



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2013) 2063 final

Brussels, 6 November 2013

MINUTES
of the 2063rd meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 16 October 2013
(morning)

PV(2013) 2063 final

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Single sitting: Wednesday 16 October 2013 (morning)

The sitting opened at 9.11 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms REDING	Vice-President	Items 1 to 11 (in part)
Mr ALMUNIA	Vice-President	
Ms KROES	Vice-President	
Mr TAJANI	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr REHN	Vice-President	Items 1 to 11 (in part)
Mr POTOČNIK	Member	
Mr BARNIER	Member	Items 1 to 10 (in part)
Ms VASSILIOU	Member	
Mr ŠEMETA	Member	
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	Items 1 to 10 (in part)
Ms DAMANAKI	Member	Items 1 to 10 (in part) and 11
Ms GEORGIEVA	Member	
Mr OETTINGER	Member	Items 1 to 10 (in part)
Mr HAHN	Member	Items 1 to 10 (in part)
Ms HEDEGAARD	Member	
Mr FÜLE	Member	Items 1 to 10 (in part)
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	
Mr CIOLOŞ	Member	Items 1 to 10 (in part)
Mr BORG	Member	
Mr MIMICA	Member	

Absent:

Baroness ASHTON	High Representative/ Vice-President
Mr KALLAS	Vice-President
Mr PIEBALGS	Member
Mr DE GUCHT	Member

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

Mr BANNERMAN	Adviser in Baroness ASHTON's Office	Items 1 to 11 (in part)
Mr RAHUOJA	Principal Adviser in Mr KALLAS's office	Items 1 to 10 (in part)
Mr KARHUNEN	Deputy Chef de cabinet to Mr PIEBALGS	
Mr BENGTTSSON	A member of Mr DE GUCHT's staff	

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	Items 1 to 10 (in part)
Mr DOENS	Head of the Commission Spokesperson Service	Items 1 to 9 (in part)
Ms AHRENKILDE HANSEN	Commission Spokeswoman	Items 1 to 10 (in part) and 11
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Items 9 (in part) and 10 (in part)
Ms MARTÍNEZ ALBEROLA	Adviser in the PRESIDENT's Office	Item 11
Mr KARNITSCHNIG	A member of the PRESIDENT's staff	Items 1 to 9
Ms LUCAS	A member of the PRESIDENT's staff	Items 9 (in part) and 10 (in part)
Ms SKURATOWICZ	A member of the PRESIDENT's staff	Items 1 to 10 (in part)
Mr PESONEN	Chef de cabinet to Mr REHN	Items 1 to 10
Ms LEIB	A member of Mr REHN's staff	Items 1 to 10
Ms CHRISTOPHIDOU	Chef de cabinet to Ms DAMANAKI	Item 10 (in part)
Mr MORDUE	Chef de cabinet to Mr FÜLE	Items 1 to 9

Mr SERVOZ

Deputy Secretary-General

Item 10

Mr DANIELSSON

Director-General, DG Enlargement

Items 1 to 9

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

The PRESIDENT paid tribute, personally and on behalf of the European Commission, to Wilfried Martens, who passed away on 10 October. He paid homage to the former Belgian Prime Minister and President of the European People's Party (EPP), a great statesman and committed European who made a profound mark on the European political landscape over the course of several decades. Europe had lost a man of conviction and strong values, who would be remembered for having brought people together in order to reach a consensus, both in his native country and in Europe. Wilfried Martens always remained true to his commitment to a stronger and deeper European Union.

The PRESIDENT reminded the Members that, under Wilfried Martens' direction and guidance, the EPP became the leading European political party, and it was in this forum that he and Mr Martens had worked together closely for many years and become friends. His personal commitment to the integration of the parties from the new democracies of Central and Eastern Europe was of capital importance. His efforts followed the path of the European Union's founding fathers, such as Robert Schuman, Konrad Adenauer and Alcide De Gasperi.

