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SECRETARIAT-GENERAL

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MINUTES
of the 1786th meeting of the Commission
held in Brussels
(Berlaymont),
on Wednesday 2 May 2007
(morning)

PV(2007)1786 final

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Single sitting: Wednesday 2 May 2007 (morning)

The sitting opened at 09.22 hours with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	
Mr BARROT	Vice-President	
Mr KALLAS	Vice-President	
Mr FRATTINI	Vice-President	Items 1 to 11 (in part)
Ms REDING		Items 1 to 11 (in part)
Mr DIMAS		
Mr ALMUNIA		Items 1 to 12 (in part)
Ms HÜBNER		
Mr BORG		Items 8 (in part) to 11 (in part)
Ms GRYBAUSKAITĖ		Items 1 to 8
Mr POTOČNIK		
Mr FIGEL'		Items 1 to 11 (in part)
Mr KYPRIANOU		
Mr REHN		
Mr MICHEL		Items 1 to 8
Mr KOVÁCS		Items 1 to 9
Ms FISCHER BOEL		
Ms FERRERO-WALDNER		Items 1 to 12 (in part)
Mr McCREEVY		Items 1 to 11 (in part)
Mr ŠPIDLA		Items 1 to 11 (in part)
Mr PIEBALGS		
Ms KUNEVA		
Mr ORBAN		

Absent:

Ms KROES

Mr MANDELSON

(2 May 2007)

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

Mr SMULDERS	Chef de cabinet to Ms KROES	
Mr FRASER	Chef de cabinet to Mr MANDELSON	Items 1 to 11 (in part)
Mr HOUBEN	A member of Mr MANDELSON's staff	Items 11 (in part) and 12 (in part)

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, Communication DG	
Mr LAITENBERGER	Commission Spokesman	Items 1 to 12 (in part)
Ms AHRENKILDE	Communication DG– Spokesman's service	Items 11 (in part) to 13
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers (BEPA)	
Mr THEBAULT	Deputy Chef de cabinet to the President	Items 1 to 11 (in part)
Ms MARTINHO	Principal adviser in the President's Office	Item 11 (in part)
Mr ANDRESEN GUIMARÃES	A member of the President's staff	Items 11 and 12
Mr KLAUS	A member of the President's staff	Item 9
Mr TABONE	Chef de cabinet to Mr BORG	Items 1 to 8 (in part)
Mr QUEST	Chef de cabinet to Ms GRYBAUSKAITĖ	Items 1 to 11 (in part)
Mr RIBOKAS	A member of Ms GRYBAUSKAITĖ's staff	Items 11 (in part) to 13
Mr ADAMIŠ	Chef de cabinet to Mr FIGEL'	Item 11 (in part)
Mr BIERVERT	A member of Mr FIGEL's staff	Items 11 (in part) to 13
Mr SCHINAS	Chef de cabinet to Mr KYPRIANOU	Items 11 and 12 (in part)
Mr PESONEN	Chef de cabinet to Mr REHN	Item 12 (in part)
Mr BILL	A member of Mr KOVÁCS's staff	Item 9
Mr MOLNÁR	A member of Mr KOVÁCS's staff	Item 9
Mr CHILD	Chef de cabinet to Ms FERRERO-	Items 11 to 13

WALDNER

Ms SCHREIBER

Chef de cabinet to Mr ŠPIDLA

Items 11 (in part) to 13

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

1. AGENDAS

(OJ(2007)1786/3; SEC(2007)539/2)

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(2007)1786)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Friday 27 April.

3. MINUTES OF 1785th MEETING (24 APRIL)

(PV(2007)1785)

The Commission approved the minutes of its 1785th meeting.

4. INTERINSTITUTIONAL RELATIONS

4.1. LEGISLATIVE MATTERS

i) Action to be taken on Parliament's legislative opinions

(SP(2007)1976)

The Commission decided to empower the Commission Members responsible for the sectors in question, in agreement with the PRESIDENT and Ms WALLSTRÖM and, if necessary, with the other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council,

(2 May 2007)

as set out in SP(2007)1976, drawn up following the April part-session of Parliament, the contents of which were noted.

