



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2007) 1790 final

Brussels, 6 June 2007

MINUTES

of the 1790th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 30 May 2007

(morning)

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Single sitting: Wednesday 30 May 2007 (morning)

The sitting opened at 0915 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

Mrs REDING

Mr ALMUNIA

Ms HÜBNER

Mr BORG Items 12/13 (in part) to 20

Ms GRYBAUSKAITĖ

Mr FIGEL' Items 12/13 (in part) to 20

Mr KYPRIANOU

Mr REHN

Mr KOVÁCS

Ms FISCHER BOEL

Mr ŠPIDLA Items 1 to 13.

Mr MANDELSON

Mr PIEBALGS

Ms KUNEVA

Mr ORBAN

Absent:

Mr DIMAS

Mr POTOČNIK

Mr MICHEL

Ms KROES

Ms FERRERO-WALDNER

Mr McCREEVY

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

Mr SCHELLEKENS	Chef de cabinet to Mr DIMAS
Mr DRÖLL	Chef de cabinet to Mr POTOČNIK
Mr LEVIE	A member of Mr MICHEL's staff
Ms BRANDTNER	Deputy Chef de cabinet to Ms KROES
Mr CHILD	Chef de cabinet to Ms FERRERO-WALDNER
Mr POWER	Chef de cabinet to Mr McCREEVY

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the PRESIDENT	
Mr SANTAOLALLA	Legal Service	
Mr SØRENSEN	Director-General, DG Communication	
Ms AHRENKILDE	Commission Spokesman - DG Communication	
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers (BEPA)	
Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT	Items 12 to 18
Mr CABRAL	Adviser hors classe to the PRESIDENT	Items 1 to 13
Ms MARTINHO	Chief Adviser to the PRESIDENT	Items 1 to 13 and 20
Ms MARTÍNEZ ALBEROLA	A member of the PRESIDENT's staff	Item 19
Mr THOMAS	Chef de cabinet to Mr ALMUNIA	Items 12 and 13
Mr KORTE	Chef de cabinet to Ms HÜBNER	Item 14
Mr TOKARSKI	A member of Ms HÜBNER's staff	Item 14
Mr TABONE	Chef de cabinet to Mr BORG	Items 1 to 12/13 (in part)

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Mr ADAMIŠ	Chef de cabinet to Mr FIGEL'	Items 1 to 12/13 (in part)
Mr BRUNET	Deputy Chef de cabinet to Mr KYPRIANOU	Item 19
Mr PESONEN	Chef de cabinet to Mr REHN	Item 20
Ms SCHREIBER	Chef de cabinet to Mr ŠPIDLA	

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

1. AGENDAS

(OJ(2007)1790/3 ; SEC(2007)698/2)

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)1790)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Friday 25 May 2007.

3. APPROVAL OF MINUTES OF 1789TH MEETING (22 MAY 2007)

(PV(2007)1789)

The Commission approved the minutes of its 1789th meeting.

4. INTER-INSTITUTIONAL RELATIONS

4.1. LEGISLATIVE MATTERS

**i) Preparations for Conciliation Committee meeting, 5 June 2007 –
Third railway package**

(SPI(2007)43)

– Development of the Community's railways (Directive) –
JARZEMBOWSKI Report – 2004/0047 (COD)

(30 May 2007)

- Certification of train crews operating locomotives and trains on the Community's rail network (Directive) – SAVARY Report – 2004/0048 (COD)
- International rail passengers' rights and obligations (Regulation) – STERCKX Report – 2004/0049 (COD)

The Commission approved the line set out in SPI(2007)43 and authorised Mr BARROT to pursue contacts with Parliament and the Council in order to reach agreement following the line set out in the document.

ii) Action to be taken on Parliament's opinions

(SP(2007)2488)

The Commission decided to empower the Commission Members responsible for the sectors concerned, in agreement with the PRESIDENT and Ms WALLSTRÖM and, if necessary, with other Members concerned, to adopt amended proposals for transmission to Parliament and the Council, as set out in SP(2007)2488, prepared after the May II 2007 part-session of Parliament, the contents of which were noted.

