



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Strasbourg, 13 June 2006

MINUTES

of the 1748th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 7 June 2006

(morning)

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Single sitting: Wednesday 7 June (morning)

The sitting opened at 09.12 with Mr BARROSO, President, in the chair. Items 16 to 19 were chaired by Ms WALLSTRÖM.

Present:

Mr BARROSO	President	Items 1 to 15
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	
Mr BARROT	Vice-President	
Mr KALLAS	Vice-President	
Mr FRATTINI	Vice-President	Items 13 (in part) to 19
Ms REDING		Items 1 to 19 (in part)
Mr DIMAS		
Ms HÜBNER		
Mr BORG		Items 1 to 15
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		Items 1 to 13 (in part)
Mr FIGEL'		
Mr REHN		
Mr MICHEL		Items 1 to 19 (in part)
Ms KROES		Items 1 to 19 (in part)
Ms FISCHER BOEL		
Ms FERRERO-WALDNER		
Mr ŠPIDLA		
Mr PIEBALGS		Items 1 to 17

Absent:

Mr ALMUNIA

Mr KYPRIANOU

Mr KOVÁCS

Mr McCREEVY

Mr MANDELSON

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The following sat in to represent absent Members of the Commission

Mr QUERO MUSSOT	Deputy Chef de cabinet to Mr Almunia	
Ms SPANOU	Member of Mr Kyprianou's staff	Items 13 to 19
Mr SZÜCS	Chef de cabinet to Mr Kovács	
Mr MERLIN	Member of Mr McCreevy's staff	
Mr REDONNET	Deputy Chef de cabinet to Mr Mandelson	

The following also sat in

Mr VALE DE ALMEIDA	Chef de cabinet to the President	
Mr PETITE	Director-General, Legal Service	
Mr SØRENSEN	Director-General, DG Communication	
Mr LAITENBERGER	Commission Spokesman	Items 1 to 19 (in part)
Ms CARVALHO	Acting Director-General, Bureau of European Policy Advisers (BEPA)	
Ms MARTINHO	Chief Adviser in the President's Office	Items 13 (in part) and 14
Mr ANDRESEN GUIMARÃES	Member of the President's Office	(Items 1 to 13 and 15)
Mr CHILD	Chef de cabinet to Ms Ferrero-Waldner	Items 1 to 13
Mr RICHARDSON	DG Fisheries and Maritime Affairs	Item 15

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

1. AGENDAS

(OJ(2006)1748/3; SEC(2006)695/2)

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(2006)1748)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Friday 2 June.

3. MINUTES OF 1747TH MEETING (31 MAY)

(PV(2006)1747)

The Commission approved the minutes of its 1747th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

4.1. STATE AID - RECAPITULATIVE LIST

(SEC(2006)734 to /4)

The Commission adopted the decisions in the recapitulative list (SEC(2006)734/4).

4.2. STATE AID – IMPLEMENTATION OF NEW GUIDELINES FOR REGIONAL STATE AID – DRAFT COMMISSION REGULATION ON NOTIFICATION FORMS

(SEC(2006)657)

The Commission:

- approved the draft Commission Regulation on notification forms in SEC(2006) 657 to be submitted to the Advisory Committee on State Aid in accordance with Article 29 of Council Regulation (EC) 659/1999;
- empowered Ms KROES, the Commissioner with special responsibility for competition, to continue with the procedure and, in particular, to transmit the draft Regulation to the Member States and to consult them within the Advisory Committee for State Aid.

4.3. STATE AID - DRAFT COMMISSION REGULATION ON THE APPLICATION OF ARTICLES 87 AND 88 OF THE EC TREATY TO DE MINIMIS AID

(SEC(2006)727)

The Commission decided to authorise the publication in the Official Journal of the European Union of the draft Regulation on *de minimis* aid, which had been amended to take account of certain changes proposed by the Advisory Committee on State Aid, contained in SEC(2006) 727. This Regulation is intended to replace Commission Regulation (EC) 69/2001, pursuant to Article 6 of Council Regulation (EC) 994/98.

4.4. INFRINGEMENTS - URGENT CASES

(SEC(2006)692; SEC(2006)731)

The Commission adopted the decisions in SEC(2006)731.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2006)696 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 29 May and 2 June.

5.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2006)697 and /2)

The Commission took note of the written procedures which end between 6 and 9 June for the adoption of decisions with political implications and of "finalisation" written procedures initiated following the weekly meeting of Chefs de Cabinet on 2 June.

5.3. EMPOWERMENT

(SEC(2006)698 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 29 May and 2 June.