On behalf of the Commission and personally, the PRESIDENT offered his sincere condolences to Wilfried Martens' family and stated that he would be attending the state funeral which would take place in Ghent on 19 October.

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1. AGENDAS

(OJ(2013) 2063/FINAL; SEC(2013) 527/2)

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) 2063)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 14 October.

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 2061ST MEETING OF THE COMMISSION (2 OCTOBER) AND THE MINUTES OF THE 2062ND MEETING (8 OCTOBER)

(PV(2013) 2061; PV(2013) 2061, PART 2)

The Commission approved the minutes of its 2061st meeting, and decided to hold over for one week approval of the minutes of its 2062nd meeting.

4. INTERINSTITUTIONAL RELATIONS (RCC(2013) 130)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 11 October (RCC(2013) 130).

It paid particular attention to the following points.

4.1. ONGOING CASES – RECENT DEVELOPMENTS

- Signing, on behalf of the European Union and its Member States, and provisional application of the association agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part (Council Decision) – 2013/0155 (NLE)

The Commission approved the line set out in SI(2013) 489.

- Multiannual Financial Framework 2014-2020 – Fund for European Aid to the Most Deprived (Regulation) – COSTELLO report – 2012/0295 (COD)

The Commission approved the line set out in SI(2013) 507 and /2.

- Collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online uses in the internal market (Directive) – GALLO report – 2012/0180 (COD)

The Commission approved the line set out in SI(2013) 518 and /2.

- Fixing for 2014 of the fishing opportunities for certain fish stocks and groups of fish stocks applicable in the Baltic Sea (Council Regulation) – 2013/0286 (NLE)

The Commission approved the line set out in SI(2013) 519.

- Multiannual Financial Framework 2014-2020 – Hercule III programme to promote activities in the field of the protection of the European Union's financial interests (Regulation) – MACOVEI report – 2011/0454 (COD)

The Commission approved the line set out in SI(2013) 520/2.

- Transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and amending Regulation (EU) [...] [RD] as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) 73/2009 and Regulations (EU) [...] [DP], (EU) [...] [HZ] and (EU) [...] [CMO] as regards their application in the year 2014 (Regulation) – DESS report – 2013/0117 (COD)

The Commission approved the line set out in SI(2013) 521/2.

- Notification to the Commission of investment projects in energy infrastructure within the European Union and replacing Council Regulation (EU, Euratom) 617/2010 (Regulation) – VĂLEAN report – 2013/0082 (COD)

The Commission approved the line set out in SI(2013) 522.

- Multiannual Financial Framework 2014-2020 – External financing instruments – Horizontal questions and compromise package

The Commission approved the line set out in SI(2013) 523, /2 and /3.

- Multiannual Financial Framework 2014-2020 – External financing instruments – Individual fiches

The Commission approved the line set out in SI(2013) 524, /2, /3, /4, /5, /6, /7 and /8.

- Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization in the Union (Regulation) – BÉLIER report – 2012/0278 (COD)

The Commission approved the line set out in SI(2013) 525/3.

- Multiannual Financial Framework 2014-2020 – Cohesion policy – Common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) 1083/2006 (Regulation) – VAN NISTELROOIJ / KREHL report – 2011/0276 (COD)

The Commission approved the line set out in SI(2013) 530.

- Enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (Directive) – JAZŁOWIECKA report – 2012/0061 (COD)

The Commission approved the line set out in SI(2013) 532/2.

4.2. PREPARATIONS FOR OCTOBER II PART-SESSION OF PARLIAMENT

- Amendment of Council Regulation (EC) 1215/2009 in relation to tariff quotas for wine (Regulation) – WINKLER report – 2013/0099 (COD)

The Commission approved the line set out in SP(2013) 707.

- Ship recycling (Regulation) – SCHLYTER report – 2012/0055 (COD)

The Commission took note of the compromise text in SP(2013) 706, further to note SI(2013) 368/2, which it had already approved on 26 June.