4.2. RELATIONS WITH THE COUNCIL

iii) Programming of Council business

(SI(2007)531)

The Commission took note of the information in SI(2007)360 on Council meetings between 24 May and 6 June 2007.

iv) Informal ministerial meeting on Urban development and territorial cohesion (Leipzig, 24 and 25 May 2007)

(SEC(2007)754)

The Commission took note of the information note from Ms HÜBNER in SEC(2007)754.

**v) Results of Council meeting (Education, Youth and Culture)
(Brussels, 24 and 25 May 2007)**

(SEC(2007)757; SI(2007)514 and /2)

The Commission took note of the information note from Mr FIGEL' in SEC(2007)757.

4.3. RELATIONS WITH PARLIAMENT

vi) May II part-session

(SP(2007)2444)

The Commission took note of the information on the part-session of Parliament held in Strasbourg from 21 to 24 May in SP(2007)2444.

5. MONITORING THE APPLICATION OF COMMUNITY LAW

***STATE AID – INDIVIDUAL CASES – RECAPITULATIVE LIST
(SEC(2007)717 AND /2)***

The Commission adopted the decisions in the recapitulative list (SEC(2007)717/2).

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

***6.1. WRITTEN PROCEDURES APPROVED
(SEC(2007)699 ET SEQ.)***

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 21 and 25 May.

6.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2007)700)

The Commission took note of the sensitive written procedures for which the time limit expired between 29 May and 1 June.

6.3. EMPOWERMENT

(SEC(2007)701 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 21 and 25 May.

**6.4. EXTENSION OF EXISTING EMPOWERMENT TO ADOPT REGULATIONS, IN RESPECT OF BUTTER, FOR THE SUSPENSION OR RE-OPENING/RESUMPTION OF INTERVENTION BUYING AND OPENING AND CLOSING OF STANDING INVITATION TO TENDER
(SEC(2007)731)**

The Commission granted the extension of the general empowerment as set out in SEC(2007)731 to the Member responsible for Agriculture.

6.5. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 21 and 25 May, as archived on the "Greffé 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2007)702)

ADMINISTRATIVE MATTERS
(PERS(2007)57)

7.1. DG ECFIN – APPOINTMENT OF AD14/15 DIRECTOR
(PERS(2007)45 TO /3)

The Commission had before it the list of applications under Article 29(1a)(i) and (iii) of the Staff Regulations for the post of Director of the Economies of the Member States II Directorate in the Directorate-General for Economic and Financial Affairs (PERS(2007)45).

The Commission took note of the opinions of the Consultative Committee on Appointments of 22 March and 26 April 2007 (PERS(2005)45/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered the applicants' ability, efficiency and conduct in the service. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ALMUNIA, it then decided to appoint Ms Elena FLORES to the vacant post.

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

7.2. AIDCO – APPOINTMENT OF AD14/15 DIRECTOR
(PERS(2007)34 TO /4)

The Commission had before it the list of applications under Article 29(1a)(i) and (iii) of the Staff Regulations for the post of Director of the Europe, Southern Mediterranean, Middle-East and Neighbourhood Policy Directorate in the Europe Aid Cooperation Office Directorate-General (PERS(2007)34 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 7 March and 19 April 2007 (PERS(2007)34/3 and /4).

(30 May 2007)

The Commission proceeded to compare the applicants' qualifications for the post. It also considered the applicants' ability, efficiency and conduct in the service. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, it then decided to appoint Mr Markus CORNARO to the vacant post.

