



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2007)1778 final

Brussels, 7 March 2007

MINUTES
of the 1778th meeting of the Commission
held in Brussels
Berlaymont building,
on Wednesday 28 February 2007
(morning)

PV(2007)1778 final

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Single sitting: Wednesday 28 February 2007 (morning)

The sitting opened at 09.09 hours with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President
Ms WALLSTRÖM	Vice-President
Mr BARROT	Vice-President
Mr KALLAS	Vice-President
Mr FRATTINI	Vice-President
Ms REDING	
Mr DIMAS	
Mr ALMUNIA	
Ms HÜBNER	
Mr BORG	
Ms GRYBAUSKAITĖ	
Mr POTOČNIK	
Mr FIGEL'	
Mr KYPRIANOU	
Mr REHN	
Mr MICHEL	
Mr KOVÁCS	
Ms FISCHER BOEL	
Mr ŠPIDLA	
Ms KUNEVA	
Mr ORBAN	

Absent:

Mr VERHEUGEN

Vice-President

Ms KROES

Ms FERRERO-WALDNER

Mr McCREEVY

Mr MANDELSON

Mr PIEBALGS

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

Ms ERLER	Chef de cabinet to Mr VERHEUGEN
Mr CHILD	Chef de cabinet to Ms FERRERO-WALDNER
Mr POWER	Chef de cabinet to Mr McCREEVY
Mr REDONNET	Deputy Chef de cabinet to Mr MANDELSON
Ms BUISSON	A member of Mr PIEBALGS's staff

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the President	
Ms DURAND	Deputy Director-General, Legal Service	
Mr SØRENSEN	Director-General, DG Communication	
Ms AHRENKILDE	DG « Communication », Service of Commission Spokesman	
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers (BEPA)	
Mr THEBAULT	Deputy Chef de cabinet to the President	Items 9 in part to 11
Mr BAUDRU	A member of Ms GRYBAUSKAITĖ's staff	Item 10

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

1. AGENDAS

(OJ(2007) 1778/3; SEC(2007)250/2; SEC(2007)255 AND /2; SEC(2007)259)

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(2007)1778)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 26 February.

**3. MINUTES AND SPECIAL MINUTES OF 1777th MEETING
(21 FEBRUARY)**

(PV(2007)1777; PV(2007)1777, Part II)

The Commission approved the minutes of its 1777th meeting.

4. INTERINSTITUTIONAL RELATIONS

RELATIONS WITH THE COUNCIL

(SI(2007)147)

The Commission took note of the information supplied in SI(2007)147 relating to Council meetings held from 22 February to 7 March.

5. MONITORING THE APPLICATION OF COMMUNITY LAW

***INFRINGEMENTS – URGENT OR POSTPONED CASES –
RECAPITULATIVE LIST***

(SEC(2007)271; SEC(2007)269)

The Commission adopted the decisions in SEC(2007)271.

**6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF
POWERS**

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2007)251 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 19 and 23 February.

6.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2007)252)

The Commission took note of the sensitive written procedures for which the time limit expired between 26 February and 2 March.

6.3. EMPOWERMENT

(SEC(2007)253 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 19 and 23 February.

6.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 19 and 23 February, as archived on the "Grefe 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2007)254/2)

ADMINISTRATIVE MATTERS
(PERS(2007)26)

**7.1. DG REGIO – INTERNAL PUBLICATION OF A VACANCY NOTICE
FOR AN AD15/16 DEPUTY DIRECTOR-GENERAL**
(PERS(2007)25)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms HÜBNER, the Commission authorised the publication, under Article 29(1)(a)(i) and (iii) of the Staff Regulations, of the vacancy notice in PERS(2007)25 for the function of Deputy Director-General in the Regional Policy DG.

This decision would take effect immediately.

7.2. SJ – APPOINTMENT OF AD14 PRINCIPAL LEGAL ADVISER (EU-10)
(PERS(2006)12 TO /7)

The Commission had before it applications for the post of Principal Legal Adviser responsible for the Internal Market, Goods, Energy including Euratom, Enterprise, Customs Union and Environment Team in the Legal Service, published under Article 29(2) of the Staff Regulations (PERS(2006)12 to /5).

The Commission took note of the opinions of the Consultative Committee on Appointments of 6 September and 5 October 2006 (PERS(2006)12/6 and /7).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT, it then decided to appoint Ms Eva KRUIKOVA to the vacant post.

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

**7.3. TOWARDS A COMMUNICATION ON ETHICS IN THE COMMISSION
(SEC(2007)277 AND /2)**

The Commission took note of the information note from Mr KALLAS in SEC(2007)277/2.