- Basic safety standards for protection against the dangers arising from exposure to ionising radiation (Council Directive) – ULMER report – 2011/0254 (NLE)

The Commission approved the line set out in SP(2013) 551.

4.3. *RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL*

Programming of Council business

(SI(2013) 527)

The Commission took note of the information in SI(2013) 527 on the Council meetings between 17 and 30 October.

4.4. *RELATIONS WITH PARLIAMENT*

Results of Parliament's October I part-session

(SP(2013) 651; SP(2013) 652)

The Commission took note of the information in SP(2013) 651 and SP(2013) 652 on the proceedings of the part-session of Parliament held in Strasbourg from 7 to 10 October.

Action to be taken on Parliament's legislative resolutions and other resolutions of a legal nature

(SP(2013) 703)

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(2013) 703, drawn up following the October I part-session of Parliament, the contents of which were noted.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

STATE AID – INDIVIDUAL CASES

(SEC(2013) 543/2)

The Commission adopted the decisions in SEC(2013) 543/2.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2013) 528 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 7 and 11 October.

6.2. EMPOWERMENT

(SEC(2013) 529 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 7 and 11 October.

6.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2013) 530 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 7 and 11 October, as archived in e-Greffe.

6.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2013) 531 TO /3)

The Commission took note of the sensitive written procedures for which the time limit expired between 14 and 18 October, and of the finalisation written procedure initiated following the weekly meeting of Chefs de cabinet on 14 October.

6.5. GENERAL EMPOWERMENT CONCERNING ADOPTION OF CERTAIN DECISIONS LAID DOWN IN REGULATIONS (EU) 472/2013 AND 473/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL, AND COUNCIL REGULATION (EC) 1466/97

(C(2013) 6847)

The Commission granted general empowerment, as set out in C(2013) 6847, to the Member of the Commission responsible for economic and monetary affairs and the euro, for the adoption, on behalf of the Commission and under its responsibility, of certain decisions laid down in Regulations (EU) 472/2013 and 473/2013 of the European Parliament and of the Council, and Council Regulation (EC) 1466/97; these decisions are listed in point 4 of C(2013) 6847.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2013) 532)

ADMINISTRATIVE MATTERS

(PERS(2013) 128)

7.1. DG HUMAN RESOURCES AND SECURITY – SPECIAL ADVISER TO THE COMMISSION

(PERS(2013) 131)

The Commission took note of the information in point 1 of PERS(2013) 128

and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided:

- to appoint Mr Jürgen KRÖGER as special adviser to the Commission within the support group for Portugal, with responsibility for giving advice on European economic policy and governance issues;
- to authorise Mr ŠEFČOVIČ to set the starting date and other contract conditions for Mr Jürgen KRÖGER, and to derogate, if necessary, from the individual provisions of Commission Decisions C(2004) 1597 of 28 April 2004 on outside activities and assignments, and C(2007) 6655 of 19 December 2007 on the rules on special advisers to the Commission.

These decisions would take effect immediately.

7.2. *SECRETARIAT-GENERAL – AMENDMENT OF ORGANISATION CHART*
(SEC(2013) 555)

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

- to create a new unit;
- to convert the Principal Adviser post of ‘Mediator’ into a function of Head of Unit at grade AD13/14;
- to approve the new organisation chart set out in SEC(2013) 555.

These decisions would take effect on 1 January 2014.

8. AMENDING LETTER No 2 TO THE DRAFT GENERAL BUDGET 2014 – STATEMENT OF EXPENDITURE BY SECTION – GENERAL STATEMENT OF REVENUE – SECTION I – PARLIAMENT, SECTION II – EUROPEAN COUNCIL AND COUNCIL, SECTION III – COMMISSION,

**SECTION IV – COURT OF JUSTICE OF THE EUROPEAN UNION,
SECTION V – COURT OF AUDITORS, SECTION VI – EUROPEAN
ECONOMIC AND SOCIAL COMMITTEE, SECTION VII – COMMITTEE
OF THE REGIONS, SECTION VIII – EUROPEAN OMBUDSMAN,
SECTION IX – EUROPEAN DATA PROTECTION SUPERVISOR, AND
SECTION X – EUROPEAN EXTERNAL ACTION SERVICE
(COM(2013) 719)**

The Commission adopted Letter of Amendment No 2 to the draft General Budget 2014 set out in COM(2013) 719, for transmission to Parliament and the Council, and, for information, to the national parliaments.