5.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 29 May and 2 June, as archived on the "Greffé 2000" (Registry) website.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2006)699/2)

ADMINISTRATIVE MATTERS

(PERS(2006)76/2)

6.1. DG ADMIN – AD14/15 FUNCTION OF CHIEF ADVISER

The Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, decided, under Article 7 of the Staff Regulations, to fill the post of Chief Adviser in the Personnel and Administration DG by the transfer in the interest of the service of Ms Gabrielle CLOTUCHE, a grade AD15 official and currently Chief Adviser in the Statistical Office of the European Communities.

This decision would take effect immediately.

6.2. INITIAL COMMUNICATION UNDER ARTICLE 50 OF THE STAFF REGULATIONS

The Commission decided to initiate the procedure laid down in Article 50 of the Staff Regulations with respect to an AD15 official.

6.3. ESTAT - AMENDMENT OF ORGANISATION CHART

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ALMUNIA, the Commission decided to abolish a post of Chief Adviser in the Statistical Office of the European Communities.

This decision would take effect immediately.

**6.4. AIDCO – INTERNAL PUBLICATION OF A VACANCY NOTICE FOR AN AD15/16 DEPUTY DIRECTOR-GENERAL
(PERS(2006)77)**

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, the Commission decided to authorise the

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publication, under Article 29(1)(a)(i) and (iii) of the Staff Regulations, of the vacancy notice in PERS(2006)77 for the post of Deputy Director-General in grade AD15/16 in the EuropAid Cooperation Office.

This decision would take effect immediately.

6.5. DG FISH – ADOPTION OF LIST FOR THE RECRUITMENT OF A GRADE AD14 EXECUTIVE DIRECTOR IN THE COMMUNITY FISHERIES CONTROL AGENCY

(PERS(2006)39 to /3)

Having noted the procedure followed, as set out in point 5 of PERS(2006)76/2, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr BORG, decided:

- to approve the list of two candidates in PERS(2006) 39/3, indicating a preference for one of them;
- to consider this list as the Commission proposal under Article 30 of Regulation (EC) 768/2005;
- to instruct Mr BORG to communicate this decision to the Administrative Board of the Community Fisheries Control Agency.

This decision would take effect immediately.

7. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN COURT OF AUDITORS ON THE SUMMARY OF THE COMMISSION'S MANAGEMENT ACHIEVEMENTS IN 2005

(COM(2006)277 TO /4; SEC(2006)722)

8. ANNUAL REPORT TO THE DISCHARGE AUTHORITY ON INTERNAL AUDITS CARRIED OUT IN 2005 (ARTICLE 86(4) OF THE FINANCIAL REGULATION)

(COM(2006)279 TO /4; SEC(2006)725; SEC(2006)722)

9. 2005 INTERNAL AUDIT REPORT (ARTICLE 86(3) OF THE FINANCIAL REGULATION)

(SEC(2006)690 TO /3; SEC(2006)722)

10. 2005 AUDIT PROGRESS COMMITTEE ANNUAL REPORT

(SEC(2006)694; SEC(2006)722)

The Commission:

- approved the report on the summary of the Commission's management achievements in 2005 in COM(2006) 277/4;
- approved the annual report to the Discharge Authority on internal audits carried out in 2005 in COM(2006) 279/4, and noted its annex in staff paper SEC(2006) 725;
- noted the 2005 internal audit report and its annex in SEC(2006) 690 and /3 respectively;
- noted the 2005 Audit Progress Committee's annual report in SEC(2006) 694;
- noted that each Member of the Commission was aware of the annual activity report and of the declarations submitted by the Director(s)-General or Head(s) of Department under his or her authority;
- instructed the departments to apply the action plans drawn up to remedy weaknesses highlighted in the annual activity reports and to implement the initiatives contained in the summary report relevant to their area of responsibility;

- reminded the meeting that each Commission Member was responsible for following up implementation of the corrective actions to be undertaken within the departments under their responsibility;
- instructed the Secretary-General to transmit to the Secretaries General of the European Parliament, the Council and the Court of Auditors (1) the 2005 summary report in COM(2006) 277/4, together with all the annual activity reports and declarations by Directors-General and Heads of Department; (2) the 2005 annual report on internal audits in COM(2006) 279/4, together with staff paper SEC(2006) 725;
- authorised Mr KALLAS, the Commission Member responsible for administrative matters, audit and the fight against fraud, and Ms GRYBAUSKAITĖ, the Commission Member responsible for financial programming and the budget, to present the 2005 summary report and the 2005 internal audit report to the relevant parliamentary bodies, in particular the Committee on Budgetary Control and the Committee on Budgets.

