



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2005)1706 final

Brussels, 22 June 2005

MINUTES
of the 1706th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 15 June 2005
(morning)

These minutes were approved by the Commission at its 1707th meeting, held in Brussels on 22 June 2005.

They contain 26 pages.

CONTENTS

List of participants	5-6
-----------------------------	------------

1. AGENDAS (OJ(2005)1706/3; SEC(2005)770/2).....	8
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2005)1706)	8
3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1705TH MEETING (7 JUNE) (PV(2005)1705; PV(2005)1705, PART II)	8
4. WRITTEN PROCEDURES AND EMPOWERMENT	8
4.1. WRITTEN PROCEDURES APPROVED (SEC(2005)771 et seq.)	8
4.2. SENSITIVE WRITTEN PROCEDURES (SEC(2005)772).....	9
4.3. EMPOWERMENT (SEC(2005)773 et seq.).....	9
4.4. DELEGATION AND SUBDELEGATION OF POWERS	9
5. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2005)774)	9
DG ADMIN – RECRUITMENT OBJECTIVES FOR SENIOR OFFICIALS (EU- 10) (SEC(2005)811).....	9
6. COMMISSION REGULATION AMENDING REGULATION (EC, EURATOM) NO 2342/2002 OF 23 DECEMBER 2002 LAYING DOWN DETAILED RULES FOR THE IMPLEMENTATION OF COUNCIL REGULATION (EC, EURATOM) NO 1605/2002 ON THE FINANCIAL REGULATION APPLICABLE TO THE GENERAL BUDGET OF THE EUROPEAN COMMUNITIES (C(2005)1756 TO /3; SEC(2005)781).....	10
7. PROGRESS REPORT ON IMPLEMENTING THE COMMUNICATION ON BETTER REGULATION FOR GROWTH AND JOBS AND UPDATE OF THE COMMISSION’S GUIDELINES FOR IMPACT ASSESSMENT (SEC(2005)790 TO /3; SEC(2005)793)	10

8. COMMISSION GUIDELINES FOR IMPACT ASSESSMENT (SEC(2005)791 TO /3; SEC(2005)793).....	10
9. COMMISSION DECISION ON THE APPLICATION OF ARTICLE 82 OF THE EC TREATY AND ARTICLE 54 OF THE EEA AGREEMENT (CASE COMP/A.37.507/F3 - ASTRAZENECA) (C(2005)1757 TO /10; SEC(2005)785; SEC(2005)819)	11
10. INTERINSTITUTIONAL RELATIONS.....	12
10.1. RELATIONS WITH PARLIAMENT.....	12
10.2. RELATIONS WITH THE COUNCIL (SI(2005)654).....	13
11. MONITORING THE APPLICATION OF COMMUNITY LAW	18
INFRINGEMENTS - URGENT CASES (SEC(2005)820)	18
12. SUMMARY OF ANNUAL ACTIVITY REPORTS OF DIRECTORATES-GENERAL AND SERVICES FOR 2004 (COM(2005)256 TO /4; SEC(2005)781).....	18
13. ANNUAL REPORT TO THE DISCHARGE AUTHORITY ON INTERNAL AUDITS CARRIED OUT IN 2004 (ARTICLE 86.4 OF THE FINANCIAL REGULATION) (COM(2005)257 TO /3; SEC(2005)782; SEC(2005)781).....	18
14. ANNUAL INTERNAL AUDIT REPORT FOR 2004 (ARTICLE 86(3) OF THE FINANCIAL REGULATION) (SEC(2005)780 TO /5; SEC(2005)781).....	18
15. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT AND THE EUROPEAN COURT OF AUDITORS ON A ROAD MAP TO AN INTEGRATED INTERNAL CONTROL FRAMEWORK (COM(2005)252 TO /4; SEC(2005)781)	19

16. TARGETS FOR THE RECRUITMENT AND APPOINTMENT OF WOMEN TO MANAGEMENT AND OTHER A*/AD LEVEL POSTS IN THE COMMISSION IN 2005 (SEC(2005)784 TO /4; SEC(2005)786)	21
17. THE 2005 UN SUMMIT – ADDRESSING THE GLOBAL CHALLENGES AND MAKING A SUCCESS OF THE REFORMED UN (COM(2005)259 TO /4; SEC(2005)802)	22
18. RELATIONS WITH NON-MEMBER COUNTRIES	23
18.1. VISIT BY Ms FERRERO-WALDNER TO IRAQ	23
18.2. EU-CHINA AGREEMENT ON CHINESE EXPORTS OF TEXTILE PRODUCTS (SEC(2005)830 and /2)	24
19. OTHER BUSINESS	24
19.1. G8 FINANCE MINISTERS' MEETING, LONDON, 10-11 June (SEC(2005)823)	24
19.2. EU-OPEC MEETING, BRUSSELS, 9 June (SEC(2005)825)	24

Single sitting: Wednesday 15 June (morning)

The sitting opened at 0910 hours with the President in the chair for items 1 to 10 and Ms WALLSTRÖM in the chair for items 11 to 19.