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

**7.3. DG RELEX – AMENDMENT OF ORGANISATION CHART AND
AD14/15 POST OF REPRESENTATIVE TO THE COUNCIL OF
EUROPE
(SEC(2007)735)**

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

- to reflect the importance of the function of representative to the Council of Europe by upgrading it to AD14/15;
- to establish a function of Chief Adviser directly attached to the Deputy Director-General responsible for multilateral relations;
- to transfer Ms Luisella PAVAN-WOOLFE, currently AD15 Chief Adviser in the Employment, Social Affairs and Equal Opportunities Directorate, to the post of representative to the Council of Europe in the interests of the service under Article 7 of the Staff Regulations;
- to approve the amended organisation chart set out in SEC(2007)735.

These decisions would take effect on 1 June 2007.

**7.4. DG MARKT – AMENDMENT OF ORGANISATION CHART
(SEC(2007)736)**

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr McCREEVY, the Commission decided:

- to establish a new function of Deputy Director-General in the Internal Market and Services Directorate-General;
- to approve the amended organisation chart set out in SEC(2007)736.

These decisions would take effect immediately.

**8. COMMISSION COMMUNICATION TO PARLIAMENT AND THE
COUNCIL – ORGAN DONATION AND TRANSPLANTATION – POLICY
ACTIONS AT EU LEVEL
(COM(2007)275 TO /4; SEC(2007)704; SEC(2007)705; SEC(2007)763;
SEC(2007)721)**

The Commission approved the communication set out in COM(2007)275/4, for transmission to Parliament and the Council, and to national parliaments, together with the impact study and the summary in staff papers distributed as SEC(2007)704 and SEC(2007)705, the contents of which were noted.

It took note of the opinion of the Impact Assessment Board on this dossier, as set out in SEC(2007)763;

**9. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL AND THE ECONOMIC AND SOCIAL COMMITTEE – TOWARDS AN EU-BRAZIL STRATEGIC PARTNERSHIP
(COM(2007)281 TO /4; SEC(2007)722)**

The Commission approved the communication set out in COM(2007)281/4, for transmission to Parliament, the Council and the Economic and Social Committee European, and to the national parliaments.

**10. SECOND STAGE OF CONSULTATION OF EUROPEAN SOCIAL PARTNERS ON RECONCILIATION OF PROFESSIONAL, PRIVATE AND FAMILY LIFE
(SEC(2007)571 TO /4); SEC(2007)590)**

The Commission approved the consultation document distributed as SEC(2007)571/4, for transmission to the European social partners with a request that they give their opinion on the general outline or, if appropriate, a recommendation on the objectives and content of the planned proposals, or that they inform the Commission if they intended to commence the negotiation process on the basis of the proposals presented in the document.

**11. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN ACCORDANCE WITH THE THIRD PARAGRAPH OF ARTICLE 5 OF COUNCIL REGULATION (EC) NO 1466/97 OF 7 JULY 1997 ON THE UPDATED STABILITY PROGRAMME OF AUSTRIA, 2006-2010
(SEC(2007)723 AND /2; SEC(2007)726; SEC(2007)719)**

The Commission adopted the recommendation for a Council opinion on the updated stability programme of Austria, 2006-2010, as set out in SEC(2007)723/2, for transmission to the Council.

12. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN ACCORDANCE WITH ARTICLE 9(3) OF COUNCIL REGULATION (EC) 1466/97 ON THE UPDATED CONVERGENCE PROGRAMME OF THE CZECH REPUBLIC (2006 - 2009)

(SEC(2007)724; SEC(2007)726; SEC(2007)719)

13. COMMISSION RECOMMENDATION FOR A COUNCIL DECISION ESTABLISHING, IN ACCORDANCE WITH ARTICLE 104(8) OF THE EC TREATY, THAT THE ACTION TAKEN BY THE CZECH REPUBLIC IN RESPONSE TO THE RECOMMENDATION OF THE COUNCIL IN ACCORDANCE WITH ARTICLE 104(7) OF THE EC TREATY IS PROVING TO BE INADEQUATE

COMMISSION RECOMMENDATION FOR A COUNCIL RECOMMENDATION, IN ACCORDANCE WITH ARTICLE 104(7) OF THE EC TREATY, WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN EXCESSIVE GOVERNMENT DEFICIT IN THE CZECH REPUBLIC (SEC(2007)725 AND /2; SEC(2007)727; SEC(2007)719)

Mr ALMUNIA presented the dossier he was tabling. He briefly outlined the two scenarios submitted by the Czech Republic in its updated convergence programme. Using these as a basis, together with the spring forecasts now available, it was possible to draw conclusions and call on the Member State to take a number of measures. As regards the requests made to the Czech Republic in the recommendation for a Council opinion, these had already been repeated several times since 2004 and were not a new development.