**8. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL,
THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE
OF THE REGIONS – POLICY ACHIEVEMENTS IN 2006
(COM(2007)67 TO /4; SEC(2007)239)**

The Commission approved the communication in COM(2007)67/4 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

**9. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND
THE EUROPEAN PARLIAMENT – EU CODE OF CONDUCT ON
DIVISION OF LABOUR IN DEVELOPMENT POLICY
(COM(2007)72 TO /4; SEC(2007)248 TO /3; SEC(2007)249; SEC(2007)257)**

Mr MICHEL presented the communication he was tabling for approval. He welcomed the fact that with this initiative the Commission was at last responding to the developing countries' wish not only to enjoy more aid, and more effective aid, but to enjoy it more quickly, thanks to greater complementarity and interactivity between the various donors.

He cited a number of examples of cases where the wide range of development aid plans placed a heavy burden on the national administrations in the recipient countries concerned, which did not have the resources needed to deal with them. He

mentioned the resulting reduced absorption capacity, which was out of kilter with the funds available and the scale of the needs, a situation that Mr MICHEL considered was unacceptable and justified the proposal for a voluntary code of conduct to improve the allocation of developing countries' tasks as between donors in the EU.

Mr MICHEL briefly outlined the main points of the proposed code of conduct, and particularly the recommendations to donors to limit their interventions to no more than two sectors per partner country and to delegate responsibility for certain activities to a lead donor, as this practice had already proved its effectiveness in a number of cases.

Mr MICHEL pointed out that with this code of conduct the EU had an opportunity to take a major step forward at a time when it seemed impossible to double the volume of Community development aid without reviewing the practicalities. He drew attention to the fact that it was pointless increasing the resources allocated to the developing countries without taking a serious look at methods.

Mr MICHEL spoke of his contacts with the Council Presidency on this subject and took an optimistic view of the possibility that the code of conduct could be adopted at the General affairs and external relations Council meeting in May, without major amendments. He felt that with the code, the EU, which donated more than half the world's development aid, would map the path to be followed by promoting greater complementarity along lines that could subsequently be followed by other donors.

In conclusion, Mr MICHEL considered that, even if there was a long way to go, the line set by the code of conduct was fully consistent with the European Consensus on Development approved in 2005.

The following points were highlighted during the ensuing exchange of views:

- general support for the approach advocated and the importance of greater complementarity between aid donors;
- the exemplary nature of the coordination in combating avian influenza;

- the extreme importance of more even geographical and sectoral coverage of needs, avoiding both overlaps and gaps;
- the need to preserve a certain degree of flexibility on the question of limiting interventions to no more than two sectors, always keeping the recipients' interests and needs at the forefront of attention;
- the advisability of promoting the visibility of EU-financed development aid actions so that European taxpayers could be better informed about the use made of Community funds.

The PRESIDENT thanked and congratulated Mr MICHEL for this initiative. He emphasised the importance in contacts with the heads of state of recipient countries of this problem of the administrative burden borne by small administrations which did not have adequate resources to handle the proliferation of development aid projects. He felt that the proposed code of conduct would improve consistency and therefore constituted an important stage, which should be welcomed. He therefore asked all Commission Members to give this initiative the profile it deserved in their communication activities and concluded by hoping that he could also count on a positive response from the Member States.

Subject to linguistic revision, the Commission approved the communication in COM(2007)72/4 for transmission to Parliament and the Council, and the national parliaments, accompanied by its Annex and the impact study in staff papers distributed as SEC(2007)248/3 and SEC(2007) 249, the contents of which were noted.

10. OTHER MATTERS

10.1. BUDGET IMPLEMENTATION 2006 – LESSONS FOR 2007 AND BEYOND

(SEC(2007)266 AND /2; SEC(2007)267)

The PRESIDENT introduced the subject by indicating that sound implementation of the Budget was a top priority for the Commission. He particularly reminded the meeting that the budgetary authority obviously great importance, that the Commission should not allow its credibility to be endangered by a new gap between the appropriations requested and the appropriations actually used, and that the results secured were bound to influence the budgetary review in 2008/2009.

The PRESIDENT particularly draw Members' attention to the characteristics and challenges of the 2007 year budgetary. This was the first year of the new multiannual financial framework and the new generation of legal bases, it was also the last year for which the discharge procedure would be held entirely within this Commission's term of office, and the payment appropriations were well up on 2006 and exactly matched the Commission's request. The PRESIDENT therefore felt that the effort had to be made to achieve the best possible budgetary implementation outturn and ensure that at the end of the year no amending budget would be needed as in 2006.

The PRESIDENT concluded by asking all Commission Members to get personally involved in monitoring budgetary implementation and to give their Directors-General any necessary policy guidelines. He added that the results and vicissitudes of budgetary implementation in the past would have to be taken into account in the preparation of the preliminary draft budget for 2008.