Present:

Mr BARROSO	President	Items 1 to 10
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	
Mr BARROT	Vice-President	
Mr KALLAS	Vice-President	
Mr FRATTINI	Vice-President	Items 1 to 11
Ms REDING		
Mr DIMAS		
Mr ALMUNIA		
Ms HÜBNER		
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr FIGEL'		
Mr KYPRIANOU		
Mr REHN		
Mr MICHEL		Items 1 to 17
Mr KOVÁCS		
Ms KROES		
Ms FISCHER BOEL		

Ms FERRERO-WALDNER

Items 1 to 18

Mr McCREEVY

Items 1 to 18

Mr MANDELSON

Items 1 to 18

Mr PIEBALGS

Absent:

Mr ŠPIDLA

The following sat in to represent absent Members of the Commission

Ms BANKIER	Deputy Chef de cabinet to Mr Špidla	Items 10 to 19
Mr RALPH	A member of Mr Špidla's staff	Items 1 to 9

The following also sat in

Mr PETITE	Director-General, Legal Service	
Ms LE BAIL	Commission Spokeswoman	
Mr ITALIANER	Deputy Chef de cabinet to the President	
Ms MARTINHO	Chief Adviser in the President's Office	
Mr LAITENBERGER	A member of the President's staff	Item 9
Mr SZÜCS	Chef de cabinet to Mr Kovács	Item 10
Ms BOIX ALONSO	A member of Ms Kroes's staff	Item 9.3
Ms NAESAGER	A member of Ms Fischer Boel's staff	Items 10 to 19
Ms CORUGEDO STENEBOURG	Press and Communication DG	
Mr SERVOZ	Secretariat-General	Items 10 to 15

Secretary: Mr O'SULLIVAN, Secretary-General, assisted by Ms BUGNOT, Director in the Secretariat-General.

1. AGENDAS

(OJ(2005)1706/3; SEC(2005)770/2)

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

2. WEEKLY MEETING OF CHEFS DE CABINET

(SEC(2005)1706)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 13 June.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1705th MEETING

(7 June)

(PV(2005)1705; PV(2005)1705, Part II)

The Commission approved the minutes of its 1705th meeting.

4. WRITTEN PROCEDURES AND EMPOWERMENT

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2005)771 *et seq.*)

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

4.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2005)772)

The Commission took note of written procedures initiated between 6 and 10 June for the adoption of decisions with political implications.

4.3. EMPOWERMENT

(SEC(2005)773 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted in the period.

4.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 6 and 10 June, as archived on the "Greffé 2000" (Registry) website.

5. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2005)774)

ADMINISTRATIVE MATTERS

(PERS(2005)84)

DG ADMIN – RECRUITMENT OBJECTIVES FOR SENIOR OFFICIALS

(EU- 10)

(SEC(2005)811)

The Commission approved the communication presented by Mr KALLAS, in agreement with the PRESIDENT (SEC(2005)811), particularly the conclusions set out at item 5.

**6. COMMISSION REGULATION AMENDING REGULATION (EC, EURATOM) No 2342/2002 OF 23 DECEMBER 2002 LAYING DOWN DETAILED RULES FOR THE IMPLEMENTATION OF COUNCIL REGULATION (EC, EURATOM) No 1605/2002 ON THE FINANCIAL REGULATION APPLICABLE TO THE GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
(C(2005)1756 to /3; SEC(2005)781)**

The Commission:

- adopted in principle the Regulation in C(2005)1756 and /3;
- empowered the Commission Member responsible for financial programming and the Budget to adopt this Regulation definitively in all the official languages of the European Union;
- noted that this Regulation would be published in the Official Journal.