**11. PROPOSAL FOR A COUNCIL DECISION ON THE POSITION TO BE ADOPTED BY THE EUROPEAN COMMUNITY AND ITS MEMBER STATES WITHIN THE ASSOCIATION COUNCIL ESTABLISHED BY THE EURO-MEDITERRANEAN AGREEMENT ESTABLISHING AN ASSOCIATION BETWEEN THE EUROPEAN COMMUNITIES AND THEIR MEMBER STATES, OF THE ONE PART, AND THE ARAB REPUBLIC OF EGYPT, OF THE OTHER PART, WITH REGARD TO THE ADOPTION OF A RECOMMENDATION ON THE IMPLEMENTATION OF THE EU-EGYPT ACTION PLAN
(COM(2006)282 AND /2; SEC(2006)732)**

The Commission adopted the proposal for a Decision in COM(2006)282 for transmission to the Council.

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The Commission also agreed that women's and children's rights were a priority which the implementation of the EU-Egypt action plan should reflect and reminded all the departments concerned that this priority should be incorporated sufficiently in advance when any future action plans were drawn up.

**12. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT – RECOMMENDATIONS FOR RENEWED EUROPEAN UNION ENAGEMENT WITH IRAQ
(COM(2006)283 TO /3; SEC(2006)732)**

The Commission approved the communication in COM(2006)283/3 for transmission to Parliament and the Council.

**13. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN COUNCIL OF JUNE 2006 – EUROPE IN THE WORLD: SOME PRACTICAL PROPOSALS FOR GREATER COHERENCE, EFFECTIVENESS AND VISIBILITY
(COM(2006)278 TO /3; SEC(2006)720)**

The PRESIDENT presented the communication he was tabling, in agreement with Ms FERRERO-WALDNER, Mr ALMUNIA, Mr REHN, Mr MICHEL and Mr MANDELSON, which was scheduled for adoption by the “finalisation” written procedure on Thursday 8 June (E/1019/2006).

The PRESIDENT reminded the meeting that this initiative was a follow-up to the communication “European values in the globalised world”, issued in October 2005 for the informal Hampton Court meeting, which announced the intention of exploring ways of strengthening the external projection of the EU’s policies. He stated that this communication contained a series of measures on the basis of the treaties as they stood, exploring the possible courses of action that could be taken

pending the resolution of the question of the future of the Constitutional Treaty. He thanked all the Commission Members for their contribution, particularly those who had formed part of the task force that had produced the text, and announced that this communication would be presented to the European Council to be held the following week. He also emphasised the interest expressed by the future Finnish presidency in this project. He underlined the need for a culture of cooperation both within the Commission and with the Council, with a view to narrowing the gap between the European Union's potential and actual achievements in the area of external relations. The PRESIDENT concluded his introduction by pointing out the important contribution made in this area by this communication and the commitment that it represented on the part of the Commission.

Ms FERRERO-WALDNER also addressed the meeting in order to emphasise the importance of this initiative, which was the result of a collective effort by all the Commission Members concerned by external relations issues. She pointed out that this communication proposed pragmatic measures which in no way anticipated the provisions of the Constitutional Treaty, any more than they were intended to re-define foreign policy priorities. The objective was to improve the arrangements for implementation of these priorities and to respond to the demands of European citizens who would like the Union to play a more important role on the world stage. Ms FERRERO-WALDNER said that more systematic use should be made of certain procedures mentioned in the communication, such as joint documents with the Secretary-General of the Council/High Representative of the EU for common foreign and security policy (CFSP) or exchanges of diplomatic staff, while stressing that there should be greater reciprocity in the collaboration with the Council. She also stressed that efforts still had to be made to enhance the role of the Commission's delegations and representations worldwide, as well as to improve internal coordination.

Mr REHN pointed out that the other institutions had to contribute to these efforts, and that, although the Constitutional Treaty provided for fundamental reforms, it was not necessary to wait any further before making progress in this area on the basis of the existing treaties. He underlined the importance of close links and

coordination between internal and external policies, citing as an example enlargement policy, which covered all the areas of the *acquis* and was based precisely on this principle of coordination. He also mentioned the need for a more effective external action department. As regards the future of the EU's external relations, he was in favour of strengthening the European neighbourhood policy.

Mr MICHEL, who also presented the communication, highlighted the importance and benefit of reinforced collaboration between the Commission and the EU's High Representative for CFSP. In addition, he stressed the responsibility of the Member States in the development of EU foreign policy and the importance of effective implementation of all these measures, which was the only genuine added value.

