



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2011)1968 final

Brussels, 20 July 2011

MINUTES
of the 1968th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 13 July 2011
(morning)

PV(2011)1968 final

TABLE OF CONTENTS

Attendance list	6-8
1. AGENDAS (OJ(2011)1968/3; SEC(2011)897).....	9
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2011)1968)	9
3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 1996TH MEETING AND THE MINUTES OF THE 1967TH MEETING (29 JUNE AND 5 JULY) (PV(2011)1966 AND /2; PV(2011)1966, PART II; PV(2011)1967)	9
4. INTERINSTITUTIONAL RELATIONS.....	10
4.1. LEGISLATIVE MATTERS	10
4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL	11
4.3. RELATIONS WITH PARLIAMENT	12
5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW	12
STATE AID – INDIVIDUAL CASES (SEC(2011)917/2).....	12
6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	12
6.1. WRITTEN PROCEDURES APPROVED (SEC(2011)898 ET SEQ.).....	12
6.2. EMPOWERMENT (SEC(2011)899 ET SEQ.)	12
6.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2011)900 ET SEQ.).....	12
6.4. SENSITIVE WRITTEN PROCEDURES (SEC(2011)901)	13
6.5. PROPOSAL FOR A COUNCIL DECISION ON THE SIGNATURE OF THE AGREEMENT BETWEEN THE EUROPEAN UNION AND THE REPUBLIC OF TURKEY ON CERTAIN ASPECTS OF AIR SERVICES – FORMER WRITTEN PROCEDURE PE/2010/5026 (COM(2010)413 TO /3).....	13
PROPOSAL FOR A COUNCIL DECISION ON THE CONCLUSION OF THE	

<i>AGREEMENT BETWEEN THE EUROPEAN UNION AND THE REPUBLIC OF TURKEY ON CERTAIN ASPECTS OF AIR SERVICES – FORMER WRITTEN PROCEDURE PE/2010/5027 (COM(2010)414 TO /3)</i>	13
--	----

7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2011)902/2)	14
7.1. DG JUSTICE – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2011)54 TO /4)	14
7.2. DG ENERGY – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2011)31 TO /3)	14
7.3. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF LISTS OF CANDIDATES FOR HEAD OF EUROPEAN UNION DELEGATION POSTS (PERS(2011)93/2 TO 110)	15
7.4. DG ENVIRONMENT / DG CLIMATE ACTION – TEMPORARY POSTING AS DIRECTOR	15
8. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 8(1) OF COUNCIL REGULATION (EC) 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS AND ARTICLE 57 OF THE EEA AGREEMENT (CASE COMP/M.6101 – UPM/ MYLLYKOSKI AND RHEIN PAPIER) (C(2011)4997 TO /5)	17
9. GREEN PAPER ON THE ONLINE DISTRIBUTION OF AUDIOVISUAL WORKS IN THE EUROPEAN UNION – OPPORTUNITIES AND CHALLENGES TOWARDS A DIGITAL SINGLE MARKET (COM(2011)427 TO /4; SEC(2011)903)	18
10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – REFORM OF THE COMMON FISHERIES POLICY (COM(2011)417 TO /3; SEC(2011)886; SEC(2011)875; SEC(2011)887; SEC(2011)924)	18
11. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS	

ON REPORTING OBLIGATIONS UNDER COUNCIL REGULATION (EC) NO 2371/2002 OF 20 DECEMBER 2002 ON THE CONSERVATION AND SUSTAINABLE EXPLOITATION OF FISHERIES RESOURCES UNDER THE COMMON FISHERIES POLICY (COM(2011)418 AND /2; SEC(2011)886; SEC(2011)875; SEC(2011)887; SEC(2011)924).....	18
12. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – EXTERNAL DIMENSION OF THE COMMON FISHERIES POLICY (COM(2011)424 TO /4; SEC(2011)886; SEC(2011)875; SEC(2011)887; SEC(2011)924).....	18
13. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE COMMON FISHERIES POLICY (COM(2011)425 TO /5; SEC(2011)891; SEC(2011)892; SEC(2011)893; SEC(2011)886; SEC(2011)875; SEC(2011)887; SEC(2011)924).....	19
14. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE COMMON ORGANISATION OF THE MARKETS IN FISHERY AND AQUACULTURE PRODUCTS (COM(2011)416 TO /4; SEC(2011)883; SEC(2011)884; SEC(2011)885; SEC(2011)886; SEC(2011)875; SEC(2011)887; SEC(2011)924).....	19
15. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – A EUROPEAN TERRORIST FINANCE TRACKING SYSTEM: AVAILABLE OPTIONS (COM(2011)429 TO /3; SEC(2011)905)	20

