



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2007)1805 final

Strasbourg, 23 October 2007

MINUTES

of the 1805th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 17 October 2007

(morning)

PV(2007)1805 final

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Single sitting: Wednesday 17 October 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 VERHEUGEN	Vice-President	Items 8 to 14
Mr BARROT	Vice-President	
Mr KALLAS	Vice-President	
Mr FRATTINI	Vice-President	Items 12 (in part) to 14
Ms REDING		
Mr DIMAS		
Mr ALMUNIA		
Ms HÜBNER		
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr FIGEL'		
Mr KYPRIANOU		
Mr REHN		Items 8 to 14
Mr KOVÁCS		
Ms KROES		Items 8 to 14
Mr McCREEVY		
Mr ŠPIDLA		
Mr MANDELSON		Items 12 (in part) to 14
Mr PIEBALGS		
Ms KUNEVA		
Mr ORBAN		

Absent:

Mr MICHEL

Ms FISCHER BOEL

Ms FERRERO-WALDNER

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

Mr STUCKENS	A member of Mr MICHEL's staff
Ms BORCHMANN	A member of Ms FISCHER BOEL's staff
Mr CHILD	Chef de cabinet to Ms FERRERO-WALDNER

The following also sat in:

Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT	
Mr PETITE	Director-General, Legal Service	
Mr MARTIN	DG Communication	
Mr LAITENBERGER	Commission Spokesman	
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers	
Mr KÖHLER	Deputy Chef de cabinet to Mr BORG	Items 8 to 11
Ms ADAKAUSKIENĖ	Deputy Chef de cabinet to Ms GRYBAUSKAITĖ	Item 14 (in part)
Mr HOUBEN	A member of Mr MANDELSON's staff	Items 1 to 12 (in part)

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

1. AGENDAS

(OJ(2007)1805/3; SEC(2007)1328/2)

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)1805)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 15 October 2007.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1804TH MEETING
(10 OCTOBER 2007)**

(PV(2007)1804; PV(2007)1804, PART II)

The Commission approved the minutes of its 1804th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

INFRINGEMENTS – REPORT B2/2007 – RECAPITULATIVE LIST

(SEC(2007)1133; SEC(2007)1132; SEC(2007)1129)

The Commission adopted the decisions set out in the recapitulative list in SEC(2007)1133, subject to the following clarification:

(17 October 2007)

2007/2366	<i>Poland</i>
Non-enforcement of the prohibition of fishing for cod in the Baltic sea by vessels flying the flag of Poland, established by Regulation (EC) 804/2007	
<u>Decision:</u>	Empowerment (letter of formal notice 226 + deadline for reply of one month)

The Commission decided to empower the Commission Member with responsibility for Fisheries and Maritime Affairs to formally approve the letter of formal notice in the above case and to send it to the Member State concerned when he considered it appropriate after 22 October.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2007)1329 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 8 and 12 October 2007.

5.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2007)1330 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 15 and 19 October and of the "finalisation" written procedures initiated following the weekly meeting of Chefs de cabinet on 15 October 2007.

5.3. EMPOWERMENT

(SEC(2007)1331 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 8 and 12 October 2007.

5.4. GENERAL EMPOWERMENT AND DELEGATION OF POWERS REGARDING THE EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT (EAFRD) FOR THE 2007-2013 PROGRAMMING PERIOD

(SEC(2007)1360)

The Commission granted the general empowerment as set out in SEC(2007)1360 to the Member responsible for Agriculture and Rural Development.

It also decided to delegate powers to the Director-General for Agriculture and Rural Development for the adoption, on behalf of the Commission and under its responsibility, of decisions concerning the revision of rural development programmes, in accordance with the terms laid down in SEC(2007)1360.

5.5. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 8 and 12 October 2007, as archived on "Greffé 2000" (Registry).