4.2. RELATIONS WITH THE COUNCIL

ii) Programming of Council business

(SI(2007)397)

The Commission took note of the information in SI(2007)397 on the programming of Council business between 26 April and 9 May.

4.3. RELATIONS WITH PARLIAMENT

iii) Results of the April part-session of Parliament

(SP(2007)2032)

The Commission took note of the information on the proceedings of the part-session of Parliament held in Strasbourg from 23 to 26 April, taken from SP(2007)2032.

5. MONITORING THE APPLICATION OF COMMUNITY LAW

5.1. INFRINGEMENTS – URGENT CASES – RECAPITULATIVE LIST (SEC(2007)545; SEC(2007)544)

The Commission adopted the decisions in the recapitulative list (SEC(2007)545).

5.2. INFRINGEMENTS – CASES POSTPONED BECAUSE OF NON-AVAILABILITY OF DOCUMENTS - REGULARISATION (SEC(2007)551)

The Commission adopted the decisions in SEC(2007)551.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2007)540 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 23 and 27 April.

6.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2007)541 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 27 April and 4 May and of the "finalisation" written procedures initiated following the weekly meeting of Chefs de cabinet on 27 April.

6.3. EMPOWERMENT

(SEC(2007)542 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 23 and 27 April.

6.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation/subdelegation procedure between 23 and 27 April, as archived in Greffe 2000.

**7. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 8(2) OF COUNCIL REGULATION (EC) NO 139/2004 OF 20 JANUARY 2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS AND ARTICLE 57 OF THE EEA AGREEMENT (CASE COMP/M.4381 – JCI/VB/FIAMM)
(C(2007)1863 to /8)**

On a proposal from Ms KROES, the Commission decided to hold over this item to a later date.

**8. PRELIMINARY DRAFT GENERAL BUDGET OF THE EUROPEAN COMMUNITIES FOR THE 2008 FINANCIAL YEAR
(SEC(2007)500 TO /24; SEC(2007)553)**

Ms GRYBAUSKAITĖ presented the main characteristics of the statement of estimates for the 2008 budget, which she was tabling. She began by drawing attention to the historic rebalancing of the various types of expenditure, pointing out that, for the first time in 2008, expenditure devoted to economic growth and employment would represent the largest proportion of the budget, 44.2% of the total appropriations. Expenditure on agriculture and rural development would remain stable. Ms GRYBAUSKAITĖ also highlighted the priority that would be granted in the 2008 preliminary draft to the gradual integration of the new Member States in the common policies and to maintaining the influence of the EU in the world. What it all amounted to was a moderate, gradual and reasonable increase in commitment appropriations, which were up by €2.6 billion (2%) in comparison with 2007, while payment appropriations rose by €6 billion (5.3%).

Ms GRYBAUSKAITĖ then ran through the overall amounts proposed for each of the headings, and their breakdown. She highlighted the margins still available beneath the ceilings of certain headings, which could be used, if necessary, to take account of certain developments, particularly in the Union's external policy. She

also drew attention to the factors behind the 5.7% increase over 2007 in administrative expenditure under heading 5, namely the European Schools and pensions.

After this presentation, the Commission held a brief exchange of views during which the following points were raised:

- the question, in the light of the pre-allocation of human resources for 2008, of the Commission's representations in the Member States, and the impact of this decision on the extension of the pilot action in progress in some of these representations;
- the specific nature of the financing of the European Schools;
- the need to remain actively vigilant so as to avoid situations of underspending as observed in the past;
- the usefulness of the margins available beneath the ceilings, which could be used, if necessary, to finance certain external policy initiatives or some of the Commission's priority projects, such as the European Institute of Technology;
- the importance of ensuring immediate action on the conclusions of the screening operation approved by the Commission at its 1785th meeting on 24 April, in particular as regards better integration between internal and external policies.

The Commission also noted the political significance for the European Union of the International Expo Zaragoza 2008 – Water and Sustainable Development and the need to honour the commitment made to ensure a Commission presence at the event in close liaison with the European Parliament. In this connection, the Commission asked the departments most concerned, the Communication, Agriculture and Rural Development, Energy and Transport, Environment, Research, Regional Policy, External Relations, Development and EuropeAid Directorates-General to organise this participation in a coordinated manner.