Mr ALMUNIA stressed that the recommendation for a Council Decision under Article 104(8) of the Treaty was necessary as part of the prescribed procedure, as the Czech Republic had so far failed to adopt adequate measures. Any delay in adopting this recommendation would reduce the Czech Republic's scope to make the necessary policy changes this year, particularly in drawing up its budget for 2008.

He was nevertheless aware of the concerns expressed at the preparatory meetings that it was inappropriate to present simultaneously a new Commission recommendation for a Council recommendation under Article 104(7) of the Treaty. He therefore proposed to separate the two steps and wait for the Council (Economic and Financial Affairs) to adopt the Article 104(8) decision in July before any decision was taken on issuing a new recommendation under Article 104(7). Moreover, this period would allow time for extensive contacts with the relevant Czech authorities, particularly following their recent unveiling of a reform plan that was likely to correct at least part of the excessive deficit.

The PRESIDENT welcomed the clarity of the proposal now being put forward by Mr ALMUNIA. Referring to the very positive situation in the Czech Republic in terms of growth and the generally favourable economic prospects, he stressed that the economic objectives set by that country were achievable in that context, provided that the authorities made a reasonable additional effort. Given such favourable circumstances, it was important for the credibility of the stability and growth pact to demand appropriate efforts by the Member State concerned.

However, there was a risk of a misunderstanding if the Commission were to adopt simultaneously these different types of recommendations, which were normally sent a few months apart. It was therefore better to leave the new recommendation under Article 104(7) of the Treaty to one side for the time being. He felt that, by adopting this approach, it would be possible to convey without any ambiguity the message that the Czech Republic's updated convergence programme was incompatible with the pact, while leaving open the possibility of further discussions with the new Czech Government. He therefore declared his full support for the approach proposed by Mr ALMUNIA.

The Commission then held an exchange of views in which the following aspects in particular were raised:

- the advantages of the approach proposed that day by Mr ALMUNIA, particularly in the light of the complex political situation in the Czech Republic

and the efforts currently being deployed by its Government to stabilise the budget;

- the balance struck by this approach, which was both fair and coherent and also took into account the domestic political situation and the positive effects of encouraging the Member State to take appropriate measures;
- the importance in this case of staggering the two recommendations, respectively under Article 104(8) and under Article 104(7), as had been done when the procedures had been applied to other Member States in comparable cases;
- the leeway which such an approach left the Commission to engage in dialogue with the Czech Government;
- the very small extent of the further efforts requested from the Czech Republic, which was another factor in favour of this approach, over and above the political considerations already mentioned;
- at the same time, the importance of keeping up the pressure needed to uphold budgetary discipline;
- the question of the economic effectiveness of the agreed approach, which kept 2008 as the deadline for correcting the excessive deficit despite the intentions expressed by the Czech Republic to defer that objective until 2010 and the country's internal problems, and certain preferences for a compromise on a deadline of 2009;
- the importance of treating all Member States fairly in the procedures for applying the stability and growth pact;
- the need for the subsequent recommendation under Article 104(7) to be drawn up on a new basis;

- certain regrets that the initial approach had been abandoned, on the grounds that the proper procedures and the fear of undermining the integrity of the new stability and growth pact and the credibility of future decisions in that context.

After this exchange of views, Mr ALMUNIA reaffirmed that the approach now being proposed was appropriate and fair. The content of the recommendation under Article 104(7) would be discussed later and, in any event, once the Council (Economic and Financial Affairs) had endorsed the recommendation under Article 104(8) in July. However, he explained that, given the favourable economic situation, he did not expect the Council to offer any further flexibility regarding the target date of 2008.