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2007)1332)

ADMINISTRATIVE MATTERS

(PERS(2007)99)

6.1. DG DEVELOPMENT – APPOINTMENT OF AN AD14 DIRECTOR (EU-10)

(PERS(2006)86 TO /5)

(17 October 2007)

The Commission had before it applications under Article 29(2) of the Staff Regulations for the post of Director, EU Development Policy: Horizontal Issues in the Directorate-General for Development and Relations with the African Caribbean and Pacific States (PERS(2006)86 to /3).

The Commission took note of the opinions of the Consultative Committee on Appointments of 13 June and 13 September 2007 (PERS(2006)86/4 and /5).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr MICHEL, it then decided to appoint Mr Maciej POPOWSKI to the vacant post in question.

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

6.2. DG REGIONAL POLICY – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2007)83 TO /4)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director, Territorial Cooperation, Urban Actions and Outermost Regions in the Directorate-General for Regional Policy (PERS(2007)83 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 5 July and 13 September 2007 (PERS(2007)83/3 and /4).

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

This decision would take effect on 1 November 2007.

**7. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 81 OF
THE EC TREATY – (CASE COMP/38.606 – GROUPEMENT DES CARTES
BANCAIRES "CB")
(C(2007)5060 TO /5; SEC(2007)1356)**

The Commission

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 5 October in C(2007)5060/3;
- took note of the final report of the Hearing Officer of 5 October in C(2007)5060/4;
- adopted, in the authentic language (French), the decision set out in C(2007)5060/5, finding that the company to which the decision was addressed had infringed Article 81 of the EC Treaty;
- decided that the decision in C(2007)5060/5 would be notified to the company concerned, together with the final report of the Hearing Officer;
- decided that the most important parts of the decision, together with the opinion of the Advisory Committee and the final report of the Hearing Officer, would be published in the official languages in the Official Journal (with all business secrets removed);
- decided to publish the decision (with business secrets removed) on the Internet.

- 8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS - A NEW STRATEGY FOR THE COMMUNITY TO PREVENT, DETER AND ELIMINATE ILLEGAL, UNREPORTED AND UNREGULATED FISHING (COM(2007)601 AND /2; SEC(2007)1311; SEC(2007)1342)**
- 9. PROPOSAL FOR A COUNCIL REGULATION ESTABLISHING A COMMUNITY SYSTEM TO PREVENT, DETER AND ELIMINATE ILLEGAL, UNREPORTED AND UNREGULATED FISHING (COM(2007)602 AND /2; SEC(2007)1310 AND /2; SEC(2007)1336 AND /2; SEC(2007)1312 AND /2; SEC(2007)1313; SEC(2007)1311; SEC(2007)1342)**
- 10. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT - DESTRUCTIVE FISHING PRACTICES IN THE HIGH SEAS AND THE PROTECTION OF VULNERABLE DEEP SEA ECOSYSTEMS (COM(2007)604 TO /3; SEC(2007)1314; SEC(2007)1316; SEC(2007)1342)**
- 11. PROPOSAL FOR A COUNCIL REGULATION ON THE PROTECTION OF VULNERABLE MARINE ECOSYSTEMS IN THE HIGH SEAS FROM THE ADVERSE IMPACTS OF BOTTOM FISHING GEARS (COM(2007)605 AND /2; SEC(2007)1315; SEC(2007)1317; SEC(2007)1318; SEC(2007)1316; SEC(2007)1342)**

Mr BORG introduced the two proposals for Council Regulations, one on illegal fishing and the other on destructive fishing practices, which he was tabling for adoption, and the two related communications that the Commission was invited to approve. He said that these proposals were a first step in the process of giving substance to the integrated maritime policy for the EU endorsed by the Commission the previous week, and stressed the lengthy preparatory and consultation work leading up to their presentation. He noted in particular the close collaboration

involving many departments on both dossiers, and thanked the Members' Offices and Directorates-General concerned for their invaluable contributions.

Mr BORG referred firstly to the initiative on destructive fishing practices, which should make for decisive progress in the protection of deep sea ecosystems and offer a suitable response to the recommendations made by the United Nations General Assembly in 2006. He pointed out that measures had already been taken as regards Community waters, and that areas containing particularly vulnerable marine habitats had been closed to fishing off the coasts of Ireland, Scotland, the Canaries, the Azores and Madeira.