Ms GRYBAUSKAITĖ accepted the principle of Community participation in the event and undertook to give it substance when exercising the powers she would be granted for finalising the 2008 preliminary draft budget, in close contact with the European Parliament.

Echoing the various interventions, the PRESIDENT congratulated Ms GRYBAUSKAITĖ for the high standard of the work carried out by the Budget Directorate-General. In conclusion he observed that the transition to a more modern Community budget was on the right track.

Following this exchange of views, the Commission:

- adopted the statement of estimates, as set out in SEC(2007) 500/17, /18, /19, /21 and /22, and in the annexes to SEC(2007) 500/22 distributed under the numbers SEC(2007)500/7, /15 and /23, as the basis for drawing up the preliminary draft budget of the European Communities for 2008;
- approved the additional allocation of human resources for 2007 as set out in SEC(2007)500/4;
- approved the impact assessment of the screening exercise on the pre-allocation of human resources for 2008, as set out in the document distributed as SEC(2007)500/20;
- took note of the activity statements in SEC(2007) 500/24
- authorised Ms GRYBAUSKAITĖ to transmit to Parliament and to the Council, for information, the documents SEC(2007)500/17, /18, /21 and /22, in the three procedural languages, and the annexes to documents SEC(2007)500/18 and SEC(2007)500/22 distributed respectively in SEC(2007)500/24 and SEC(2007)500/7, /15 and /23;
- empowered Ms GRYBAUSKAITĖ, in agreement with the PRESIDENT, to finalise SEC(2007)500/17, /18, and /21, making up the preliminary draft budget, for transmission to Parliament and the Council, and to the national parliaments,

with due allowance for the Commission's discussions on European participation in the International Expo Zaragoza 2008 – Water and Sustainable Development.

9. IMPLEMENTING THE COMMUNITY PROGRAMME FOR IMPROVED GROWTH AND EMPLOYMENT AND THE ENHANCED COMPETITIVENESS OF EU BUSINESS: COMMISSION REPORT TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE ON FURTHER PROGRESS DURING 2006 AND THE NEXT STEPS TOWARDS A PROPOSAL ON THE COMMON CONSOLIDATED CORPORATE TAX BASE (CCCTB) (COM(2007)223 TO /4; SEC(2007)552)

Mr KOVÁCS presented the report he was tabling for approval. He stressed at once that it was an interim report and was not intended at this stage to present proposals but to inform the European Parliament, the Council and the Economic and Social Committee of the progress made, notably within the Common Consolidated Corporate Tax Base Working Group. He pointed out in particular that the text did not in any way aim to harmonise tax rates. However, the report dealt with aspects which required additional political direction, namely the introduction of a common consolidated base for taxing companies and a sharing mechanism, the optional nature of the base, the treatment of the financial sector and the administrative and judicial framework for the common base.

Mr KOVÁCS reminded the meeting of the importance of this initiative, designed to enhance the competitiveness of European businesses, and especially small businesses, in their cross-border activities within the internal market, by reducing administrative costs and increasing transparency.

Lastly, Mr KOVÁCS mentioned briefly that he expected Parliament and the Council to welcome the report. He concluded by proposing that an in-depth

discussion be held within the Commission in parallel with the detailed impact assessment which would accompany any legislative proposal.

Following this presentation, the Commission held an exchange of views in which the following aspects were stressed:

- the case for the Commission having an in-depth policy debate in the form of a seminar or in an ordinary meeting before a legislative proposal was drawn up, and perhaps before the launch of the impact assessment;
- the need to conduct an objective and in-depth impact assessment before a possible legislative proposal was finalised, paying particular attention to the impact of a common consolidated base on the internal market, on the competitiveness of the European Union and on the specific risks for the small Member States;
- the complex relationship between the harmonisation of bases and rates of tax;
- the need for the report to reflect the progress of the work, in line with the promises made to the Council, so as to ensure maximum transparency regarding the various options and the associated arguments, and to prepare a common approach;
- the appropriateness of the general objective of introducing a common consolidated corporate tax base, from an economic and political point of view, in the light of the trends observed at international level in terms of enlargement and simplification of the tax base, and at Union level in terms of simplification and the creation of development opportunities for European companies;
- the interest expressed by business circles, and particularly Business Europe, in the introduction of a common consolidated corporate tax base in order to overcome the obstacles to the development of companies in the European internal market;