Noting certain comparisons with the treatment given to other Member States, he pointed out the differences in the situation and in particular the fact that certain countries had made rapid efforts to comply as soon as possible with the recommendations addressed to them. He also reminded the meeting that separate procedures applied to the Member States depending on whether or not they were members of the euro area. He therefore felt that this balanced and coherent proposal concerning the Czech Republic should obtain unanimous support in the Council.

The PRESIDENT confirmed that the time-lag proposed by Mr ALMUNIA compared with the initial proposal in no way weakened the procedure. He found that the decision was fair and non-discriminatory and complied with the rules of the pact, and noted the prospects of achieving unanimity in the Council, as mentioned by Mr ALMUNIA, which was an important factor. He welcomed the room for manoeuvre opened up by this two-stage approach, which in no way undermined the credibility of the pact or the economic analysis underpinning the dossier. He also confirmed the need for an appropriate communication which stressed the need to stand firm on budgetary discipline, the Commission's intention of helping the Czech Government in its efforts as much as possible, and the bright prospects of quickly achieving the desired results.

In conclusion, the Commission:

- adopted the recommendation for a Council opinion on the updated convergence programme of the Czech Republic, as set out in SEC(2007)724, for transmission to the Council;
- adopted, subject to final revision, the recommendation for a Council Decision under Article 104(8) of the EC Treaty, distributed as SEC(2007)725/2, for transmission to the Council;
- decided to defer to a later date discussions on its recommendation for a Council recommendation under Article 104(7) of the EC Treaty and hence to remove the Commission recommendation from SEC(2007)725/2.

14. FOURTH REPORT ON ECONOMIC AND SOCIAL COHESION

(COM(2007)273 TO /5; SEC(2007)694 AND /2; SEC(2007)720 SEC(2007)753)

Ms HÜBNER presented the fourth report on economic and social cohesion, drawn up by the Commission under Article 159 of the Treaty and published every three years. The report illustrated the progress made towards achieving the objective of economic and social cohesion, particularly following the last EU enlargement. It provided an update on the situation as regards economic, social and territorial cohesion and analysed the impact of regional policy on the Union's cohesion.

Ms HÜBNER explained the state of play and the main trends in the cohesion process, noting that the disparities between Member States and between regions in growth, income and employment had been reduced in the last ten years. However, there were still considerable regional disparities, mainly because of the last enlargement, the tendency for growth to be concentrated in the most dynamic areas of each Member State and the asymmetrical impact of structural changes, demographic trends and trade patterns, as the Member States had different capacities to adjust to these factors. In spite of the high growth rates in the new Member States and the real convergence between many European regions, there were still 70 regions - with a total population of nearly 123 million Europeans -

which had a gross domestic product that was less than 75% of the Community average.

Ms HÜBNER then outlined the main challenges identified in the report, viz. a declining and ageing population, the strong competitive pressures in the age of globalisation, rising energy prices and supply difficulties, the uneven effects of climate change and the polarisation of society and the need to promote the long-term restructuring and economic diversification of certain regions. She also drew the Commission's attention to the comparison made for the first time in this report between the regions of Europe and those of its worldwide competitors, in particular China and India, where regional growth was twice or three times higher than in the Union.

To meet these challenges, Ms HÜBNER advocated responses that were adapted, targeted and coordinated at regional or even local level. European cohesion policy therefore had a significant role as a lever and catalyst in the convergence process, in growth, in reducing regional disparities, particularly in terms of jobs, in combating social exclusion and poverty, and in boosting the investment that generated growth.

Lastly, Ms HÜBNER outlined the main contours of a debate on what action to take to respond effectively to the worldwide and European challenges affecting cohesion policy. The issues to be raised in this debate, for example at the fourth Forum on cohesion in Brussels in September 2007, included in particular the impact of these new challenges on regional economies, on the territorial dimension of the strategy for growth and employment, on the system for managing cohesion policy and on governance in Europe.