The Commission held an exchange of views on this question, during which it considered in particular the following points:

- the advisability for the Commission of adopting more clearly-defined political positions and trade-offs in some situations in order to gain greater visibility and recognition of its external operations;
- the need to strengthen EU action and representation in certain parts of the world, and in particular to improve the diplomatic training of Commission staff responsible for external relations;
- the importance of preserving collective responsibility, of holding debates on the major foreign policy issues, to which end the leadership role of the “external relations” group of Commissioners should be preserved or even increased, and of organising informal meetings on certain foreign policy matters;
- the importance of strengthening the Union's relations with certain international organisations;
- as regards competition, the need to promote common rules and exploit the opportunities offered by globalisation, and the importance of reciprocal efforts concerning access to markets;

- the need, in line with the discussions held at Lanaken, to develop the European neighbourhood policy;
- the importance of considered communication and explanation to the public on this matter;
- the role, in the framework of external relations, of all the internal policies that contribute to preserving the Union's role in promoting human rights, the rule of law, cultural diversity and heritage.

The PRESIDENT concluded by welcoming the broad support given to the communication. He joined numerous members of the Commission in warmly thanking the Ambassador, Mr Cutileiro, for his collaboration. He welcomed the strong political signal sent to the Member States and the other institutions in favour of a culture of cooperation and coherence, above all at the internal level. He agreed with the proposal of organising breakfasts or mini-seminars on external relations after the summer break. He stressed the need to reinforce the role of the “external relations” group of Commissioners while associating the Commissioners with responsibility for internal policies more closely with the Union's external policy. He also emphasised the importance of good coordination between departments. He welcomed the progress the document represented in terms of cooperation with the EU's High Representative for CFSP, and pointed out that the priority was now to translate the various proposals into action. He asked all the Commission Members to make a concerted effort to ensure that the European Union was even more visible on the world stage and to narrow the gap between its potential and its actual achievements in the area of external relations. As much progress as possible should be made in this area pending settlement of the constitutional question.

The Commission took note of this information.

14. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN COUNCIL OF JUNE 2006 – THE EUROPEAN INSTITUTE OF TECHNOLOGY: FURTHER STEPS TOWARDS ITS CREATION (COM(2006) 276 A /3 ; SEC(2006) 723)

The PRESIDENT presented the communication on the European Institute of Technology (EIT), tabled by himself and Mr FIGEL', in agreement with Mr VERHEUGEN and Mr POTOČNIK. This communication was scheduled for adoption by the "finalisation" written procedure on 8 June (E/1002/2006).

The PRESIDENT reminded the meeting that the main objective of this document was to make progress towards setting up the EIT, to which end it brought together the main points that had emerged from the extensive consultation process launched following the European Council of March 2006. He pointed out that the legislative proposal concerning the creation of the EIT was scheduled for the autumn and that the future Finnish presidency was extremely interested in the project. He mentioned the clarifications and new points contained in the communication while pointing out that certain formal matters, particularly the name of the institute, would be addressed at a later stage. He thanked all the Commissioners for their contributions and stressed the importance of this project as regards communication. He also considered that taking into account the suggestions made during the consultation period should serve to overcome certain reservations expressed by the parties concerned. Lastly, he stressed the need for a collective commitment by the Commission to this project, which was closely linked to the Lisbon strategy to promote growth and employment.

Mr FIGEL' spoke of the intense consultation process that had taken place, in particular the dialogue with major European enterprises and the meeting organised with MEPs. He reminded the meeting that this text did not constitute the final proposal, which would be submitted to the Commission in the autumn, when the impact assessment would be available. While further work would still have to be done, the progress made was encouraging. He mentioned the more flexible provisions regarding staff proposed in the communication and reminded the meeting

that the objective of the EIT was to fill a gap rather than duplicating existing structures.

In the ensuing discussion, the following points were raised:

- the need to maintain the ambitious level and strong European identity of this initiative, which could attest to the Community's vitality and dynamism and attract strong support for EU projects;
- the possibility of secondments of university staff to the EIT and the need to pay particular attention to human resources arrangements in order to ensure strong staff commitment;
- the importance of a presentation focusing on the concrete benefits of this project, which touched on a sensitive area in which there was still a strong sense of individuality and an acute fear of competition;
- the pressing need to enhance the Union's research capacities, which were currently deficient, since such capacities would increase its influence in the world and guarantee its independence;
- the importance of firm commitment to this project by the business sector and of a fruitful partnership between the public and private sectors.

The PRESIDENT concluded the discussion by noting that this communication set the project on a sound footing and by calling on all the Commission Members to participate in it. He also stressed the symbolic value of the European Institute of Technology and trusted that this initiative could obtain the consensus of the Member States.

The Commission took note of this information.