**9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT AND THE COUNCIL – ENLARGEMENT STRATEGY AND
MAIN CHALLENGES 2013-2014**

**(COM(2013) 700 TO /4; SWD(2013) 411 AND /2; SWD(2013) 412 TO /3;
SWD(2013) 413 AND /2; SWD(2013) 414 AND /2; SWD(2013) 415 TO /3;
SWD(2013) 416 AND /2; SWD(2013) 417 TO /3; SWD(2013) 418;
RCC(2013) 127)**

The PRESIDENT opened the discussion on the ‘2013 enlargement package’ which consisted of a Communication from the Commission on the political strategy in this area and the main challenges for 2013-14, together with a series of annual reports outlining the latest developments and progress achieved by the candidate and potential candidate countries in moving closer to the European Union. Pointing out that all the documents tabled that day were a continuation of the broadly consensual policy debate held by the Commission on 18 September, he asked the Commission Members who wished to speak to do so after Mr FÜLE’s presentation, since some had expressed the intention to comment on the proposal to grant candidate country status to Albania.

Mr FÜLE started by saying that this series of documents was produced each year in

response to the commitments entered into by Member States in relation to the enlargement of the Union in general, and as set out in the Thessaloniki summit declaration of June 2003, with regard to the Western Balkan region in particular. The Commission's role was to propose the most effective and suitable approach to achieve the enlargement policy objectives. Lastly, he thanked the Commission Members and their departments for their constructive cooperation in drafting the dossier this year.

Turning in particular to the proposal to grant candidate country status to Albania, Mr FÜLE pointed to the formal but symbolic nature of this measure, on the one hand, and on the other, the commitments made by the Commission in this respect in 2012, provided that the Albanian authorities satisfied a number of conditions in several clearly defined areas. Since then Albania had made considerable tangible progress in the reforms required, especially in the organisation of its judiciary and public administration, the revision of the rules of parliamentary procedure and the holding of democratic elections as had been held in June. He felt, therefore, that the Commission should honour its commitments by recommending to the Council that Albania be granted candidate country status on the understanding that it would continue to take measures to combat organised crime and corruption. He also stated very clearly that candidate country status did not in any case mean the automatic opening of accession negotiations.

In the ensuing discussion, the Commission Members raised the following points in particular:

- broad support for the proposed ‘2013 enlargement package’ and the validity of the specific theme highlighted this year, namely ‘fundamentals first’, with particular emphasis on economic governance and competitiveness;
- the importance of taking a decision during the Commission meeting in the case of such a strategically important issue as enlargement policy;
- emphasis on the success of enlargement policy and the considerable results it had made possible and was still making possible in terms of radical reforms that would ensure economic and democratic stability in Europe; the significance of

the key objective in the Thessaloniki declaration of completing the enlargement process begun in 1989 by extending it to the Balkans in order to complete the unification of Europe and end its historical partition; the need, on the other hand, to bear in mind the fate that some countries could have endured had they been denied the prospect of joining the Union;