Once the report had been presented, the Commission held a brief exchange of views, in which it emphasised the importance of examining the future of cohesion policy, particularly in the context of the wider discussion of the Union's policies in the budget review exercise.

The PRESIDENT noted that cohesion policy was having a substantial impact on economic development and solidarity in Europe. He welcomed the findings of the

report - which had come at the beginning of a new programming period - that the Community budget was being put to good use in order to promote growth and investment, particularly in the new Member States.

The PRESIDENT also highlighted the fact that cohesion policy was integrated into the EU's general economic objectives, mentioning in particular the contribution of the Structural Funds to implementing the strategy for growth and employment and to developing renewable energy and energy efficiency. He felt that the contribution of cohesion policy to achieving those objectives was a key factor for securing sustainable growth.

Winding up, the PRESIDENT confirmed that the debate on cohesion policy would provide a major contribution to the work on the budgetary review.

He thanked Ms HÜBNER on behalf of the Commission for the quality and scale of the efforts put into the preparations for this fourth report on cohesion.

In conclusion, the Commission approved the fourth report on economic and social cohesion in COM(2007)273/5, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments, accompanied by the staff paper distributed as SEC(2007)694, volumes 2 and 3, and SEC(2007)694/2, volume 1, the contents of which were noted.

- 15. COMMISSION REPORT TO PARLIAMENT, THE COUNCIL AND THE COURT OF AUDITORS – SYNTHESIS OF THE COMMISSION'S MANAGEMENT ACHIEVEMENTS IN 2006**
(COM(2007)274 TO /4; SEC(2007)718)
- 16. ANNUAL REPORT TO THE DISCHARGE AUTHORITY ON INTERNAL AUDITS CARRIED OUT IN 2006 (ARTICLE 86 OF THE FINANCIAL REGULATION)**
(COM(2007)280 AND /2; SEC(2007)708; SEC(2007)718)
- 17. REPORT OF THE AUDIT PROGRESS COMMITTEE FOR 2006**
(SEC(2007) 646; SEC(2007)718)
- 18. AUDIT PROGRESS COMMITTEE - MEETING OF 30 MARCH 2007**
(SEC(2007)647; SEC(2007)718)

The PRESIDENT presented the summary report on the Commission's management achievements in 2006, which he was tabling for approval in agreement with Mr KALLAS and Ms GRYBAUSKAITĖ. He began by reminding the meeting that, by approving this report, the Commission was for the second time assuming political responsibility - collective and explicit - for management by its Directors-General and department heads. He noted that each of the Commission Members therefore had confidence in the assurances provided by the Directors-General and department heads, particularly as regards the adequacy of internal controls and the expression of reservations regarding the sectors which posed significant problems.

He noted the progress made in 2006, which was reflected in a reduction in the number of reservations and the efforts made to rectify the shortcomings that had been identified. He felt that the report provided the Court of Auditors with an excellent basis on which to arrive at a positive statement of assurance concerning the reliability of the accounts and the legality and regularity of operations. In this connection, he reminded the meeting that in 2005 Parliament had granted discharge

by a very large majority of 567 votes, a result which proved that Parliament recognised the progress made by the Commission.

The PRESIDENT concluded by asking the Commission Members to maintain their vigilance with regard to the shortcomings identified in 2006, to monitor the lifting of reservations and to ensure that they did not become a recurrent feature. He emphasised the Commission's responsibility with regard to the sound management of public funds, particularly in the light of the forthcoming Intergovernmental Conference and of the budgetary review currently in preparation.

Mr KALLAS said that he fully endorsed the PRESIDENT's comments. He mentioned the links between the summary report of achievements, the annual report to the discharge authority, the Audit Progress Committee report and the departments' annual activity reports. He felt that together these documents provided a comprehensive and coherent analysis of the strengths and weaknesses in the management of the 2006 Budget, and an indication as to how to rectify the shortcomings in internal audits.