**15. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE FOR THE REGIONS – TOWARDS A FUTURE MARITIME POLICY FOR THE UNION – A EUROPEAN VISION FOR THE OCEANS AND SEAS
(COM(2006) 275 TO /6; SEC(2006) 689; SEC(2006) 719)**

The PRESIDENT briefly introduced the communication and its annexes, the Green Paper and the staff paper which he was tabling with Mr BORG, in agreement with Mr VERHEUGEN, Mr BARROT, Mr FRATTINI, Mr DIMAS, Ms HÜBNER, Mr POTOČNIK, Ms FERRERO-WALDNER, Mr ŠPIDLA and Mr PIEBALGS. He reminded the meeting that maritime policy was one of this Commission's strategic objectives. He extended special thanks to Mr BORG and his departments for their efforts in producing a high-quality document that was both original in approach and easily readable. He was pleased to announce that Mr FRATTINI, Ms FERRERO-WALDNER and Mr ŠPIDLA would be associated with the work of the steering committee in future. He expressed a keen interest in the outcome of the consultation process, which would be known at the end of 2007 and would allow the Commission to propose a coherent policy.

Mr BORG then presented the dossier. First, he highlighted the long process of interdepartmental cooperation and excellent collaboration that had paved the way for a broad consensus on the text being laid before the Commission that day. He stressed that this was a cross-cutting initiative involving a large number of stakeholders and that a particularly high number of contributions had been received and taken into account in drafting the communication. As regards the next steps to be taken, intense consultations would be held up to summer 2007, on which a report would be submitted to the Commission at the end of 2007. Finally, he extended special thanks to the steering committee for their work.

During the discussion that followed the following points were covered:

- the importance of the maritime dimension in the wider issue of sustainable development;

- the undisputed case for a comprehensive approach encompassing all the different aspects relating to the seas and the oceans, which would have benefits across the board, and the exemplary nature of this dossier in demonstrating the value of opting for a more horizontal approach to Commission policies in future;
- the way in which the Green Paper opened up a number of issues that were to be put to the consultation process;
- the similarity between problems encountered in the maritime sphere and in rural development policy and the case for stepping up exchanges of information and experience in this respect.

Winding up the discussion, the PRESIDENT insisted on the political importance of this major initiative, which demonstrated the value and potential of acting at European level while observing the principle of subsidiarity.

The Commission approved the communication set out in COM(2006) 275/4 and /6 and with the attached Green Paper in COM(2006) 275/5 for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, together with the annexes to the Green Paper set out in the staff paper in SEC(2006) 689, of which it took note.

The Commission also adopted the terms of reference for the future work of the “maritime policy” task force, as presented in the communication to the Commission in COM(2006) 274/4, and took note of the PRESIDENT’s decision to include Mr FRATTINI, Ms FERRERO-WALDNER and Mr ŠPIDLA in the steering committee.

16. COMMUNICATION FROM THE COMMISSION TO PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – TAKING STOCK OF THE

GALILEO PROGRAMME**(COM(2006) 272 A /3; SEC(2006) 724)**

Mr BARROT outlined briefly the communication he was laying before the Commission. He stressed the importance of the Galileo project, in particular its European dimension, its innovative features, its enormous capacities, its numerous applications and its high profile. Galileo was undeniably important for all the Union's policies, and in particular for agriculture and the environment, security and civil protection, external relations and cooperation in crisis situations, fisheries and transport, but it also had benefits for the people of Europe and European businesses.

Mr BARROT described the current state of preparation of the project, the stages planned up to 2010 and its budgetary aspects. He stressed the need to develop a strategy on financial risk. He also announced the preparation of a Green Paper on Galileo for the end of 2006. Finally, he said he was prepared to refer the matter to the Group of Commissioners responsible for external relations.

The Commission approved the communication in COM(2006) 272/3 for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

17. FOURTH PROGRESS REPORT ON COHESION – THE GROWTH AND JOBS STRATEGY AND THE REFORM OF EUROPEAN COHESION POLICY**(COM(2006) 281 AND /2; SEC(2006) 726)**

Ms HÜBNER presented the fourth progress report on cohesion, which was to be approved by the Commission by “finalisation” written procedure on Monday 12 June (E/1011/2006).

Ms HÜBNER pointed out that, under Article 159 of the EC Treaty, the Commission was required to submit every three years a report on the progress made towards

achieving economic and social cohesion. The present report, covering the year 2005, was a “spontaneous” progress report published in the interval between two “Article 159” reports.

Ms HÜBNER outlined the most important achievements of 2005, including:

- the intense involvement of sub-national authorities (regional and others), with which Commission departments had developed very fruitful working relations;
- the coherence between competitiveness and cohesion concerns, which, far from being in conflict with one another, complemented each other perfectly;
- the successful integration of the new Member States into cohesion policy, although a number of problems persisted;
- the involvement of several major European financial institutions that had invested in cohesion projects;
- the agreement on the 2007-2013 financial perspective at the December 2005 European Council.

The Commission took note of this information.

18. INTERINSTITUTIONAL RELATIONS

(SEC(2006) 691)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Thursday 1 June (SEC(2006) 691).