He then mentioned the measures that went even further, in particular the concrete action proposed to assist regional fisheries management organisations in drawing up regulations by the end of 2008. He emphasised the key aspect advocated by the proposal, which was fully consistent with the line adopted by the United Nations, namely reversal of the burden of proof, requiring an impact assessment of fishing in the high seas using bottom fishing gears before any request for authorisation.

As regards areas not covered by a regional fisheries management organisation, Mr BORG highlighted the special effort the EU should make to demonstrate compliance with the undertakings given to the United Nations. The proposed Regulation he was presenting was therefore particularly opportune, being based essentially on the issuing of a special permit that first required an impact assessment to be conducted and on a depth limit of 1000m for the fishing in question.

On this first initiative, he felt that the policy line taken and the legislative measures would together ensure that decisive progress could be made and at the same time confirm the EU's leading role in the efforts at international level to protect the marine environment and its biodiversity.

Mr BORG then broached the initiative on illegal, unreported and unregulated fishing. He underscored the disastrous effects of such activities on the viability of certain stocks already hard hit by overfishing and on the fragile marine ecosystems. He also highlighted the economic dimension and the particularly lucrative nature of this

practice, which did considerable harm to the fisheries sector in general and to the economy of developing countries.

He noted the leading role played by the EU in recent years in combating this scourge at world level, but pointed out that much still had to be done at Community level, in view of the large volume of illegal fisheries products imported into the Community every year. He was therefore proposing a tough strategy for combating illegal fishing covering both Community and non-Community waters, as presented in the communication, and a legislative initiative that would supplement and adapt the present legal arsenal in this area.

Mr BORG stressed the importance of tackling the whole chain and making access to the Community market for the products concerned as difficult as possible, the aim being to see to it that this activity was no longer profitable. He also stressed the fact that this was the only way of preserving the viability of lawful fishing activities.

He thanked all the Commission Members for their contributions to the preparation of this twin initiative and assured them that he would be giving special attention to the consequences of the planned measures for the developing countries. While combating illegal fishing could have a positive effect for a number of them, and for their economies and natural resources, he agreed that planned measures must not impose too heavy a burden on these countries. He was confident of the effectiveness and proportionality of the instrument proposed but promised to collaborate with Mr MICHEL and Ms FERRERO-WALDNER and their departments in assessing the potential consequences and in preparing accompanying measures for the two coming years; these measures would be financed both from common fisheries policy funds and by means of aid from the development cooperation instruments.

The brief exchange of views also considered the possibility in future, in the fight against destructive fishing practices, of more radical measures on deep-sea trawling in order to protect marine ecosystems.

The PRESIDENT congratulated Mr BORG and his departments for the two initiatives presented that day. He observed that the strategy of combating illegal,

unreported and unregulated fishing would represent an important test of the EU's credibility as the world's principal market for fisheries products and as a major fishing power. He also noted the anti-crime dimension of the strategy, which was tackling a practice that harmed the fishing communities of the Union and of its developing partners alike. He emphasised the need to act in order to ensure that the socio-economic damage caused by illegal fishing did not compromise the long-term viability of fisheries.

He situated the matter in the context of the efforts made by the EU to conserve stocks which, he was pleased to see, were beginning to bear fruit, as evidenced by the latest information concerning cod stocks in the North Sea.

He also mentioned the vital need for the marine ecosystem protection measures presented that day, which demonstrated the EU's commitment to implementing the recommendations of the United Nations. In conclusion he noted the total support of the Commission Members for the whole set of proposals.