- the view taken by some that the Union should focus on striking a fair balance between its objectives of deepening European integration and enlargement, while others felt that these two objectives were complementary;
- a warning by some about the risk of seeing enlargement policy exploited in the current populist climate; in this context, questions as to whether it was advisable to propose candidate country status for Albania given how much progress it still had to make, particularly as regards developing its judicial system;
- without underestimating this risk of political exploitation, the very broad support expressed for Mr FÜLE's approach regarding Albania, which was based on strict but fair conditions; the need to acknowledge the specific progress made by this country in the past year, particularly since granting the proposed status could have a leverage effect on future reforms; support also for the measures referred to by Mr FÜLE consisting of more regular monitoring and closer dialogue with the Albanian authorities to ensure that they continued with the reform process under way in the country;
- the more general observation that the credibility of enlargement policy hinged on both parties honouring the commitments they had made, and also on an assessment of the progress achieved based on objective criteria;
- the need for targeted and instructive communication on the Union's enlargement policy in order to dispel misunderstandings and clarify other sources of confusion, and to put into perspective the stabilising effect which this policy had for the countries in question and for the Union's immediate neighbourhood; the importance of indicating the advantages of enlargement policy for European citizens.

The PRESIDENT ended by thanking the Commission Members for their constructive contributions to the discussion. Returning to the question of the Union's enlargement strategy in the current political climate, he repeated that the historical background to this strategy had to be borne in mind, alluding to the outbreak of the First World War, which was ignited in the Balkans, and the bloody conflict which had engulfed that region only twenty years previously. He then pointed to the ongoing stability of the Union's immediate neighbourhood, underlying Europe's long-term geopolitical security, which was proof of the power of European integration as a vehicle for peace and democracy, and which enhanced its credibility on the world stage.

The PRESIDENT took note of the broad agreement by the Commission Members on honouring commitments made and using the political leverage at the Union's disposal in order to ensure stability in the Western Balkans in particular. He confirmed the need for clear, balanced communication on enlargement policy, which should highlight the considerable progress it had encouraged both in the Union and in the countries concerned, while emphasising the strict conditions marking the path of the candidate countries in their efforts to obtain accession to the Union.

He wound up the discussion by congratulating Mr FÜLE and his department for the important work performed and by confirming the Commission's approval of the Communication and annual progress reports presented that day. He took note of the intention of some Commission Members to attach statements to the minutes of this meeting.

The Commission approved the Communication set out in COM(2013) 700/4 for transmission to Parliament and the Council and, for information, to the national parliaments, together with the 2013 progress reports on Montenegro, Serbia, the

former Yugoslav Republic of Macedonia, Albania, Bosnia-Herzegovina, Kosovo¹, Turkey and Iceland, which were set out in staff working documents SWD(2013) 411/2, SWD(2013) 412/3, SWD(2013) 413/2, SWD(2013) 414/2, SWD(2013) 415/3, SWD(2013) 416/2, SWD(2013) 417/2 and /3, and SWD(2013) 418, the contents of which were noted.

10. POLICY DEBATE ON THE AUTUMN ECONOMIC AGENDA 2013 (SEC(2013) 554; SEC(2013) 544/2; RCC(2013) 129; INFO(2013) 89)

The PRESIDENT introduced the policy debate on the autumn's economic agenda by highlighting the importance of a series of decisions that the Commission would adopt on 13 November. Like last year, the package of measures that would be tabled for its approval would include a Communication on the Annual Growth Survey that would mark the start of the European Semester 2014, an Alert Mechanism Report on the prevention and correction of macroeconomic imbalances, and a report on the single market. This year the Commission was also implementing the budgetary coordination tasks conferred on it by the 'two-pack', by presenting for the first time its opinions on the budgetary plans of the Member States in the euro area and on the Economic Partnership Programmes of some of them.

The PRESIDENT referred to the priorities set by the Annual Growth Survey for 2013, namely (i) pursuing differentiated, growth-friendly fiscal consolidation, (ii) restoring normal lending to the economy, (iii) promoting growth and competitiveness for today and tomorrow, (iv) tackling unemployment and the social consequences of the crisis and (v) modernising public administration.