It paid particular attention to the following points:

18.1. LEGISLATIVE MATTERS

i) Action to be taken on Parliament's opinions

(SP(2006) 2364)

The Commission decided to empower the Members responsible for the areas concerned, in agreement with the PRESIDENT and Ms WALLSTRÖM and any other Commission Members concerned, to adopt the amended proposals for transmission to Parliament and the Council (SP(2006) 2364).

ii) Preparations for June part-session

(point 1.2 of the record)

In accordance with the rules in force, the Commission authorised the Commission Members responsible, in agreement with the PRESIDENT and Ms WALLSTRÖM and any other Members concerned, to take a position on Parliament's amendments to its proposals.

It paid particular attention to the following:

Codecision – 2nd reading

- KLASS report - Protection of groundwater against pollution – COM(2003) 550 – 2003/0210 (COD)

The Commission approved the line set out in SP(2006)2421.

- BREPOELS report - Infrastructure for spatial information in the Community (INSPIRE) – COM(2004) 516 – 2004/0175 (COD)

The Commission approved the line set out in SP(2006) 2250 and /2.

Empowerment

- KLASS report - Protection of groundwater against pollution – COM(2003) 550 – 2003/0210 (COD)
- BREPOELS report - Infrastructure for spatial information in the Community (INSPIRE) – COM(2004) 516 – 2004/0175 (COD)

Under Article 13 of its Rules of Procedure, the Commission empowered Mr DIMAS, in agreement with the PRESIDENT and Ms WALLSTRÖM and

any other Members concerned, to adopt its opinion on the amendments, together with any amended proposal, on the basis of the line set out in SP(2006) 2421 and SP(2006) 2250 and /2, once Parliament had given its opinion, and transmit them to the Council in accordance with Article 251(2)(c) of the Treaty.

Codecision – 1st reading

- SEEBER report – Assessment and management of floods – COM(2006) 15 – 2006/0005 (COD)

The Commission approved the line set out in SP(2006) 2251 and /2.

- ALVARO report – Information on the payer accompanying transfers of funds – COM(2005) 343 – 2005/0138 (COD)

The Commission approved the line set out in SP(2006) 2256.

- COSTA report – Common rules in the field of civil aviation security – COM(2005) 429 – 2005/0191 (COD)

The Commission approved the line set out in SP(2006) 2253 and /3.

- DE GRANDES PASCUAL report – Funding of the response to pollution caused by ships – COM(2005) 210 – 2005/0098 (COD)

The Commission approved the line set out in SP(2006) 2254.

- MORILLON report – Submission of data on landings of fishery products in Member States – COM(2005) 566 – 2005/0223 (COD)

The Commission approved the line set out in SP(2006) 2262.

iii) Proposals for Regulations of the European Parliament and of the Council amending the basic Regulations for the 18 agencies as regards their Director's term of office – COM(2005) 190-1/18 – 2005/0072-0076, 0081-0083, 0086-0088 (COD) and 2005/0077-0080, 0089 (CNS)

(point 1.3 of the record)

The Commission authorised Mr KALLAS to pursue contacts with Parliament and the Council, in accordance with the line set out in SI(2006) 503/2.

iv) Preparations for Council meeting (Transports, Telecommunications and Energy) on 8 and 9 June

(point 1.4 of the record)

- Revised proposal for a Regulation of the European Parliament and of the Council on public passenger transport services by rail and by road – COM(2005) 319 – 2000/0212 (COD)

The Commission authorised Mr BARROT to accept at the meeting on 8 and 9 June the compromise put forward by the Council Presidency in order to reach by qualified majority a political agreement on a common position, provided that such an agreement was consistent with the line set out in SI(2006) 504.

- Proposal for a Regulation of the European Parliament and of the Council on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) – COM(2005) 602 – 2005/0235 (CNS)

The Commission took note of developments in the Council, which was expected to adopt general guidelines at the meeting on 8 and 9 June. It authorised Mr BARROT to address that meeting in accordance with the line set out in SI(2006) 505/2, while pointing out that the Commission would maintain its reservation until Parliament had adopted its opinion.

(7 June 2006)

- Proposal for a Directive of the European Parliament and of the Council amending Directive 2002/59/EC establishing a Community vessel traffic monitoring and information system – COM(2005) 589 – 2005/0239 (COD)

The Commission took note of developments in the Council, which was expected to adopt general guidelines at the meeting on 8 and 9 June. It authorised Mr BARROT to address that meeting in accordance with the line set out in SI(2006) 506, while pointing out that the Commission would maintain its reservation until Parliament had adopted its opinion at first reading.