- the contribution of the common consolidated corporate tax base to the achievement of the goals of the Lisbon Strategy and of the internal market;
- the advisability for the Commission, in view of its leading role in identifying the general European interest, to make legislative proposals in this area before proceedings were brought in the European Court of Justice for failure to act and also before certain Member States opted for enhanced cooperation;
- the feasibility of keeping to the timetable which provided for a possible legislative proposal in 2008;
- the importance of tax sovereignty in the context of the debate on the new Treaty.

The PRESIDENT pointed out that the purpose of this progress report, presented in response to a request from the Council, was to consider the case for a common consolidated corporate tax base not a harmonised tax rate, and hoped that this would be made quite clear in the text. He emphasised that the report should serve as a balanced and neutral basis for discussion with the Member States as well as within the Commission.

The PRESIDENT thanked the Commission Members for their comments and noted their agreement on the following amendments which were made to the English version of COM(2007)223/4 :

- in Section 2.1, the third and fourth sentences of the last paragraph were deleted;
- in Section 2.2, in the first sentence of the first paragraph “*accompanied*” was replaced by “*preceded*”;
- in Chapter 3, the last four sentences of the eighth paragraph, beginning “*As regards...* ”, were deleted;
- in Chapter 4, the following sentence was added after the final sentence: “*However, the Commission confirms that it does not intend to extend the work to cover tax rates.*”;

- Annex 2 and references to it in the text of the report were deleted.

The PRESIDENT concluded on this item by reminding the meeting of the need for care in describing the ambitions and the limits of this report. He announced his intention of holding a wide-ranging debate within the Commission on this question during the second half of 2007, with a view to preparing the impact assessment and in due course a possible Commission legislative proposal in this matter.

Subject to the above amendments, the Commission approved the report in COM(2007)223/4, for transmission to Parliament, the Council and the Economic and Social Committee, and to the national parliaments.

**10. COMMISSION COMMUNICATION ON TARGETS FOR THE RECRUITMENT AND APPOINTMENT OF WOMEN TO MANAGEMENT AND OTHER AD-LEVEL POSTS IN THE COMMISSION 2007
(SEC(2007)507 TO /5; SEC(2007)531)**

Mr KALLAS presented the main points of the communication he was tabling for adoption. He reminded the meeting of the importance placed by the Commission on gender equality, particularly with respect to the number of women appointed to management posts. Mr KALLAS also considered that other international organisations had achieved better results. He pointed out that the Commission had not achieved the objectives it had set itself for 2006, particularly in the area of middle management, although he acknowledged the scale of the challenge involved in correcting, in just a few years, the imbalances which had built up over the early decades of the institution's existence. He felt that the present difficulties were probably the result of problems which were mainly structural. He noted with satisfaction that the appointments made following the most recent enlargement of the EU had gone some way towards rectifying the situation, and had furthermore highlighted the shortcomings in the appointment of EU-15 nationals.

Mr KALLAS asked the Members of the Commission to give their personal attention to restoring the balance between women and men, not only in general terms but also, and above all, in connection with specific selection procedures.

Lastly, Mr KALLAS referred to the various levers intended to encourage the appointment of women and expressed the hope that the next assessment exercise, planned for the autumn, would reveal that significant progress had been made.

The Commission held a brief exchange of views, covering the following questions:

- the negative effect of the current situation, both on the credibility of the Commission, which nevertheless argued strongly in favour of equal opportunities, and on a substantial proportion of its staff, who might over time feel a degree of disappointment and dissatisfaction;
- the need to carry out an in-depth examination of the real causes of this situation and, to this end, to consider conducting a survey of women who had already been appointed to management or other AD posts;
- the need, which was constantly being borne out, for a change in the Commission's administrative culture to bring about a better reconciliation of work and family life;
- the possibility of raising the 25% target for the appointment of women to senior management posts, which would impose a direct commitment primarily on the Commission;
- the appropriateness of taking into account the appointments made by the Commission to specialist Community bodies.