Most Member States had responded to the setting of these priorities by starting to

¹ This designation is without prejudice to positions on status and is in line with UN Security Council Resolution 1244/99 and the International Court of Justice's opinion on Kosovo's declaration of independence.

consolidate their public finances and to implement long-delayed structural reforms, which were beginning to bear fruit. The changing economic conditions over the past few months showed that the recession was now giving way to a modest recovery, although the situation was still fragile and tensions remained, on both the economic and the political front. He took the view that, in order to achieve a more lasting, job-rich recovery, national reforms had to continue in accordance with the principles and at the rate agreed by the Member States at European level.

The PRESIDENT concluded his introduction by asking the Members of the Commission whether they felt that the five priorities set for the Annual Growth Survey 2013 remained broadly valid for 2014. Against the background of a gradual recovery and given the need to maintain the momentum of the structural reforms, he also called on them to signal any gaps or new challenges that would require a response during the 2014 exercise, which was getting under way.

For his part, Mr REHN explained that the European Semester was at the heart of the macroeconomic surveillance established by the Union to respond to the different aspects of the crisis. This surveillance was based in particular on the governance procedures of the 'six-pack', which included the excessive deficit and macroeconomic imbalance procedures, to which were added the budgetary coordination mechanism for the euro area in the 'two-pack' adopted in May and applied for the first time during this exercise. He stressed that all the tools were now available to deal with economic and budgetary policy as a matter of common interest within the meaning of the Treaty on the Functioning of the European Union.

He noted that the Member States' budgetary autonomy, like their tax and social security systems, for example, were ultimately still a matter for them, and that the 'two-pack' merely utilised the leeway allowed by the Treaty to pool economic risks and deepen economic and budgetary integration.

Mr REHN went on to describe the main stages of the European Semester and what could be called the 'national semester', i.e. the part of the journey that the Member States had to undertake themselves in order to attain the macroeconomic targets agreed at European level.

The European Semester opened with the Annual Growth Survey in November, accompanied by the Alert Mechanism Report that announced which Member States would be subject to an in-depth review in order to analyse certain macroeconomic imbalances. The Commission's winter economic forecasts and the in-depth reviews in March or April would provide other indications required for the Member States to present their stability and convergence programmes and their national reform programmes. All of these components fed into the country-specific recommendations and possible decisions under the Excessive Deficit Procedure or the Excessive Imbalance Procedure, which were adopted in the spring.

The 'national semester' then took over, during the second half of the year, when it was for the Member States to implement the recommendations specifically addressed to them in order to undertake the priority reforms for the next 12-18 months.

He drew Members' attention to the fact that, with effect from this year, this exercise would be enhanced for the Member States in the euro area by the budgetary coordination measures in the 'two-pack'. He explained that these Member States, with the exception of those benefiting from a European assistance programme, would submit their draft budgets to the Commission by 15 October, and noted that the 13 Member States concerned this year had done so in good time. The Commission would then examine the plans on the basis of the autumn economic forecast and would issue an opinion to be discussed in the national parliaments and by the Eurogroup. The 'national semester' would conclude with the adoption of the national budgets at the end of the year.

Mr REHN then described the components of the economic and budgetary package on the agenda of the Commission meeting on 13 November.

He referred to a first series of documents linked to the obligations laid down under the Excessive Deficit Procedure. In this connection, he recalled that in May the Commission had recommended extending the deadline given to seven Member States to correct their excessive deficit and re-opened the procedure in relation to an eighth Member State. He stressed that, under the Stability and

Growth Pact, the Commission would examine the measures taken by the Member States in question and, if they were judged to be inadequate, could recommend moving to the next stages, possibly in the form of sanctions.

He then referred to a second series of documents associated with the new budgetary coordination measures under the 'two-pack', which combined with the first series to form a whole. This series of documents contained opinions firstly on the budgetary plans and then on the Economic Partnership Programmes submitted by the euro-area Member States that had received recommendations under the Excessive Deficit Procedure to lay the foundations for their competitiveness and long-term growth, at the same time rectifying the structural weaknesses in their economies. He also referred to a communication that would present a summary of the budgetary situation in the euro area to the Eurogroup, which would discuss the matter on 22 November.