**7. PROGRESS REPORT ON IMPLEMENTING THE COMMUNICATION ON BETTER REGULATION FOR GROWTH AND JOBS AND UPDATE OF THE COMMISSION'S GUIDELINES FOR IMPACT ASSESSMENT
(SEC(2005)790 to /3; SEC(2005)793)**

**8. COMMISSION GUIDELINES FOR IMPACT ASSESSMENT
(SEC(2005)791 to /3; SEC(2005)793)**

The Commission:

- took note of the interim report in SEC(2005)790/3;

- took note of the revised internal guidelines concerning the impact assessment of the Commission initiatives, as set out in SEC(2005)791/2 and /3;
- instructed its departments to apply these guidelines when carrying out the impact assessments, taking into account the need to gradually apply the new requirements when the impact assessments were already in progress;
- decided to make the guidelines directly accessible to the public by publishing them on the internet;
- asked the Secretariat-General, in consultation with the Commission departments, to update these guidelines regularly, in the light of experience and the Commission's requirements.

**9. COMMISSION DECISION ON THE APPLICATION OF ARTICLE 82 OF
THE EC TREATY AND ARTICLE 54 OF THE EEA AGREEMENT
(CASE COMP/A.37.507/F3 - ASTRAZENECA)
(C(2005)1757 to /10; SEC(2005)785; SEC(2005)819)**

Ms KROES presented the draft decision now before the Commission and emphasised its importance for implementing the Lisbon Strategy. The amount of the proposed fine took into account the seriousness of the infringement.

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 30 May and 13 June in C(2005)1757/2 and C(2005)1757/7;
- took note of the final report of the Hearing Officer of 31 May in C(2005)1757/5;

- adopted, in the authentic languages (English and Swedish), the decision in C(2005)1757/10, noting that the companies *AstraZeneca AB* and *AstraZeneca Plc* had infringed Article 82 of the EC Treaty and Article 54 of the EEA Agreement, and imposing fines totalling €60 million on these companies;
- decided that the versions of the decision in C(2005)1757/10 would be notified to the companies concerned, together with the final report of the Hearing Officer;
- decided that the most important parts of the decision, together with the opinions of the Advisory Committee and the final report of the Hearing Officer, would be published in the official languages in the Official Journal (with all business secrets removed);
- also decided to publish the decision (with business secrets removed) on the internet.

10. INTERINSTITUTIONAL RELATIONS

10.1. RELATIONS WITH PARLIAMENT

i) Plenary session of 6 to 9 June

(SP(2005)2396)

The Commission took note of the information supplied relating to Parliament's part-session of 6 to 9 June (SP(2005)2396).

ii) Action to be taken on Parliament's opinions

(SP(2005)2319)

The Commission approved the proposed empowerment decisions relating to action to be taken on the amendments presented by Parliament under

the codecision and consultation procedures requiring a single reading
(SP(2005)2319).

10.2. RELATIONS WITH THE COUNCIL

(SI(2005)654)

iii) Agriculture and Fisheries (Luxembourg, 20 and 21 June)

(SEC(2005) 812 and /2)

Proposal for a Council Regulation concerning management measures for the sustainable exploitation of fishery resources in the Mediterranean and amending Regulations (EC) No 2847/93 and (EC) No 973/2001 (COM(2003)589 final - C5-0480/2003-2003/0229 (CNS))

The Commission authorised Mr BORG to accept a Presidency compromise to be adopted by qualified majority, along the lines set out in SEC(2005)812/2, with a view to the Council meeting (Agriculture and Fisheries) on 20 and 21 June.

iv) Preparations for European Council (Brussels, 16 and 17 June)

The PRESIDENT pointed to the crucial importance of the European Council on 16 and 17 June, which was to focus on two main subjects: ratification of the Constitution and the financial perspectives 2007-13. In view of the difficulties currently facing the Union, it was important for the European Council to reach decisions and show that the Union was still functioning. To this end, he wished to know the Commission's opinion of certain initiatives which, depending on how the discussions developed, he could propose at the European Council to ensure that the Commission made a positive and active contribution.

As regards the financial perspective, the Commission had confirmed at its previous meeting that an agreement on this matter would give an essential

positive signal. In the light of the efforts made by the Luxembourg Presidency and of developments in the past few days, the PRESIDENT considered that such an agreement was possible, although the matter of the British rebate and more generally the situation of the net contributor Member States were crucial issues that still had to be settled. Following the line agreed by the Commission, his intention was therefore to maintain a firm position in order to secure the best possible compromise without, however, opposing an agreement, should one be reached. However, in view of the concerns expressed by both Parliament and the Commission concerning the levels of financing that might be approved, he could propose that the agreement be accompanied by a sunset clause providing for a meeting on a date to be determined in order to review the situation in a number of target subject areas, particularly those relating to competitiveness.