- Proposal for a Council Decision on the signature, on behalf of the European Community, of the Protocol on the Implementation of the Alpine Convention in the field of transport (Transport Protocol) – COM(2001) 18 – 2001/0017 (ACC)

The Commission authorised Mr BARROT to make a statement at the meeting on 8 and 9 June, as set out in SI(2006) 529, concerning a political agreement to be reached by qualified majority on the signing by the Community of the Transport Protocol to the Alpine Convention, insofar as the item in question remained on the Council's agenda.

v) Preparations for Council meeting (General Affairs and External Relations)

(point 1.5 of the record)

- Proposal for a Council Regulation establishing a European Union Agency for Fundamental Rights – COM(2005) 280-1 – 2005/0124 (CNS)
- Proposal for a Council decision empowering the European Union Agency for Fundamental Rights to pursue its activities in areas referred to in Title VI of the Treaty on European Union – COM(2005) 280-2 – 2005/0125 (CNS)

(7 June 2006)

The Commission took note of developments in the Council, which was expected to adopt general guidelines at the meeting on 12 June. It authorised Mr FRATTINI to address that meeting in accordance with the line set out in SI(2006) 528/2. The Commission noted the need for a joint declaration by Parliament, the Council and the Commission formally acknowledging their commitment that the exceptional method adopted for the agency in question, whereby all the candidates selected by the Commission for the post of Director would be heard by Parliament, did not constitute a precedent.

18.2. RELATIONS WITH THE COUNCIL

(SI(2006) 509)

vi) Results of Council meeting (Employment, Social Policy, Health and Consumers) (Luxembourg, 1 and 2 June)

(SEC(2006) 747; SI(2006) 499 to /3)

Mr ŠPIDLA briefly summarised the results of the meeting, particularly as regards the amended proposal for a Directive on the organisation of working time. There seemed little prospect of the Directive being adopted unless a satisfactory solution could be found concerning the possible phasing out of the clause establishing an opt out (from the maximum of 48 hours' work a week) and the conditions for applying that opt out. He stressed that this was a particularly sensitive question for a number of Member States and for Parliament.

Mr ŠPIDLA felt that the matter might be referred to the European Council in order to work out an approach to the most sensitive aspects. If that were to be the case, the future Finnish Presidency would be willing to conduct the long and complex negotiations that would be necessary.

Lastly, Mr ŠPIDLA outlined the content of the existing Directive. A large number of Member States had still not complied with it.

The Commission took note of this information and the note from Mr ŠPIDLA in SEC(2006) 747.

**vii) Results of the Council meeting (Justice and Home Affairs)
(Luxembourg, 1 and 2 June)**

Mr FRATTINI presented the main results of the meeting, in particular:

- the agreement reached on the Framework Decision on a European evidence warrant; Mr FRATTINI was pleased with this outcome, which had been achieved after three years of negotiations and provided a major new instrument, alongside the European arrest warrant, in the fight against terrorism and organised crime;
- the agreement reached on the legal base for SIS II (second generation Schengen Information System); Mr FRATTINI highlighted the importance of this agreement for the accession of new Member States to the Schengen area and provided some information on the two sites chosen to host the system;
- the general agreement on the proposal for a Regulation establishing a European small claims procedure; Mr FRATTINI pointed out that this legislation had a practical impact on European citizens;
- his own presentation to the Council on developments concerning the processing and transfer of the personal data of air passengers (passenger name records) following the judgment handed down by the Court of Justice on 30 May. All the Ministers had declared their support for the proposed approach, whereby the Commission would urgently present two parallel proposals: one terminating the existing agreement concluded between the European Community and the United States, and a second introducing a legal base under the third pillar, without however calling into question the substance of the agreement. Mr FRATTINI was pleased that this approach would serve to safeguard European cohesion in this

(7 June 2006)

field. Pointing out that the consequences of leaving a legal vacuum would be disastrous, Mr FRATTINI announced his intention of submitting these two proposals to the Commission at the following meeting on 13 June, so that the Council could adopt the new negotiating briefs at the beginning of July. Finally, he confirmed that contact had already been made with Parliament bodies on this sensitive issue.

The Commission took note of this information.

18.3. RELATIONS WITH PARLIAMENT

viii) Results of the May II part-session

(SP(2006) 2474)

The Commission took note of the information supplied in SP(2006) 2474 relating to Parliament's part-session held in Brussels on 31 May and 1 June.

ix) Action taken on Parliament's non-legislative resolutions

(point 3.3.1 of the record)

The Commission adopted SP(2006) 2311 and /2 on action taken on non-legislative resolutions adopted by Parliament at its April I part-session, for transmission to Parliament.

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

x) Follow-up to Economic and Social Committee opinions for the fourth quarter of 2005 – October and November plenary sessions

(point 4.1 of the record)

The Commission approved the replies to the opinions adopted by the Economic and Social Committee during the fourth quarter of 2005, set out in SC(2006) 31, for transmission to the Economic and Social Committee.