Following this exchange of views, the Commission:

- approved the communication on illegal fishing in COM(2007)601/2 for transmission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments;
- adopted the proposal for a Council Regulation in COM(2007)602/2 for transmission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments, together with its annex, the impact assessment and its summary in the staff papers distributed as SEC(2007)1310/2 and SEC(2007)1336 and /2, and SEC(2007)1312/2, the contents of which were noted;
- also took note of the opinion of the Impact Assessment Board on the above proposal for a Regulation, as set out in SEC(2007)1313;
- approved the communication on destructive fishing practices in COM(2007)604/3 for transmission to the European Parliament, the Council, the

Economic and Social Committee and the Committee of the Regions, and to the national parliaments together with its annex in the staff paper distributed as SEC(2007)1314, the contents of which were noted;

- adopted the proposal for a Council Regulation in COM(2007)605/2 for transmission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions and to the national parliaments, together with the impact assessment and its summary in the staff papers distributed as SEC(2007)1315 and SEC(2007)1317, the contents of which were noted;
- also took note of the opinion of the Impact Assessment Board on the above proposal for a Regulation, as set out in SEC(2007)1318.

12. INTERINSTITUTIONAL RELATIONS

(SEC(2007)1333)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 12 October 2007 (SEC(2007)1333).

It paid particular attention to the following:

12.1. *LEGISLATIVE MATTERS*

i) Action to be taken on the legislative opinions of Parliament

(SP(2007)5268)

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, as set out in SP(2007)5268, drawn up following the October I 2007 part-session of Parliament, the contents of which were noted.

ii) Preparation for October II part-session of Parliament

(point 1.2 of the IRG record)

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

It paid particular attention to the following:

Codecision, 2nd reading

- Common framework for business registers for statistical purposes (Regulation) – MARTIN report – 2005/0032 (COD)

The Commission approved the line set out in SP(2007)5304.

- Service in the Member States of judicial and extrajudicial documents in civil or commercial matters (Regulation) – GAUZÈS report – 2005/0126(COD)

The Commission approved the line set out in SP(2007)5305.

Empowerment

- Common framework for business registers for statistical purposes (Regulation) – 2005/0032 (COD)
- Service in the Member States of judicial and extrajudicial documents in civil or commercial matters (Regulation) – GAUZÈS report – 2005/0126(COD)

The Commission empowered Mr ALMUNIA and Mr FRATTINI, under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT and Ms WALLSTRÖM and any associated Members, to adopt and transmit to the Council its opinion on the amendments, in accordance with Article 251(2)(c)

of the Treaty, once Parliament had been consulted, and if necessary to attach to its opinion an amended proposal, on the basis of the line set out in SP(2007)5304 and SP (2007)5305.

Codecision, 1st reading

- European qualifications framework for lifelong learning (Recommendation) – MANTOVANI report – 2006/0163 (COD)

The Commission approved the line set out in SP(2007)4739/2, and authorised Mr FIGEL' to accept the amendments in order to reach agreement at first reading.

- Framework for Community action to achieve a sustainable use of pesticides (Directive) – KLASS report – 2006/0132 (COD)

The Commission approved the line set out in SP(2007)5307 and /2.

- Placing of plant protection products on the market (Regulation) – REYER report – 2006/0136 (COD)

The Commission approved the line set out in SP(2007)5308 and /2.

- Quarterly statistics on Community job vacancies (Regulation) – ATHANASIU report – 2007/0033 (COD)

The Commission approved the line set out in SP(2007)5309, and authorised Mr ALMUNIA to pursue contacts with Parliament and the Council in order to reach an agreement at first reading.

- Establishing the European Statistical Governance Advisory Board (Decision) – BOWLES report – 2006/0199 (COD)
- Setting up a European Advisory Committee on Community Statistical Information Policy (Decision) – VAN DEN BURG report – 2006/0217 (COD)

The Commission approved the line set out in SP(2007)5311 and SP(2007)5312 and authorised Mr ALMUNIA to pursue contacts with Parliament and the Council in order to reach an agreement at first reading.

Consultation

- Installation, operation and management of a Communication Infrastructure for the Schengen Information System (SIS) environment (Decision and Regulation) – COELHO reports – 2007/0104 (CNS) and 2007/0108 (CNS)

The Commission approved the line set out in SP(2007)5314.