On ratification of the Constitution, the PRESIDENT reported that the Commission would continue to take the line that this was a matter first and foremost for the Member States, and to avoid the two extremes of either concluding that the Treaty was dead or ignoring the results of the referendums. In view of recent developments in the Member States' positions, an overall European Council position calling for a pause for reflection might be a positive intermediate solution. In any case, the Commission should emphasise, and also demonstrate, that the Union had not come to a halt and that it was continuing to function in all its areas of responsibility. On the basis of its role as initiator of Community action and guarantor of the European interest, the Commission could make an active contribution to this pause for reflection by proposing a strategic road map, based on listening to citizens' concerns in order to identify ways and means of relaunching the European project and creating a new political consensus regarding European values.

The Commission noted these observations and additional remarks by Ms WALLSTRÖM and Ms GRYBAUSKAITĖ, and went on to hold an in-depth exchange of views on both the main subjects to be discussed by the European Council, during which it highlighted the following:

Financial perspectives 2007-13

- content and acceptability of a possible agreement and its repercussions on the various budget headings and the overall structure of the financial perspective;
- desirability of proposing a “mid-term” review clause, the scope of such a clause and when it would come into force;
- need for such a clause to be based on the Commission's right of initiative;
- need to be careful about how such a clause was presented to the public;
- need for the Commission to be ready to react speedily on the basis of a common line if an agreement was to be reached at the European Council, in terms both of the underlying philosophy and of the practical details.

Constitution

- preference for a joint response by the Member States concerning the action to be taken in the ratification process;
- need to avoid adopting extreme positions regarding the ratification problems encountered and to reach a balanced intermediate solution,

taking into account the new political situation and bearing in mind that the Constitution had been ratified by almost half the Member States;

- a reminder that, despite the difficulties in ratifying the Constitution, its text was a balanced one containing points that contributed genuine added value to European integration. Whatever happened after the ratification process, it was important to preserve the spirit of these parts of the Constitution in the future;
- the Commission's essential institutional role if there was a pause in the ratification process, and the importance of clearly defining what direction the European venture should take;
- crucial importance for the Commission and the Member States of speedily initiating a process of active listening and dialogue with all the dynamic forces of European society, a process that should take place as close as possible to citizens rather than on the basis of a centralised model;
- need for the Commission, in certain cases, to modify its own administrative practices in order to be closer to citizens and exercise its right of legislative initiative while fully respecting the rules of better lawmaking;
- role that past and future enlargements could have played in the perception of European integration by citizens and their possible impact on the results of the referendums.

Following the exchange of views, the PRESIDENT noted that there was substantial agreement on the ideas he had put forward, which he would put to the European Council with the necessary flexibility, taking account of the observations of the Commission.

Concerning the ratification of the Constitution, while respecting the institutional powers of the Member States, the Commission would emphasise the need to avoid extreme positions and to give priority to a pause for reflection. It would underline the need to take advantage of this pause to listen actively to all sectors of European society and then act on the basis of the concerns expressed. In accordance with its power of initiative, the Commission would also announce its intention at the end of this listening process, of presenting a strategic framework, accompanied by a road map and a specific action plan for the future development of the European Union. The Commission's work programme and the strategic objectives adopted for the whole of its term of office would of course continue to play a central role in the efforts made to demonstrate that the Union remained active and dynamic.

As regards the financial perspective, the PRESIDENT would propose the inclusion of a revision clause, among other things in order to allow the necessary flexibility in an environment subject to continual and rapid change. This clause should be as precise as possible as to scope and timing.

Lastly, the Commission confirmed its intention of complying fully and rigorously with the agreements already concluded and the approaches adopted as regards future enlargements.

iv) Economic and Financial Affairs (Luxembourg, 7 June)

Financing of development

The Commission took note that, following a specific request by the Council (Economic and Financial Affairs), a staff paper, objectively analysing the various possible approaches for a possible contribution based on airline tickets as a new source for the financing of development

aid, would soon be transmitted to the Council. It also noted the other possible means of financing mentioned by Ms GRYBAUSKAITE and asked her to submit an in-depth analysis of this matter.