Finally, he noted that the third series of documents, which marked the start of the European Semester 2014, comprised the Annual Growth Survey and the Alert Mechanism Report on the prevention and correction of macroeconomic imbalances.

As regards the budgetary aspects, Mr REHN stressed that the Commission's role was not to veto national budget plans but to provide independent analysis and advice at a sufficiently early stage to be helpful to national governments and parliaments and thus enable each Member State to keep to the political and budgetary undertakings agreed at European level.

He insisted that this procedure was intended to be a form of partnership, in that it allowed peer review of the way in which Member States followed the Commission's advice, and that national parliaments would be able to ask the Commission for its opinion without undermining their budgetary prerogatives.

All these stages included counterweights to ensure that the enhanced economic governance was based on sound arguments and informed judgement.

In Mr REHN's view, the priorities laid down as part of the Annual Growth Survey since 2011 were still valid, partly because the indicators showed that the Union's

strategy was working and partly because the crisis was not yet over. He reminded the meeting of the large economic disparities between the Member States, the varying strength of the recovery from one to the other, and the high level of unemployment in some Member States. For all these reasons he felt it was essential to maintain the present course and pace of structural reform. The return to growth, employment and confidence was at stake.

Mr REHN concluded his presentation with a brief account of the Eurogroup meeting of 14 October, during which the regular reports on Portugal, Ireland and Spain had been concluded; all three countries were within a few months of the end of their European assistance programmes, which was further proof of the success of the recovery efforts.

There followed a debate in which the Commission referred to the need to pay greater attention in the 2014 Annual Growth Survey to the social effects of the crisis; the importance of strengthening the legitimacy and ownership of the measures adopted as part of the European Semester and of rallying the support of the various national stakeholders and the social partners; the vital importance of stepping up the dialogue with national parliaments on all these economic and budgetary questions; the essential question of whether the recent improvement in a number of economic indicators was sufficient to allay doubts regarding the creation of banking union and the health of the banking sector, against a background in which growth was too weak to create employment; broad support for maintaining the five priorities laid down in the previous Annual Growth Survey, but the desire expressed by several Members for the order to be changed or for some of them to be reworded, given the fragility of the recovery and the failure to create employment; on the subject of structural reforms, the view that these contributed to the long-term growth potential, but were not capable of reviving the economy in the short term; the challenge of incorporating in the Member States' budget plans an analysis of the quality of the reform of national budgets; on the priority relating to the modernisation of public administration, the suggestion that emphasis be placed on the need to reduce the administrative burden on individuals and businesses; the fact that the Member States were not making adequate efforts to develop green taxation and tax transfers to support growth more effectively; the need to incorporate the

Commission's initiatives to combat tax evasion and avoidance more effectively into the country-specific recommendations and the importance of stressing the need to invest in innovation and safeguarding education and vocational training budgets; the need to maintain the European Union's position on green growth and the recommendations on the efficient use of resources and energy efficiency; a reference to the under-capitalisation of small and medium-sized enterprises; the need for the exercise to take into account the fact that the Member States would have to increase their capacity to absorb the Structural Funds allocated to them.

Mr REHN thanked the Members of the Commission for their contributions, some of which required more thorough examination. As far as the five priorities set out in the background note were concerned, he noted broad agreement among Commission Members that these were along the right lines. He also noted that some Members would have liked the order of the priorities to be revised, while others favoured continuity from one year to the next. There were also those who wanted further clarification of the wording of the priorities.

He also returned to the key issue of the supply of lending to small and medium-sized enterprises, referring specifically to the joint initiative by the Commission and the European Investment Bank, which he hoped would be introduced before the end of the year. However, he regretted that, despite the Commission's best efforts, the competent Ministers had, the day before, adopted the least ambitious of the options proposed in this initiative, which would now be presented to the European Council on 24-25 October.

The PRESIDENT praised the tone of this useful policy debate and urged any Members who so wished to send him and Mr REHN their comments on all of the measures of the autumn economic agenda that would be presented to the College for adoption on 13 November. That meeting could last the whole day.