19. RELATIONS WITH NON-MEMBER COUNTRIES

19.1. INTERNATIONAL TEMPORARY MECHANISM (ITM) FOR ASSISTANCE TO THE PALESTINIANS – PROGRESS REPORT (SEC(2006) 749)

Ms FERRERO-WALDNER informed the Commission of the latest developments concerning the establishment of the international temporary mechanism, agreed by the Quartet, which was designed to deliver direct financial aid to meet the basic needs of the Palestinian people. She intended to report to the Member States at the Council meeting (General Affairs and External Relations) on 12 and 13 June and hoped that the mechanism could be made operational by the end of June at the latest.

Ms FERRERO-WALDNER mentioned the current position of the United States and the World Bank concerning the proposed project. She was optimistic that the talks would have a positive outcome, which should pave the way for an agreement very soon.

Finally, Ms FERRERO-WALDNER outlined the three strands of the proposed mechanism, viz. the support programme for sectors essential for meeting basic needs such as health and education, a contribution for the payment of fuel bills and the new programme to facilitate the payment of social allowances.

Mr MICHEL was very concerned at the deterioration in the health situation and in basic public services and by the food situation and water requirements of the Palestinian people. In this context, he intended to present to the Commission very soon a proposal to allocate an additional €50 to 60 million in humanitarian aid targeted at the poorest section of the population. It was very probable that the emergency reserve in the budget would have to be mobilised. He also highlighted the need to mobilise rapidly as many donors as

possible among the international community, including Arab countries, and also to ensure that Israel was not relieved of its obligations.

During a brief exchange of views, the Commission discussed the need to reconcile as far as possible the diverging concerns and points of view of the various parties concerned, both within the Quartet and in the international community, and the importance of the success of the international temporary mechanism for the Union's credibility.

The Commission took note of this information and of the note from Ms FERRERO-WALDNER, in agreement with the PRESIDENT and Mr MICHEL, in SEC(2006) 749.

19.2. SITUATION IN THE DEMOCRATIC REPUBLIC OF EAST TIMOR

Mr MICHEL reported briefly on the unstable situation in East Timor following recent violent events there. His departments were constantly monitoring the humanitarian situation of displaced persons around the capital Dili. A strategy document for 2006-07 would be signed by the Commission and the Democratic Republic of East Timor on 9 June.

The Commission took note of this information.

19.3. THIRTY-FIRST MEETING OF THE EU-ACP COUNCIL OF MINISTERS (PORT MORESBY, PAPUA NEW GUINEA, 1 AND 2 JUNE)

Mr MICHEL reported on the outcome of the 31st meeting of the Council of Ministers of the European Union and the 78 ACP States, which had taken place in Papua New Guinea on 1 and 2 June. Negotiations on the new financial framework had been completed and agreement reached on the 10th European Development Fund (EDF).

As in the past, there was a problem relating to the charging of amounts earmarked for financing support expenditure for implementation of the 10th EDF and amounts earmarked for financing cooperation with the Overseas

Countries and Territories. Nevertheless, the Union's commitment represented a substantial increase on the budget for the 9th EDF. On the question of when the agreement would actually enter into force, the EU Member States and ACP countries had a short deadline - by the end of 2007 - in which to carry out parliamentary ratification.

As regards the economic partnership agreements being negotiated with the ACP States, Mr MICHEL felt that an effort would have to be made to reconcile commercial considerations with the rationale behind development cooperation. He highlighted the importance of these agreements in the context of the ongoing negotiations on the Doha development programme.

The Commission took note of this information.

**19.4. MEETING OF G8 EDUCATION MINISTERS (MOSCOW, 1 AND 2 JUNE)
(SEC(2006) 744)**

Mr FIGEL shared his impressions of the meeting of G8 Education Ministers held on 1 and 2 June in Moscow. Among other things he recommended that the Union adopt a more coherent and proactive stance in certain areas.

The Commission took note of this information and of the note from Mr FIGEL' in SEC(2006) 744.

19.5. VISIT TO CANADA (OTTAWA AND MONTREAL, 4 TO 6 JUNE 2006)

Mr FIGEL briefly described his official visit to Canada from 4 to 6 June. He mentioned in particular the importance of the forthcoming bilateral agreement between the EU and Canada on higher education, training and youth.

The Commission took note of this information.

**19.6. COMMISSION'S RESPONSE TO THE EARTHQUAKE IN JAVA ON
27 MAY**

(SEC(2006) 750)

The Commission took note of the information note from Mr MICHEL and Mr DIMAS, in agreement with Ms FERRERO-WALDNER, in SEC(2006) 750.

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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 12.08