The Commission mentioned more particularly the possibility of eventually adopting a quota system if present results did not improve. Discussion of this question might take account of the following factors: the need to take action above all at a grass-roots level; the spirit and the letter of Article 141 of the Treaty; Court of Justice

case-law; the need to respect the principle of excellence; the possibility of taking on board the experiences of the most advanced national administrations.

The President concluded the discussion by emphasising the need to make renewed efforts to rectify the situation, which ran counter to the Commission's desire to appear to be a modern and exemplary administration.

Following this exchange of views, the Commission adopted the communication in SEC(2007)507/4 and /5, and in particular following appointment and recruitment targets for 2007:

- women must account for at least 25% of recruitments and appointments to senior management posts;
- women must account for at least 30% of recruitments and appointments to middle management posts;
- 50% of officials and 50% of temporary staff recruited to AD non-management posts must be women, in so far as the reserve lists allowed.

11. POLICY DEBATE ON RELATIONS WITH RUSSIA

The PRESIDENT introduced the debate by recognising the current problematic relations between the EU and Russia and the concerns raised by Russia's attitude both as regards bilateral relations and management of major foreign policy issues such as Iran and Kosovo.

He mentioned in particular four current stumbling blocks:

- the delay in the launching of negotiations for the conclusion of a new partnership and cooperation agreement between the EU and Russia caused by the Russian embargo on meat products from Poland, and the absence of Russia's

political will to remove the obstacles to its accession to the World Trade Organisation (WTO);

- the unsatisfactory development of relations in the field of energy;
- the growing democratic deficit in the country to the detriment of the political opposition and freedom of the press;
- the position being taken by Russia as a major power vis-à-vis the West on issues such as the plans to install American anti-missile defence systems in Europe, and its relations with neighbouring European countries.

The PRESIDENT felt that Russia is still in a transitional stage after the end of the Soviet Union and emphasised the respect due to a country with a rich past. He also pointed out that Europe needed Russia in several key issues, particularly foreign policy, and that cooperation and good relations between the two were therefore necessary.

He therefore wished to put before the Members of the Commission the question of how to address Russia's bilateral problems with certain EU Member States, in particular those which have a common border or problematic recent history with Russia. He cited the examples of the embargo on Polish meat, the suspension of supplies of Russian oil to Lithuania and the recent tensions with Estonia following the removal of a Red Army memorial in Tallinn.

He acknowledged that trade disputes and border issues were not specific to the EU's relations with Russia, but considered that the problems in the case at hand arose from Russia's broader concept of its relations with the EU and the West in general and the way in which it is influenced by its past.

The PRESIDENT considered that the only possible starting point for addressing bilateral disputes and seeking solutions to these disputes was solidarity among the Member States and between the Commission and the Member States. This had been the line taken concerning Russia's disputes with Poland and Lithuania and which should also be adopted with regard to Estonia's current difficulties with Russia. This

was the only basis on which solutions could be sought. He reiterated the EU's desire for constructive cooperation with Russia to obviate the existing difficulties while emphasising the Union's firm stance in the face of attempts to cause rifts or to interfere in the domestic affairs of certain Member States.

He concluded by recognising that the Samara summit would not be easy, but that it was necessary to continue visible efforts to establish relations with Russia on a more solid basis, a line of conduct that was fully consistent with that of the Council Presidency. He emphasised the importance of that day's discussion and thanked Ms FERRERO-WALDNER and her staff for their preparatory work.

Ms FERRERO-WALDNER welcomed this opportunity to discuss the EU's relations with Russia. She too recognised the highly complex nature of current relations between the two partners, marked by certain disappointing aspects but also by encouraging ones. She noted the high degree of confidence displayed at the highest political level in Russia, attributable in large part to the prosperity brought by oil and gas exports.