He noted with satisfaction that the synthesis report on achievements in 2006 for the first time identified problems by sector and by Member State, which was in line with the action plan towards an integrated internal control framework adopted by the Commission in January 2006 and on which the first progress report had been approved on 7 March.

He felt furthermore that in the coming months the honest and realistic tone of the summary report would help to clarify the Commission's point of view to Parliament and the Court of Auditors. He returned to Parliament's vote on the 2005 discharge, which had been a very encouraging result and could still be improved upon, and asked all the Commission Members to step up their vigilance and efforts with a view to obtaining an increased majority in Parliament for the vote on the 2006 discharge.

At the end of the presentations, the Commission:

- approved the report on the synthesis of the Commission's management achievements in 2006, as set out in COM(2007)274/4;
- approved the annual report to the discharge authority on internal audits carried out in 2006, as set out in COM(2007)280, and took note of the Annex to it, which was dealt with in the staff paper distributed as SEC(2007)708;
- took note of the report of the Audit Progress Committee for 2006, which was the subject of SEC(2007)646, and of the information note on the Audit Progress Committee meeting of 30 March 2007, set out in SEC(2007)647;
- noted that each Commission Member had been informed about the annual activity report and statements presented by the Director(s) General and/or Heads of Department for which they were responsible;
- instructed its departments to implement the action plans designed to rectify the shortcomings observed in the annual activity reports and to introduce the initiatives set out in the summary report in the areas for which they were responsible;
- reminded the meeting that each Commission Member was responsible for following up the implementation of the corrective measures to be taken in the departments under their supervision;
- instructed the Secretary General to transmit to the Secretaries-General of Parliament, the Council and the Court of Auditors: (1) the 2006 summary report in COM(2007)274/4, accompanied by all the annual activity reports and statements by the Directors-General and department heads; (2) the annual report on internal audits carried out in 2006 in COM(2007)280, accompanied by the staff paper distributed as SEC(2007)708;
- authorised Mr KALLAS, Commission Member responsible for administrative affairs, audit and anti-fraud, and Ms GRYBAUSKAITĖ, Commission Member

responsible for financial programming and the Budget, to present the 2006 summary report and the annual report on internal audits carried out in 2006 to the relevant Parliament bodies, and in particular to the Committee on Budgetary Control and the Committee on Budgets.

**19. WHITE PAPER ON A STRATEGY FOR EUROPE ON NUTRITION, OVERWEIGHT AND OBESITY RELATED HEALTH ISSUES
(COM(2007)279 TO /5; SEC(2007)706 AND /2; SEC(2007)707 AND /2; SEC(2007)709; SEC(2007)721)**

Mr KYPRIANOU presented the White Paper on a strategy for Europe on nutrition, overweight and obesity related health issues which took account, inter alia, of the results of the public consultation carried out on the basis of the Green Paper approved in December 2005.

Mr KYPRIANOU began by emphasising the importance of the issues tackled in the White Paper, stating that overweight and obesity caused great individual suffering and were now posing major public health problems. He added that the scale of the problem of excess weight was likely to increase dramatically in the next few years, and that in 2006 30% of children were already overweight. He pointed out that overweight and obesity often led to cardiovascular and respiratory diseases, high blood pressure, type 2 diabetes and certain types of cancer, and even mental illness. He also reminded the meeting of the economic and social implications of such questions, given the economic importance of the food industry or the negative impact of diseases caused by obesity on social security systems for instance.

Mr KYPRIANOU went on to mention the value added by European action to combat the problems of nutrition, overweight and obesity, while emphasising that the White Paper was based on a shared effort at European, national, regional and local level respectively. He felt that European action could be concerned with the internal market (labelling, nutritional claims), the common agricultural policy (fruit

and vegetables), education and sport, regional policy and transport, or audiovisual policy, but also the follow-up and assessment of initiatives taken at various levels, the dissemination of good practice, or action on international challenges. He also mentioned the balance between the legislative approach and voluntary self-regulation, which could take the form of partnerships between different players and could be of crucial importance.