At the end of the debate, which was intended primarily to present the process, he noted a broad consensus on the need to ensure the coherence and credibility of the exercise. Certain points would be worth examining further, such as the idea of including in the package an analysis of how the Annual Growth Survey had been

carried out in the past and what results it had achieved. This was a highly political exercise, which consisted of recommending not only measures but also fundamental political choices, while ensuring that these recommendations were tailored to the needs of the individual Member State and appropriate to the challenges it faced.

On the question of priorities, he said that he would be continuing his discussions with Mr REHN in order to balance the need for continuity and coherence in the process against the possibility of placing more emphasis on certain aspects, such as sustainable development, the role of the Structural Funds in investment, the social dimension with jobs for young people and measures to tackle poverty. However, it was essential that the Annual Growth Survey remain specific and targeted and he warned against any change in the order of priorities, which must on no account be interpreted as a signal to relax efforts to achieve budgetary consolidation and structural reform.

The Commission took note of the results and conclusions of the policy debate, the background note distributed under the PRESIDENT's authority, and the session document and information note distributed under the authority of Mr REHN as SEC(2013) 554, SEC(2013) 544/2 and INFO(2013) 89 respectively.

The Commission's other discussions on this item are recorded in the special minutes.

11. OTHER BUSINESS

VISIT TO THE ISLAND OF LAMPEDUSA FOLLOWING THE TRAGIC ACCIDENT OFF ITS COAST

The PRESIDENT described his visit to the island of Lampedusa on 9 October with Ms MALMSTRÖM, at the invitation of the Italian authorities and accompanied by the Italian Prime Minister, Enrico Letta, and the Minister for the Interior, Angelino Alfano. He had accepted this invitation on behalf of the Commission, in order to express the EU's solidarity.

The PRESIDENT described how painful the visit had been, and the impossibility of conveying in a few words the scale of the human tragedy that had unfolded off the coast of Lampedusa and the unbearable distress of the survivors he had met. He explained that by going to the island he had wished to demonstrate the Commission's determination to do everything in its power to put forward specific measures to avoid another catastrophe of this type; as had regrettably occurred just a few days later off the Maltese coast. He added that the Commission was duty bound to visit the scene since, in the view of the Member States and public opinion, the issues raised by this tragedy directly concern the entire European Union.

The PRESIDENT remarked that events in Lampedusa showed the extent to which the Union must increase its efforts to equip itself with the right tools for handling the current immigration and asylum situation in Europe. He also noted that five Member States receive 70% of asylum applications, namely Germany, France, Sweden, the United Kingdom and Belgium. He added that during his visit to Lampedusa he had announced that the Commission would redeploy existing resources so that an additional 30 million euros could be allocated to Italy, to enable it to improve the reception of refugees in its territory.

He mentioned that he had supported the Italian Prime Minister's proposal to add the issue of immigration and asylum to the agenda for the European Council of 24 and 25 October. This would allow the Member States to show their solidarity and support when one of them was faced with an especially difficult situation.

The PRESIDENT indicated that there would be an opportunity at the Commission meeting of 22 October, on preparations for the European Council, to have a more in-depth discussion and to propose more specific courses of action. He then handed over to Ms MALMSTRÖM to present the results of the last Home Affairs Council, which took place on the day after the Lampedusa tragedy and during which a number of decisions were taken.

Ms MALMSTRÖM stated that, given the extremely serious nature of recent events, the Member States had suggested creating a task force; this idea was therefore being assessed. She would like to see further examination of methods to intensify

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surveillance and rescue operations, to increase cooperation with the immigrants' countries of origin and transit, to step up the fight against traffickers, to assist Italy and Malta in particular to increase the capacity of their reception centres for refugees and asylum seekers, and to explore the possibility of using 'humanitarian visas'. She concluded by explaining that the Commissioners would be able to continue discussion of these highly important issues next week.

The Commission took note of this information.

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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 13.18.