However, she stressed the existence of major weaknesses in the Russian economy, in particular the lack of diversification and modernisation, as well as the future uncertainties caused by the demography of Russia. On the political plane, she went on to refer to the fragility of the institutional structures in Russia, which were being highlighted as Vladimir Putin's term of office came to an end, and the risks associated with corruption and the increasing inequality in the distribution of wealth. She considered that from this standpoint Russia needed help from the EU and took its suggestions seriously.

Ms FERRERO-WALDNER then referred to the speech given by President Putin to the Duma on 26 April, emphasising in particular his use of the issues of nationalism and national identity and his allusions to separatism, internal divisions and the threats they pose to the unity of the country. She considered that Mr Putin, who called for the unity of the Russian people, opposed Russian identity to European values. However, she believed that he recognised the existence of difficulties in his country and the scale of the task required, the significance of demographic and other

weaknesses, and the need to change the electoral system in order to introduce higher proportionality and allow greater political plurality.

As regards the EU's relations with Russia, she noted the short-term issues that had to be settled with its Russian partner: the launch of negotiations with a view to the conclusion of a new partnership and cooperation agreement, the dispute with Poland concerning imports of meat products, the tensions with Estonia and the question of the deployment of American anti-missile defence systems. She also pointed to certain positive political developments as regards visas and the consideration given to the specific situation of Kaliningrad.

With regard to medium- and long-term prospects, Ms FERRERO-WALDNER considered that the EU's continued commitment to Russia was essential albeit not without difficulties. She noted that there was a fair degree of cooperation with Russia on foreign policy questions such as the Middle East or Iran, and considered that it was an essential partner with regard to Kosovo. The only possible way forward was collaboration, which entailed consideration of certain legitimate demands made by Russia.

The Commission then engaged in a wide-ranging discussion during which the following points were mentioned:

- the interdependence between Russia and the EU in many areas and their role as natural long-term partners in the context of globalisation, and the need to open avenues of cooperation in these areas;
- the growing difficulty of dialogue with our Russian partner, which was currently affirming its place in the world and choosing its strategic allies;
- on the domestic front, the undermining of democracy and the increasing poverty of the Russian people, and the widening gap between certain political interests and those of the Russian people;

- the importance of maintaining close contact at the highest political level and the usefulness in this respect of a visit to Moscow by the Commission or some of its members;
- the need to ensure consistency between the various initiatives taken by the Commission Members in their areas of responsibility vis-à-vis Russia, and therefore to coordinate action;
- the need for a firm stance in discussions with Russia, while avoiding excessive rigidity and seeking pragmatic solutions;
- the advisability of reaffirming the EU's support to the countries coming under the European neighbourhood policy, in particular Ukraine, Moldova and Georgia;
- the advisability of working with the United States on a common message to Russia;
- the recent tensions between Russia and Estonia, the importance for the EU to show solidarity with Estonia following these events and the effect of this crisis on relations between the EU and Russia; the freedom of each country to make its own choices and refuse all outside interference;
- the instruments available to the Union in its dialogue with Russia, which would enable it to take a clear stance: the important commercial role of the Union for Russia, the significant European investments that had been made in the country and the progress still awaited from Russia as regards the liberalisation of visas;
- the specific difficulties connected with the run-up to the Russian elections, the resulting internal struggles and the ensuing difficulty of making progress on foreign policy issues such as accession to the WTO or the negotiation of the new partnership and cooperation agreement with the Union;
- the importance of continuing to work towards Russia's accession to the WTO and the signing of a new partnership and cooperation agreement with the Union,

provided the EU was not alone in seeking these and provided it did not give way on the points important for it;