Lastly, he said that it was planned to examine progress in 2010 and to check to what extent Community policies had followed the objectives of the White Paper and how they had contributed to the achievement of these objectives.

The PRESIDENT praised the content of the White Paper and stressed the importance of the initiative in terms of public health. He highlighted the balanced approach and mobilising effect of the White Paper, which involved several Community policies. He thanked Mr KYPRIANOU for bringing it about.

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

- the favourable reception that the White Paper that was likely to receive in the Council, particularly in view of the direct link between combating overweight and obesity on the one hand and the reduction in costs for social security systems on the other;
- the contribution to the fight against obesity made by a number of measures proposed as part of the common agricultural policy, in particular the promotion of the consumption of fruit and vegetables by school-age children;
- the vital role of schools, not only in promoting a healthy and balanced diet but also in getting children used to taking physical exercise;
- the need to pay special attention to a number of questions directly involving the food industry, such as labelling;
- the interaction between the preventive approach recommended in the White Paper and other aspects of the problem, such as medical research.

Following this exchange of views, the Commission:

- approved the White Paper in COM(2007)279/5 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, as well as to the national parliaments, together with the impact assessment and the summary contained in the staff papers distributed as SEC(2007)706/2 and SEC(2007)707/2 respectively, and took note of their contents;
- took note of the opinion of the Impact Assessment Board on this dossier, as set out in SEC(2007)709.

20. RELATIONS WITH THIRD COUNTRIES

20.1. STATE OF RELATIONS BETWEEN THE EU AND THE WESTERN BALKANS

Mr REHN reported to Commission Members on the latest developments in the Western Balkans and the results of the meetings he had had during his recent visit to Serbia and his contacts with Serbian leaders in the last few days.

In particular he mentioned the atmosphere of constructive cooperation he had encountered in these meetings, the balance of power in the new Serbian Government set up on 15 May and led by Mr Vojislav Kostunica, and the prospects for progress on a number of outstanding matters affecting the EU and Serbia, in particular the possible resumption of negotiations on the conclusion of a stability and association agreement with Serbia.

On the final status of Kosovo, Mr REHN mentioned the ongoing work in the United Nations, the progress that had been made and the vote on the Security Council resolution to be held in the coming weeks.

He reminded Members that the Council meeting (General Affairs and External Relations) held in Brussels on 12 and 13 February 2007 had reaffirmed the conditions for the resumption of negotiations on the conclusion of a stability and association agreement with Serbia, particularly with respect to full cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY). The Commission's role was to assess, in close cooperation with the Council Presidency and the Secretary-General of the Council/High Representative, the undertakings that Serbia was prepared to give on cooperating with ICTY, and the possibility of reopening negotiations at the earliest opportunity, if possible at the beginning of June. In this case, Mr REHN stressed that it was important to ensure that the departments involved in these negotiations, especially DG Trade and DG Agriculture and rural development, should be available throughout July.

At the end of Mr REHN's remarks, the Commission stressed the importance of concluding as soon as possible the ongoing process for defining the final status of Kosovo.

The PRESIDENT concluded by giving the Commission's full support to the approach set out by Mr REHN. He also confirmed the need to ensure in the coming weeks that the departments most concerned by the possible resumption of talks with Serbia would be available.

The Commission took note of this information.

20.2. VISIT TO RUSSIA (MOSCOW, 23 MAY 2007)

(SEC(2007)755)

The Commission took note of the information note from Ms HÜBNER in SEC(2007)755.

**20.3. MEETING BETWEEN THE EUROPEAN MINISTERS FOR
DEVELOPMENT AND THE AFRICAN, CARIBBEAN AND PACIFIC
STATES (BRUSSELS, 25 MAY 2007)
(SEC(2007)758)**

The Commission took note of the information from Mr REHN in
SEC(2007)758.

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The meeting closed at 13.15 hours.