11. MONITORING THE APPLICATION OF COMMUNITY LAW

INFRINGEMENTS - URGENT CASES

(SEC(2005)820)

The Commission adopted the decisions in SEC(2005)820, subject to the following clarifications:

Case 2004/0079

Luxembourg

Taxation of savings income in the form of interest payments

This item was held over for a later meeting.

12. SUMMARY OF ANNUAL ACTIVITY REPORTS OF DIRECTORATES-GENERAL AND SERVICES FOR 2004 (COM(2005)256 to /4; SEC(2005)781)

13. ANNUAL REPORT TO THE DISCHARGE AUTHORITY ON INTERNAL AUDITS CARRIED OUT IN 2004 (ARTICLE 86.4 OF THE FINANCIAL REGULATION) (COM(2005)257 to /3; SEC(2005)782; SEC(2005)781)

14. ANNUAL INTERNAL AUDIT REPORT FOR 2004 (ARTICLE 86(3) OF THE FINANCIAL REGULATION) (SEC(2005)780 to /5; SEC(2005)781)

**15. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE
EUROPEAN PARLIAMENT AND THE EUROPEAN COURT OF
AUDITORS ON A ROAD MAP TO AN INTEGRATED INTERNAL
CONTROL FRAMEWORK
(COM(2005)252 to /4; SEC(2005)781)**

The Commission considered all these documents together.

Mr KALLAS introduced the various dossiers submitted to the Commission. He drew attention to the main observations in the 2004 Annual Report of the Internal Auditor, in the areas of internal control and the effectiveness of the monitoring system, management of aid and the market procedures and prospects concerning a risk analysis at Commission level. He then presented the road map for an internal control framework, emphasising the challenges that must be met in order to obtain, in line with the Commission's Strategic Objectives 2005–09 and the wishes expressed by Parliament and the Council, an unqualified statement of assurance (DAS) from the Court of Auditors.

Ms GRYBAUSKAITĖ amplified this oral presentation by drawing attention to the importance for the Commission Members' to be as well informed as possible of the situations of risk known to the departments under their responsibility with an impact on the management and monitoring plan.

The Commission held an exchange of views on the various documents before it, during which the following matters were highlighted:

- the objective to be pursued, as far as possible, as regards simplification of management and monitoring, without however affecting their quality;
- the importance of ensuring that future annual activity reports of Directors-General and department heads and the Commission summary report

contained sufficient information for assessing to what extent the policies launched by the Commission had been implemented.

Following this exchange of views, the Commission:

For items 12, 13 and 14:

- took note of the communication from the PRESIDENT, in agreement with Mr KALLAS and Ms GRYBAUSKAITĖ, in COM(2005)256/4;
- approved the summary report of the 2004 annual activity reports of the Directorates-General and departments set out in COM(2005)256/3;
- approved the summary of the 2004 annual report of the Internal Auditor, as set out in COM(2005)257/3;
- took note of the 2004 annual report of the Internal Auditor and its three Annexes (SEC(2005)780/3 to /5);
- noted that each Commission Member had been informed of the thrust of the annual activity report and of the statement of the Directors-General and department heads under their responsibility;
- instructed departments to implement the specific action plans drawn up with a view to remedying the shortcomings highlighted in the annual activity reports and to take forward the initiatives set out in the summary report for their areas of responsibility;
- reminded the meeting that each Commission Member was responsible for following up implementation of the actions to be undertaken within the departments under their responsibility;
- instructed the Secretary-General to transmit to the Secretaries-General of Parliament, the Council and the Court of Auditors, for information purposes,

(1) the 2004 synthesis, accompanied by all the annual activity reports and the statements of the Directors-General and department heads; (2) the summary of the 2004 annual report of the Internal Auditor, accompanied by the staff paper distributed as SEC(2005)782;

- authorised the Vice-President in charge of administrative affairs, audit and anti-fraud and the Member responsible for financial programming and the budget to present the 2004 summary report and the summary of the 2004 internal audit report to the relevant parliamentary bodies, in particular the Committee on Budgets and the Committee on Budgetary Control;

For item 15:

- approved the communication set out in COM(2005)252/4 and /5, for transmission to Parliament, the Council and the Court of Auditors;
- instructed its departments: (1) to identify the gaps and propose action plans to complete the control frameworks on which the Court could base the assurance it was seeking; (2) to undertake discussions with the Council committees responsible and to present an initial report proposing the basis of a common understanding with the Member States on an integrated internal control framework in October 2005; (3) to check the proposed regulatory framework for 2007-13 and, if necessary, to propose adaptations in order to integrate the provisions which, in the light of assessment of the gaps, were needed to establish an integrated control framework.

