedure would enable the Commission to analyse the impact of such national measures and suggest adjustments where necessary. This dialogue would be an integral part of the European Semester and, more specifically, the evaluation of national reform programmes.

The Convergence and Competitiveness Instrument, for its part, linked contractual elements to a solidarity mechanism to encourage Member States to implement the recommendations addressed to them individually as part of the European Semester, under clearly defined conditions relating to implementation, timetable and monitoring. In return for enacting the reforms described in the contractual agreements, the Member States would receive financial support to facilitate their implementation and reduce the political and social cost in the short term. These instruments would apply to members of the euro area, but, ideally, countries that were not members at the moment but were eligible to join would also be able to participate, insofar as the current Treaties allowed.

Finally, he mentioned the possible sources of funding envisaged for the Convergence and Competitiveness Instrument, such as the revenue from the financial transactions tax, or a share of the proceeds of corporate tax, once the common consolidated corporate tax base had been established. Given that these two options could not be put into effect until some time in the more distant future, he considered that the funding would come from contributions by the Member States to which the instrument would apply. He concluded his contribution by explaining that the CCI would not be subject to the ceilings fixed by the regulation on the Multiannual Financial Framework and that, assuming the maximum financial support granted to a Member State by the CCI would be 0.1% of its GDP, the total capacity of the instrument would be around €15 billion.

Mr ANDOR pointed out that the Commission’s position on strengthening the social dimension of Economic and Monetary Union was expected, following the request to that effect by the European Council of December 2012. Although EMU, because of its historical development, now took better account of certain failures, such as macroeconomic imbalances, the current system of governance had yet to address the employment and social-policy dimensions, which were essential to the construction of a genuine and sustainable EMU. There was a particular need to tackle the social and employment-related disparities between Member States, which could impact negatively on the economy, cause social crises and result in political instability, the scale of which could also threaten the very stability of an EMU in which any unilateral currency devaluation was excluded and that left little budgetary leeway.

Allowing for the current legal constraints, Mr ANDOR referred to a number of specific proposals, starting with the idea of introducing social indicators into the existing macroeconomic imbalance procedure. However, such indicators would be inadequate because they would enable the social impact of reforms to be assessed, but would not play a preventive role. The social dimension of EMU should be reflected by a capacity to take collective action at an early stage to deal with key problems, such as differences in employment rates and social disparities. He therefore proposed, firstly, strengthening and raising the profile of the mechanisms for monitoring employment and social issues that existed in the European Semester, and, secondly, focusing more attention on the consequences of macroeconomic imbalances for EMU as a whole.

Instead of creating additional procedures or instruments, he advocated developing a scoreboard of key indicators on unemployment and social policies, using existing tools. He described the planned link between this scoreboard and the Joint Employment Report as part of the Annual Growth Survey and the ex ante coordination of major economic policy reforms, country-specific recommendations and, later on, contractual agreements associated with the recommendations.

It was very important to avoid further divisions between euro-area and non-euro-area Member States, so the proposed scoreboard would include the twenty-seven Member States of the Union, even though the analysis would focus on situations likely to result in spill-over effects that were harmful to EMU. He gave some examples of indicators that could be discussed at a later date, such as a sharp rise in unemployment, youth unemployment, and sharp declines in household income.

Mr ANDOR concluded by making clear that the purpose of the scoreboard would be two-fold, namely (i) to provide greater visibility to the social-policy dimension when taking macroeconomic decisions at the level of EMU and the Member States, and (ii) to strengthen monitoring and coordination in the field of employment and social policies in order to identify and alleviate major difficulties in good time.

During a detailed discussion, the Commission reiterated its support for the contents of the complete and balanced road map that it had defined in the Blueprint for a Deep and Genuine EMU. It stressed the idea of making the two instruments (for ex ante coordination and for convergence and competitiveness) preventive, so that the Member States perceived them to be instruments accompanying their economic policy that respected their competences in this field, without breaching the principle of subsidiarity. In order to explain the governance that was being put in place at European level, it stressed the need for precise communication and for the Commission Members to be actively present in contacts with national parliaments, as well as with local and regional elected representatives.

With regard to the ex ante coordination of major economic reforms, the Commission Members hoped that a communication would be presented, followed by a legislative initiative, to get the measure of the challenges ahead in order to increase the competitiveness of the European economies and create the conditions for a recovery in growth and job creation in Europe. They supported the idea of an open, transparent mechanism which could embrace Member States not in the euro area, while advocating a precise definition of the concept of 'major economic reforms' and of the policy areas concerned.