16. THE DEMOGRAPHIC SITUATION IN EUROPE (SEC(2011)936; SEC(2011)925).....	20
17. OTHER BUSINESS.....	28
17.1. <i>INTERNAL BORDER CONTROLS IN DENMARK (SEC(2011)962)</i>	28
17.2. <i>LATEST DEVELOPMENTS IN ECONOMIC MATTERS</i>	29

Single sitting: Wednesday 13 July 2011 (morning)

The sitting opened at 9.07 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms REDING	Vice-President	
Mr KALLAS	Vice-President	
Ms KROES	Vice-President	Items 1 to 16 (in part)
Mr TAJANI	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr POTOČNIK		
Mr PIEBALGS		Items 1 to 16 (in part)
Ms VASSILIOU		
Mr ŠEMETA		Items 1 to 16 (in part)
Mr DE GUCHT		Item 16 (in part)
Mr DALLI		
Ms GEOGHEGAN-QUINN		
Mr LEWANDOWSKI		
Ms DAMANAKI		Items 1 to 17 (in part)
Ms GEORGIEVA		
Mr OETTINGER		
Mr HAHN		
Ms HEDEGAARD		
Mr ANDOR		
Ms MALMSTRÖM		
Mr CIOLOŞ		

Absent:

Baroness ASHTON

High
Representative/Vice-
President

Mr ALMUNIA

Vice-President

Mr REHN

Mr BARNIER

Mr FÜLE

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

Ms NIKOLAY	Adviser in Baroness ASHTON's office	
Mr MARTÍNEZ MONGAY	Chef de cabinet to Mr ALMUNIA	
Mr VIHRIÄLÄ	Adviser in Mr REHN's Office	Items 1 to 17 (in part)
Ms JORNA	Deputy Chef de cabinet to Mr BARNIER	Items 1 to 17 (in part)
Mr MORDUE	Chef de cabinet to Mr FÜLE	

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr VANDERSTEEN	Acting Director-General, DG Communication	
Mr DOENS	Head of the Commission Spokesperson Service	Items 1 to 16 (in part)
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	
Ms MARTÍNEZ ALBEROLA	Adviser in the PRESIDENT's Office	
Mr SADAUSKAS	Chef de cabinet to Mr ŠEMETA	Items 16 (in part) and 17
Mr CSEREY	A member of Mr ANDOR's staff	Items 1 to 16
Ms CARPARELLI	DG Employment, Social Affairs and Inclusion	Item 16 (in part)

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

1. AGENDAS

(OJ(2011)1968/3; SEC(2011)897)

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(2011)1968)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 11 July.

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 1966th MEETING AND THE MINUTES OF THE 1967th MEETING (29 JUNE AND 5 JULY)

(PV(2011)1966 AND /2; PV(2011)1966, PART II; PV(2011)1967)

The Commission approved the minutes of its 1966th and 1967th meetings.

4. INTERINSTITUTIONAL RELATIONS

4.1. LEGISLATIVE MATTERS

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

(SP(2011)6091)

The Commission decided to empower the Commission Members responsible for the sectors in question, in agreement with the PRESIDENT and Mr ŠEFČOVIČ 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(2011)6091, drawn up following the July I part-session of Parliament, the contents of which were noted.

ii) Accession of the European Union to the European Convention for the Protection of Human Rights and Fundamental Freedoms

(SI(2011)273 and /2)

The Commission took note of the information sheet in SI(2011)273/2.

iii) Modification of the negotiating directives for the conclusion of economic integration agreements with Canada, Singapore and India, in order to authorise the Commission to enter into negotiations on behalf of the European Union regarding investment

(SI(2011)274)

The Commission approved the line set out in SI(2011)274.

- iv) Position to be adopted on behalf of the European Union in the Joint Committee established by the Agreement of 21 June 1999 between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other part, on the free movement of persons as regards the replacement of Annex III on the mutual recognition of professional qualifications (Council Decision – 2011/0143/NLE)**
(SI(2011)278)

The Commission approved the line set out in SI(2011)278.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

- v) Programming of Council business**
(SI(2011)275)

The Commission took note of the information in SI(2011)275 on the Council meetings between 14 and 27 July.

- vi) Preparations for Council meeting (Foreign Affairs) (Brussels, 18 July)**
(SI(2011)270)

- Draft joint reflection paper – *Towards a renewed and strengthened EU climate diplomacy*

The Commission noted that the draft joint reflection paper annexed to SI(2011)270 was to be transmitted to the Council in preparation for the Foreign Affairs Council on 18 July.

4.3. RELATIONS WITH PARLIAMENT

vii) Results of Parliament's July part-session

(SP(2011)5940; SP(2011)5942)

The Commission took note of the information in SP(2011)5940 and SP(2011)5942 on the proceedings of the part-session of Parliament held in Strasbourg from 4 to 7 July.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

STATE AID – INDIVIDUAL CASES

(SEC(2011)917/2)

The Commission adopted the decisions in SEC(2011)917/2.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2011)898 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 4 and 8 July.