- the possibility of slowing down the progress towards a new agreement in view of the evident public concern as regards Russia's internal situation and foreign policy, and at all events the importance that the agreement reached should not be less ambitious than the previous one;
- the need to win Russia's support for a consensual solution to the problem of Kosovo in the UN Security Council, the case for including this subject on the agenda of the next G8 meeting and the prime importance of maintaining unity on this matter;
- the recurring problems encountered in the attempts to settle the dispute between Poland and Russia and the reduced prospects of a positive outcome to the dispute and therefore of the launch of the negotiations for the conclusion of the new partnership and cooperation agreement before the Samara summit;
- Russia's attempts to divide the EU Member States and the differential treatment given to the old Member States and those which joined in the last two enlargements, in particular with regard to trade disputes; the vital importance of maintaining a firm, united and constant front on this matter in view of the seriousness of the possible repercussions of bilateral bargaining;
- in the field of the information society, the slow progress, which is nevertheless starting to bear fruit, being made in EU-Russia collaboration in public research, in particular in the fields of computer software, micro technology and nanotechnology; the establishment of specific measures in the areas of identification by radiofrequency, antispam measures, the signing of an agreement on cross-border television or the partnership in the GEANT European network;
- the positive developments also achieved in security with the signing of two agreements – readmission and liberalisation of visas – due to enter into force on

1 June; the favourable prospects for further progress in this area as well as in the fight against terrorism and organised crime, particularly in the Black Sea area; the added value of the European dimension in this field, which has enabled progress which no Member State could have made alone;

- Russia's constructive collaboration on the question of the Middle East;
- the encouraging prospects in terms of cooperation on the fourth "common area" with Russia in the field of research and education, the budget made available by Russia for this purpose, and the possibilities of integrating Russia in the European Research Area to be examined as a medium-term goal;
- the progress made in the energy dialogue with Russia but also the problems still outstanding in this area and the need to work towards strengthening mutual trust;
- the satisfactory relations in the agriculture sector and the prospects of continued dialogue.

In conclusion, the PRESIDENT referred to the current difficulties and the complexity of certain issues while reminding the meeting of the EU's willingness to make a constructive commitment to Russia. He highlighted in particular the importance of the principle of solidarity between the Member States in this challenging situation.

He thanked all the Commission Members for their contribution to this debate and asked those who were currently working on the resolution of specific problems to remain in close contact with him and with the other Members concerned to ensure proper coordination of initiatives.

As regards the Samara summit and the timetable for the launch of the negotiations on the conclusion of the new partnership and cooperation agreement, the PRESIDENT reminded the meeting of the proposals made in this connection and the importance of continuing to work towards the objective of a new framework for

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relations between the two partners. Lastly, he reaffirmed the solidarity of the other EU member states with Poland.

The Commission took note of the results of the policy debate.

12. RELATIONS WITH THIRD COUNTRIES

12.1. SIXTH MEETING OF EU/RUSSIA PERMANENT PARTNERSHIP COUNCIL ON JUSTICE AND HOME AFFAIRS (MOSCOW, 23 AND 24 APRIL) ***(SEC(2007)574)***

The Commission took note of the information note from Mr FRATTINI in SEC(2007)574.

12.2. VISIT TO MOLDOVA (CHISINAU, 24-25 APRIL) ***(SEC(2007)575)***

The Commission took note of the information note from Mr FRATTINI in SEC(2007)575.

12.3. VISIT TO MOOCCO (RABAT, 20-23 APRIL) ***(SEC(2007)572)***

The Commission took note of the information note from Mr BORG distributed as (SEC(2007)572).

**12.4. ENERGY PARTNERSHIP BETWEEN THE EU AND RUSSIA –
MEETING WITH THE RUSSIAN MINISTER OF INDUSTRY AND
ENERGY (GENEVA, 26 APRIL)**

(SEC(2007)584)

The Commission took note of the information note from Mr PIEBALGS in (SEC(2007)584).

12.5. SITUATION OF THE ESTONIA EMBASSY IN RUSSIA

Mr KALLAS referred to the unfortunate incidents in Moscow in the context of the current tensions between an EU Member State, Estonia, and the Russian Federation.

The Commission held an exchange of views, following which it approved the main points of a statement public on this question, namely:

- the deep concern felt by the Commission regarding the growing violence of the demonstrations around the Estonian Embassy in Moscow;
- the need for the Russian authorities to fulfil their obligations under the Vienna Convention on diplomatic relation;
- the case for Russia to resolve outstanding issues with Estonia through dialogue;
- the close association of the Commission with the action taken by the Council Presidency.

The Commission took note of this information.