12.2. RELATIONS WITH THE COUNCIL

iii) Programming of Council business

(SI(2007)891)

The Commission took note of the information in SI(2007)891 on Council meetings between 11 and 24 October 2007.

iv) Preparations for the Agriculture and Fisheries Council (Luxembourg, 22 and 23 October 2007)

(point 2.3 of the IRG record)

- TACs and quotas in the Baltic Sea for 2008

The Commission authorised Mr BORG, at the Agriculture and Fisheries Council on 22 and 23 October 2007, to support a Presidency compromise concerning TACs and quotas in the Baltic Sea for 2008, along the lines set out in SI(2007)881/2.

v) Preparations for the informal meeting of Heads of State or Government (Lisbon, 18 and 19 October 2007)

Ms WALLSTRÖM reported on the discussions on the reform Treaty held on the fringe of the General Affairs and External Relations Council on 15 and

16 October 2007 in Luxembourg. She began by commenting on the warm welcome given to the draft reform Treaty, and the importance placed by the Portuguese Presidency on reaching a final agreement in Lisbon so that the Treaty could be signed in December and in order to comply with the mandate issued by the European Council.

She reported that the Luxembourg meeting had given a number of Member States the opportunity to raise matters which they felt needed to be resolved before a final agreement could be reached. She stated that only a few of these outstanding questions remained but some of them were very sensitive, particularly those relating to institutional aspects.

She then reviewed the various subjects for discussion, which included Poland's wish to give the Ioannina Declaration the status of a protocol, the vexed question among the Member States of the composition of Parliament, the timetable for the appointment of the first High Representative, raised by Parliament, the problem of access to Austrian universities for students from other Member States, for which Ms Wallström indicated that a lasting solution should be found outside the framework of the reform Treaty negotiations, and lastly the problems of transcribing the name of the European currency into Bulgaria's cyrillic alphabet, for which a solution was actively being sought.

Ms Wallström stressed that the general climate of the meeting had been very conciliatory and all the delegations had displayed the political will to ensure that the signing of the reform Treaty could go ahead.

The PRESIDENT then reported on the latest stages in the preparation of the reform Treaty and on the informal meeting of Heads of State or Government.

Regarding the Treaty, he stressed first of all the quality of the preparatory work carried out in the first half of 2007 by the German Presidency, and followed up actively by the present Portuguese Presidency, to obtain an agreement. He also referred to the desire shown by all the Member States for

a positive outcome to the discussions, and noted that most of the subjects for negotiation had been resolved, in particular the fundamental concerns expressed by the United Kingdom.

A number of questions nevertheless remained to be answered, however, in particular the request by Poland regarding the status to be given to the Ioannina Declaration in the future Treaty, the number and allocation of seats in the European Parliament, the spelling of the name of the single currency in the Bulgarian cyrillic alphabet, and the restrictions on access to certain types of higher education in Austria. Following recent discussions with the authorities of the Member States concerned, the PRESIDENT expressed his confidence that these various questions could be resolved, pointing out that some of them, since they were not covered by the mandate given by the June 2007 European Council to the Intergovernmental Conference, would have to be dealt with in the appropriate framework and should not be linked to the signing of the reform Treaty. He reminded the meeting in this connection of the determination shared by the Council Presidency and the Commission to confine discussions to matters covered by the mandate, and in particular to obtaining agreement on the reform Treaty.

However, he recognised the validity of the question raised by Parliament as regards the timetable for the first appointment of the EU High Representative for Foreign Affairs and Security Policy, also Vice-President of the Commission, on the date of entry into force of the new Treaty. Despite the fact that this aspect had not been provided for in the mandate, the President noted the need to reach at a clear solution that would guarantee the coherence of the European institutions as a whole.

Regarding the informal meeting of Heads of State or Government in Lisbon, the PRESIDENT reminded the meeting that the Presidency planned to hold a debate on globalisation based on the communication recently adopted by the Commission and the broad themes referred to in the letter of invitation from the Portuguese Prime Minister, Mr José Socrates, to his colleagues, namely

the recent disruption on the financial markets and climate change. He asked the Commission Members concerned to assist with the preparations for these discussions.