With regard to the contractual agreements, the Commission Members supported the principle of a Convergence and Competitiveness Instrument based on a contractual model linked to financial aid, i.e. a system of accountability and solidarity which emphasised the commitment on the part of Member States to undertake in-depth reforms with lasting positive effects but also strict conditionality. They expressed the concern to develop a credible instrument with a clear status in law, precise arrangements for implementation and proper funding. On this last point, the Commission Members urged caution as regards mentioning both the indicative allocation of €15 billion and the potential sources of funding for the instrument, bearing in mind that the national budgets of the Member States were already under considerable strain and that the own resources envisaged by the Commission would come on stream only in the long term, without forgetting that negotiations were still ongoing on the 2014-20 Multiannual Financial Framework.

Lastly, with regard to the social dimension of EMU, the Commission approved the proposal for including a scoreboard of social indicators within the framework of the European Semester with a view to stepping up coordination of and follow-up to social policies and enabling preventive rather than reactive action. It suggested that the Convergence and Competitiveness Instrument focus on employment policy and measures to combat unemployment and poverty. The possibility was mooted of incorporating the social dimension into ex ante coordination of major economic reforms while taking care not to develop monitoring and coordination systems which were too unwieldy and respecting the division of responsibilities between the EU and the Member States in matters of social policy. Finally, the Commission expressed the wish for a genuine European social dialogue with national representative bodies, going beyond the four existing social dialogue forums, to explain measures taken at European level.

Mr REHN concluded that the objective was to integrate the two mechanisms of ex ante coordination and the Convergence and Competitiveness Instrument within the European Semester process. He considered that ex ante coordination would particularly concern reforms in the areas of competitiveness, the business environment, jobs and long-term financial and fiscal viability. As regards the Convergence and Competitiveness Instrument, the contractual agreements would be concluded between a Member State and the European institutions. To better integrate the social dimension into the strengthening of EMU, he advocated including the social policy indicators in the general scoreboard for the European Semester.

He stressed that these instruments reinforced the policy of supporting economic reforms in the Member States, and that the Commission must pursue the strategy of long-term budgetary consolidation associated with prudent fiscal policies and structural reforms.

Mr ANDOR reaffirmed the principle of providing a systemic response to the crisis within the limits of the constraints imposed by the current legal and political context. He was aware of the contrast between the substantial progress made to restore market trust and the relatively low level of public confidence in Europe, and emphasised the need to better explain the validity of the proposed measures and how they were to be implemented. Regarding the scoreboard, he recognised the case for taking advantage of the existing structures as far as possible and forging a close link with the European Semester.

The PRESIDENT wound up the debate by confirming the guidelines laid down in the Blueprint, which should now be developed, and outlining the next steps agreed upon by the Commission Members.

With reference to the social dimension of EMU, there was consensus on the idea of increasing its visibility, on not creating new procedures and on integrating certain elements of a scoreboard of social indicators in the Annual Growth Survey.

He also noted the Commission's general agreement to refine the definition of certain terms or concepts in the context of ex ante coordination of the major structural reforms, and to include additional elements before possibly drawing up a legislative proposal.

With regard to the Convergence and Competitiveness Instrument, he referred to the advisability, in the Commission's view, of developing the concept further before presenting a communication at the end of March.

He therefore called on the Commission Members to draw their inspiration from the arguments set out in the paper they had received and to do everything possible in their communication activities to translate the Commission's vision of EMU into a clear political message that was accessible to the general public and free of procedural and technical details. He also urged them to reflect on ways of being more present in the Member States in the context of the European Semester.

In conclusion, the PRESIDENT urged the Commission to continue to resist the occasional outbursts of populist rhetoric by continually hammering home a message of responsibility. While emphasising the need to give due importance to the social dimension of Economic and Monetary Union, the PRESIDENT pointed out that this should not call into question convergence efforts already undertaken. Similarly, the Member States must be encouraged not to relax discipline, or the durability of their social model might well come under threat. For all these reasons he called on the Commission to engage in a genuine political dialogue with the Member States.

The Commission took note of the results and conclusions of the policy debate and of the information documents and background notes circulated by email under the authority of the PRESIDENT.

10. OTHER BUSINESS

10.1. BUDGET IMPLEMENTATION AT 31 DECEMBER 2012 (INFO(2013) 18 AND /2)

The Commission took note of the information note from Mr LEWANDOWSKI in INFO(2013) 18/2.

10.2. SITUATION IN ITALY FOLLOWING THE GENERAL ELECTIONS ON 24-25 FEBRUARY

Mr TAJANI reported on the results of the legislative and senatorial elections that had been held on 24-25 February and presented the resulting political situation.

10.3. SITUATION IN BULGARIA FOLLOWING THE RESIGNATION OF THE PRIME MINISTER ON 21 FEBRUARY

Ms GEORGIEVA explained the political consequences of the recent resignation of the Bulgarian Prime Minister on 21 February.

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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 12.36.