12.6. POLITICAL SITUATION IN TURKEY

Mr REHN informed the Commission Members of the latest events in Turkey. He referred in particular to the cancellation by the Constitutional Court, for lack of a quorum of the first round of the presidential election that had taken

place on 27 April the growing polarisation of Turkish society between the secular forces on the one hand, and the moderate Islamists on the other, and the communiqué of the Army General Staff about a possible military intervention. Mr REHN also drew attention to the risks of this instability spreading to the country's economy.

The Commission held a brief exchange of views on this question, after which it approved the following points for a public statement:

- reiteration of the principles on which the European Union is based, namely freedom, democracy, respect for human rights and fundamental freedoms, the rule of law and the supremacy of civilian power over military power, principles that must be respected by any prospective member of the Union;
- the need for all parties to comply with the decision of the Constitutional Court;
- respect for State institutions is one of the conditions for ensuring political stability;
- the Commission's wish that the parliamentary and presidential elections should proceed in a democratic manner and without any interference, in a climate of responsible debate and political stability;
- the Commission's satisfaction at the announcement that an early general election would be called as soon as possible, so as to ensure political stability and democratic development in Turkey.

The Commission took note of this information.

12.7. EUROPEAN UNION - UNITED STATES SUMMIT (WASHINGTON, 30 APRIL)

The PRESIDENT presented briefly the main results of the summit between the EU and the United States that had taken place in Washington on 30 April in an excellent climate of cooperation between the two parties.

He mentioned first of all the signing of the framework for advancing economic integration providing in particular for the establishment of a Transatlantic Economic Council, an initiative which had the backing of the business world. The PRESIDENT confirmed that Mr VERHEUGEN, the Commission Member responsible for Enterprise and Industry had been designated to co-chair this Council as the EU representative.

The PRESIDENT then referred to the signing of the agreement on air services, which he saw as concrete evidence of a convergence of the partners' views in the economic field.

On the issue of climate change and energy, he highlighted the openings on the American side with a view to making significant progress with other G8 partners and pointed to the importance of creating a forum on methodological questions in these areas.

Among the other subjects of interest addressed at the summit, the PRESIDENT listed the negotiations on the Doha Development Agenda and the visa waiver system. The external relations topics discussed included the current situation in Iran, Kosovo, Sudan and Russia.

The Commission took note of this information.

12.8. MEETING WITH THE UNITED NATIONS SECRETARY-GENERAL (NEW YORK, 30 APRIL)

The PRESIDENT reported briefly on his meeting with Mr Ban Ki-moon in New York on 30 April. Among the subjects dealt with on that occasion, he

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mentioned the situation of the United Nations Organisation and the ongoing reform process, climate change, Africa, in particular the situation in Darfur, Congo and Nigeria, and the forthcoming G8 and EU-Africa summits.

The Commission took note of this information.

13. OTHER BUSINESS

13.1. FOURTH EUROPEAN CONFERENCE ON CRAFT AND SMALL ENTERPRISES (STUTT GART 16-17 APRIL) (SEC(2007)573)

The Commission took note of the information note from Mr VERHEUGEN distributed as SEC(2007)573.

13.2. VISIT TO NORTHERN IRELAND (BELFAST, 1 MAY)

The PRESIDENT reported on his visit to Northern Ireland the previous day. He referred in particular to the symbolic importance of the first photograph showing together Mr Ian Paisley and Mr Martin McGuinness, First Minister and Deputy First Minister designate, and emphasised the climate of cooperation he had found between the two political leaders who had once been bitter enemies.

The PRESIDENT had told them of the European Union's support for the consolidation of peace and economic development. He encouraged them to devote up to 85% of their Structural Fund allocation, i.e. some €400 million, to the Lisbon strategy objectives. The Northern-Ireland political leaders recognised in their turn the vital role that the support of the Union had played in recent years on the road towards peace and reconciliation.

The PRESIDENT concluded by asking Ms HÜBNER to set up a task-force to help Northern Ireland at this new juncture, involving the departments most

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concerned, particularly the Regional Policy, Employment, Social Affairs and Equal Opportunities, Research, Enterprise and Industry, Agriculture and Rural Development, and Fisheries and Maritime Affairs Directorates-General, and the Secretariat-General.

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 13.36 hours.