Ms GRYBAUSKAITĖ briefly presented her information note and echoed the sentiments expressed by the PRESIDENT. She stressed that the planning errors of 2006 should not be repeated in 2007 and reviewed the subject areas where the appropriations were under-implemented.

Ms GRYBAUSKAITĖ pointed out that the discharge authority was highly attentive to the level and quality of budgetary implementation. She also mentioned the specific aspects that could from now on receive priority attention from the budgetary authority, such as the close monitoring of budgetary implementation, research expenditure and the attainment of

objectives regarding the recruitment of officials from the new Member States (EU-12). In this connection, she mentioned the importance of the quality of the budgetary forecasts and the simplifications brought about by the recent revision of the Financial Regulation and its implementing rules.

Lastly, Ms GRYBAUSKAITĖ announced that she was planning to inform the Commission on progress in the implementation of the budget in June and October, and reminded the meeting that her departments were available to assist Directorates-General in averting the risk of under-implementation.

Mr KALLAS amplified what the PRESIDENT and Ms GRYBAUSKAITĖ had said, emphasising the growing importance of the discharge procedure in the second half of this Commission's term of office. While sharing the objective of full implementation of the appropriations allocated in the budget, Mr KALLAS emphasised the qualitative aspects of implementation and the importance of compliance with the principles and rules of sound financial management.

Following this presentation, the Commission held an exchange of views, considering the following questions in particular:

- the need to analyse in detail the factors and circumstances which were behind the under-implementation of appropriations;
- the specific reasons for the under-implementation of the 2006 appropriations in the areas highlighted in the information note;
- the impact on the implementation of certain budget lines of shortcomings attributable to the authorities of the Member States or non-member countries benefiting from actions financed from the Community budget ;
- the need to plan the implementation of appropriations more effectively;
- this Commission's responsibility for implementation of the budget;

- the importance of introducing an ongoing dialogue between the Commission and Parliament throughout the budgetary year, particularly via the parliamentary committees;
- the simplifications brought about by recent revisions of the Financial Regulation and its implementing rules, and the need to pursue the simplification effort in the future;
- the need to review the position of the Community agencies, particularly in the context of budgetary implementation;
- the importance of preparing in advance for the implementation of new legal bases so as to start implementing the appropriations allocated to them in the 2007 Budget as soon as possible after their adoption.

The PRESIDENT thanked Members for the quality of the exchange of views. He again emphasised the crucial importance of the budgetary 2007 year and pointed out that the sound implementation of appropriations would be assessed not only in quantitative but also in qualitative terms.

The PRESIDENT took the opportunity to draw the Commission's attention to the need to adopt in good time the 21 strategic initiatives in the legislative and work programme for 2007. He expressed concern at the delays already noted in comparison with the initial schedule. The PRESIDENT urged that the adoption of these initiatives be spread over the year so as to avoid the risk of under-implementation and bottlenecks at the end of the year. He asked all Members to do what was needed to that end.

The Commission took note of this information and of Ms GRYBAUSKAITĖ's briefing note in SEC(2007)266/2.

10.2. THE COMMON FRAME OF REFERENCE IN EUROPEAN CONTRACT LAW

(SEC(2007)212 AND /2; SEC(2007)240)

The Commission took note of the information note presented by Mr FRATTINI, Mr McCREEVY and Ms KUNEVA, in agreement with Mr VERHEUGEN, in SEC(2007)212/2.

11. TRENDS IN THE MEMBER STATES (SEC(2007)275)

Ms WALLSTRÖM briefly described the development of opinion trends in the Member States between 17 January and 20 February. She mentioned particularly the warm welcome given to the Commission initiatives on energy, climate change and greenhouse gases. The media had acknowledged the positive role played by the Commission and she welcomed the fact that the communication strategy had borne fruit. She thanked all Members, and in particular Mr DIMAS and Mr PIEBALGS, for their excellent collaboration.

Ms WALLSTRÖM observed that the Media had also acknowledged the need for a European strategy to deal with climate change and for European leadership to bring non-member countries into the initiative. But she regretted that certain media had preferred to focus on alleged dissent within the Commission and had failed to appreciate the integrated and balanced approach shown by the Commission.

Ms WALLSTRÖM also outlined the main findings of the Eurobarometer survey of a number of aspects of the European social reality, conducted at the end of 2006. She A very large majority of citizens were highly satisfied with their daily life, particularly in terms of their standard of living in general, transport and health and education services. But levels of satisfaction fell sharply when national social security systems were discussed. She also noted a lack of trust in the Member States' public institutions, except for local bodies, and the widespread lack of interest in politics.

Lastly, Ms WALLSTRÖM drew the Commission's attention to two other results: a quarter of the EU's citizens felt they were at risk of poverty, and 64% considered that life would be worse for future generations.

The Commission took note of this information and of Ms WALLSTRÖM's briefing note in SEC(2007)275.

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The meeting closed at 10.17.