The PRESIDENT concluded by expressing his satisfaction with the direction taken by the discussions, to which the Commission had been able to make a constructive contribution, and which made it possible to establish a link between the progress on institutional matters guaranteed by the agreement on the reform Treaty and the broader challenges confronting the Union in the face of the challenges of globalisation. He declared his confidence in the ability of the expected agreement on the Treaty to leave institutional matters behind in order to continue the efforts to achieve practical benefits for the citizens.

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

- the support the Commission would give to the Council Presidency in order to achieve a lasting and pragmatic compromise between the Member States, and its willingness to help to find solutions on all the outstanding points;
- the decisive contribution the meeting of Heads of State or Government was expected to make to the creation of a Europe of results for the benefit of European citizens;
- the benefits of highlighting, in terms of communication, the link between solving the institutional questions and progress on European integration;
- the importance of finding a constructive solution regarding the status of the Ioannina Declaration and the role of the Commission in this regard;
- questions relating to the enlargement of the EU, the accession negotiations in progress and relations between the EU and the candidate countries;

(17 October 2007)

- the prospects for implementing the proposal to set up a committee of wise men to coordinate discussions on the future of the EU, and how to balance its membership;
- the Commission's willingness to help find constructive solutions, in accordance with Community law, to the question of access to Austrian universities.

The Commission took note of this information.

vi) Results of the General Affairs and External Relations Council – External Relations meeting (Luxembourg, 15-16 October 2007)
(SEC(2007)1410)

The Commission took note of the information note from Ms FERRERO-WALDNER in SEC(2007)1410.

12.3. RELATIONS WITH PARLIAMENT

vii) Results of Parliament's October I part-session
(SP(2007)5170)

The Commission took note of the information on Parliament's part-session held on 10 and 11 October 2007 in Brussels, set out in SP(2007)5170.

viii) Executive agencies – Revision of arrangements with Parliament
(point 3.5 of the IRG record)

The Commission approved the line set out in SP(2007)5365.

13. RELATIONS WITH THIRD COUNTRIES

13.1. POLITICAL SITUATION IN TURKEY

(17 October 2007)

Mr REHN mentioned briefly the situation in Turkey, and in particular the expectation that the Turkish Parliament would that day pass a resolution authorising military intervention in Northern Iraq by the Turkish Government, if necessary, to strike at Kurdish rebel bases run by the Kurdistan Workers Party (PKK). He pointed out the highly sensitive nature of this question, which was a major cause for concern among Turkish public opinion and also a source of tension with the Iraqi and American authorities. He acknowledged Turkey's legitimate concerns and its willingness to guard against terrorist threats, while calling for a diplomatic approach and cooperation with the international organisations concerned rather than military action.

The Commission took note of this information.

13.2. VISIT TO KALININGRAD (11 AND 12 OCTOBRE 2007)
(SEC(2007)1409)

The Commission took note of the information note from Ms FERRERO-WALDNER in SEC(2007)1409.

14. OTHER BUSINESS

14.1. 2007 BUDGET IMPLEMENTATION
(SEC(2007)1354 AND /2; SEC(2007)1357)

Ms GRYBAUSKAITĖ summarised the main points of her information note on the implementation of the 2007 budget at the end of September.

She began by reminding the meeting of the importance of achieving full implementation of the budget in compliance with the principles of sound financial management, and pointed out that the discharge procedure in relation to the 2007 financial year would be the last to take place entirely within the term of office of the present Commission. She added that utilising

the appropriations available in 2007 as fully as possible would stand the Commission in good stead with regard to future requests for resources in forthcoming budget exercises.

In this connection, she noted with concern that substantial amounts remained to be committed and paid out before the end of the year. She therefore indicated her intention of submitting to the Commission before the end of October a proposal for an amending budget in order to bring the volume of payment appropriations into line with current requirements. She stressed again the need to use all available commitment appropriations before the end of the financial year.