**16. TARGETS FOR THE RECRUITMENT AND APPOINTMENT OF WOMEN
TO MANAGEMENT AND OTHER A*/AD LEVEL POSTS IN THE
COMMISSION IN 2005
(SEC(2005)784 to /4; SEC(2005)786)**

Mr KALLAS presented the communication he was tabling and emphasised the significant work that remained to be carried out in order to meet the Commission's annual objectives since 1995 for recruitment and appointment of women to management posts and other level A*/AD posts. He compared the Commission's situation with that of certain international institutions and trusted that the various enlargement-related recruitment procedures would help to redress the situation. He drew the meeting's attention to the responsibility of the Directors-Generals and department heads as regards middle management.

The Commission:

- took note of these observations as well as of the additional remarks by Ms WALLSTRÖM and Mr MANDELSON on the need to pay all proper attention to achieving the objectives set;
- approved the communication in SEC(2005)784/4.

**17. THE 2005 UN SUMMIT – ADDRESSING THE GLOBAL CHALLENGES
AND MAKING A SUCCESS OF THE REFORMED UN
(COM(2005)259 to /4; SEC(2005)802)**

Ms FERRERO-WALDNER presented the communication she was tabling in agreement with Mr MICHEL. The strategy proposed in the communication was aimed at achieving the ambitious objectives of the United Nations Summit in September. Her meetings with the Secretary-General, the Deputy Secretary-General and the President of the UN General Assembly on 3 June had enabled her to assess the importance of the part the Union was expected to play in contributing to effective multilateralism and a global approach to the challenges currently existing worldwide. She drew particular attention to the three interrelated challenges of

security, real development and human rights, all of which were identified as priorities in the communication.

Mr MICHEL confirmed that this communication responded to the expectations of the international community as regards the Union's contribution to strengthening the framework of world governance represented by the United Nations system. Europe must show its willingness and capacity to be a player in globalisation in the current situation, striving to supervise it more effectively and ensure its benefits were fairly distributed.

Having taken note of these observations, the Commission adopted the communication in COM(2005)259/4 for transmission to Parliament and the Council.

18. RELATIONS WITH NON-MEMBER COUNTRIES

18.1. VISIT BY Ms FERRERO-WALDNER TO IRAQ

Ms FERRERO-WALDNER reported on her recent visit to Baghdad in connection with the first Troika mission to Iraq. This was an important initiative both for the people and for the institutions of Iraq at a difficult moment in the transition policy, marking the beginning of a new relationship between the European Union and Iraq. Referring more particularly to the constitutional process in progress in the country and the numerous contacts she had had on this subject with all the political parties and the Sunni opposition, she stressed that this process had to be inclusive. One aim of the visit was to prepare for the international conference organised by the EU and the United States on 22 June in Brussels to discuss the constitutional process, the reconstruction efforts and the restoration of law and order.

The Commission took note of this information.

**18.2. EU-CHINA AGREEMENT ON CHINESE EXPORTS OF TEXTILE
PRODUCTS**

(SEC(2005)830 and /2)

Mr MANDELSON outlined the agreement he had reached with his Chinese counterpart concerning imports of Chinese textiles in the Union. This was a balanced and positive agreement for both parties, providing a solution to a sensitive problem and making it possible to concentrate on a more positive agenda of relations between the Union and China. The results of this agreement would be speedily set down in a draft regulation which would be up for adoption by the Commission by written procedure.

Having taken note of this information, the Commission endorsed the memorandum of understanding as set out in SEC(2005)830/2 and instructed the departments concerned to prepare the necessary texts and measures to implement it as soon as possible.

19. OTHER BUSINESS

**19.1. G8 FINANCE MINISTERS' MEETING, LONDON, 10-11 June
(SEC(2005)823)**

The Commission took note of the information note distributed by Mr ALMUNIA.

**19.2. EU-OPEC MEETING, BRUSSELS, 9 June
(SEC(2005)825)**

Mr PIEBALGS reported on the meeting in Brussels on 9 June between the Union and OPEC as part of the dialogue on energy. He gave a positive

assessment of this meeting, which had provided an opportunity to clarify points of view, identify suitable areas for enhanced cooperation, and prepare the way for further discussions.

The Commission took note of this information and of the note distributed by Mr PIEBALGS.

*

* *

The Commission's other discussions on certain agenda items are recorded in the special minutes.

*

* *

The meeting closed at 13.15