While recognising the difficulties inherent in launching the multiannual financial cycle for 2007-2013, Ms GRYBAUSKAITĖ felt that the Commission had a duty to achieve the objectives it had set itself. To this end, she urged the Commission Members to support the efforts demanded of the departments under their responsibility. She referred to the need to provide particular support to the Directorates-General concerned by policies in shared management.

Ms GRYBAUSKAITĖ concluded by thanking all the Commission's departments for their outstanding cooperation and for their unceasing efforts to achieve the desired objective.

The PRESIDENT expressed his support for Ms GRYBAUSKAITĖ's analysis, and thanked her for giving the Commission this third opportunity since the beginning of 2007 to hear about and discuss progress in implementing the budget.

He emphasised the responsibility that now rested with the Commission as a result of the fact that the budgetary authority had granted it the appropriations it had requested for 2007, the effects of which would most likely be felt during the discharge procedure. He added, however, that the objective of utilising the appropriations as fully as possible did not in any way relieve the

Commission of the duty to comply with the provisions and principles of sound financial management.

The PRESIDENT concluded by backing Ms GRYBAUSKAITĖ's request to the Members of the Commission to play their part in achieving the expected results by the end of the year.

The Commission held a brief exchange of views in which it mentioned in particular the specific problems of policies in shared management and the progress which had nevertheless been made in this area, as well as the largely political nature of the delays in adopting certain legal bases and implementing certain programmes which had inevitably led to the non-implementation of the corresponding appropriations.

The Commission took note of this information and of Ms GRYBAUSKAITĖ's briefing note in SEC(2007)1354/2.

**14.2. PREPARATION FOR THE ANNUAL MEETING OF THE COMMISSION WITH THE COURT OF AUDITORS (LUXEMBOURG, 22 OCTOBER 2007)
(SEC(2007)1389)**

Mr KALLAS mentioned briefly the annual meeting between the Commission and the Court of Auditors to be held on Monday 22 October 2007. He expressed satisfaction at the very positive climate of cooperation which currently prevailed in relations between the Court of Auditors and the Commission.

Mr KALLAS pointed out that as the meeting would be held shortly before the publication of the Court's Annual Report, there was no point in focusing talks on the content of the report and the methodology used for drafting it. He felt, on the contrary, that the meeting with the Court provided the Commission with an excellent opportunity to report on the way in which it was planning to implement the recommendations of its external auditor. He

mentioned in this connection the questions that were likely to be of interest to the Court of Auditors, notably the uncertainties of shared management and the role of the Commission in this context, and the content and scope of the annual activity reports of the Directors-General and Heads of Service.

Ms HÜBNER then presented the information note on the Commission's position on the examination by the Court of Auditors of structural measures under the European Regional Development Fund, the Cohesion Fund and the European Social Fund, drawn up jointly with Mr ŠPIDLA.

She referred to the main points of the strategy pursued by the departments in charge of the three structural Funds in order to obtain the best possible results from the measures undertaken in the field of internal control and auditing. She considered that the annual activity reports of the Directors-General provided the Court with a sound working basis. She also mentioned the weaknesses of the national management and control systems, which had led the Commission to give absolute priority to cooperation with the Member States' authorities. Ms HÜBNER concluded her remarks by noting that the dialogue between the various institutional players (Court of Auditors, European Parliament, Member States and the Commission) made the Commission's pivotal role increasingly apparent.

The Commission took note of these observations and of the briefing note distributed as SEC(2007)1389.

**14.3. ASSESSMENT OF THE NATIONAL STRATEGIC REFERENCE
FRAMEWORKS FOR THE PROGRAMMING PERIOD 2007-2013 –
STRUCTURAL FUNDS
(SEC(2007)1392)**

The Commission took note of the information note from Ms HÜBNER and Mr ŠPIDLA in SEC(2007)1392.

**14.4. CONFERENCE AND MEMORANDUM OF UNDERSTANDING ON
SOCIAL ISSUES IN THE CONTEXT OF THE ENERGY COMMUNITY
(VIENNA, 18 OCTOBER 2007)
(SEC(2007)1407)**

The Commission took note of the information note from Mr PIEBALGS in SEC(2007)1407.

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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 10.38 hours.