6.2. EMPOWERMENT

(SEC(2011)899 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 4 and 8 July.

6.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2011)900 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 4 and 8 July, as archived in e-Greffe.

**6.4. SENSITIVE WRITTEN PROCEDURES
(SEC(2011)901)**

The Commission took note of the sensitive written procedures for which the time limit expired between 11 and 15 July.

**6.5. PROPOSAL FOR A COUNCIL DECISION ON THE SIGNATURE OF
THE AGREEMENT BETWEEN THE EUROPEAN UNION AND THE
REPUBLIC OF TURKEY ON CERTAIN ASPECTS OF AIR SERVICES –
FORMER WRITTEN PROCEDURE PE/2010/5026
(COM(2010)413 TO /3)**

**PROPOSAL FOR A COUNCIL DECISION ON THE CONCLUSION OF
THE AGREEMENT BETWEEN THE EUROPEAN UNION AND THE
REPUBLIC OF TURKEY ON CERTAIN ASPECTS OF AIR SERVICES
– FORMER WRITTEN PROCEDURE PE/2010/5027
(COM(2010)414 TO /3)**

The Commission adopted the two proposals for Council Decisions in COM(2010)413 and COM(2010)414 and decided to transmit the proposal for a Decision on the signature of the above-mentioned agreement to the Council and to transmit the proposal for a Decision on the conclusion of that agreement to Parliament and the Council and, for information, to the national parliaments.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2011)902/2)

ADMINISTRATIVE MATTERS
(PERS(2011)92/2)

7.1. DG JUSTICE – APPOINTMENT OF AD14/15 DIRECTOR
(PERS(2011)54 TO /4)

The Commission had before it the list of applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director, ‘Fundamental rights and Union citizenship’, in DG Justice (PERS(2011)54 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 9 and 23 June (PERS(2011)54/3 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 ŠEFČOVIČ, in agreement with the PRESIDENT and Ms REDING, it then decided to appoint Mr Paul NEMITZ to the post.

This decision would take effect on 1 August 2011.

7.2. DG ENERGY – APPOINTMENT OF AD14/15 DIRECTOR
(PERS(2011)31 TO /3)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director, Euratom Supply Agency, in DG Energy (PERS(2011)31).

It took note of the opinions of the Consultative Committee on Appointments of 10 and 31 March (PERS(2011)31/2 and /3).

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 ŠEFČOVIČ, in agreement with the PRESIDENT and

Mr OETTINGER, it then decided to appoint Mr Stamatios TSALAS to the post.

This decision would take effect on 16 July 2011.

**7.3. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF LISTS OF CANDIDATES FOR HEAD OF EUROPEAN UNION DELEGATION POSTS
(PERS(2011)93/2 TO 110)**

The Commission took note of the information in point 3 of PERS(2011)92/2 and in PERS(2011)93/2 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided to approve the lists of candidates in PERS(2011)94 to 110 for the posts of Head of the European Union Delegations to the Democratic Republic of Congo, Sudan, Tanzania, Mali, Vietnam, Fiji, Cambodia, Colombia, Jamaica, Chile, Guatemala, Guyana, Armenia, Kazakhstan, Syria, Uzbekistan and Kosovo; these lists would serve as a basis for the competent authority of the European External Action Service to make final appointments.

Approval of the lists of candidates for the posts of Head of the European Union Delegations to Cambodia and Guatemala would not affect the outcome of the Commission's decisions on the activities, staff and budget of those Delegations, which would be taken in accordance with the relevant procedures in force.

This decision would take effect immediately.

7.4. DG ENVIRONMENT / DG CLIMATE ACTION – TEMPORARY POSTING AS DIRECTOR

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, Ms HEDEGAARD and Mr POTOČNIK, the Commission decided, under Article 7(2) of the Staff Regulations, to grant a temporary posting as Director, 'Shared Resources', in DG Environment and DG Climate Action from

(13 July 2011)

17 February 2010 to 15 July 2011, to Mr Hans DE JONG, AD13 official and head of unit in that Directorate, taking into account the interest of the service and in order to ensure fair treatment of the official concerned.

This decision would take effect immediately.

8. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 8(1) OF COUNCIL REGULATION (EC) 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS AND ARTICLE 57 OF THE EEA AGREEMENT (CASE COMP/M.6101 – UPM/ MYLLYKOSKI AND RHEIN PAPIER)
(C(2011)4997 TO /5)

The Commission:

- took note of the opinion of the Advisory Committee on Concentrations of 1 July in C(2011)4997/3;
- took note of the final report of the Hearing Officer of 4 July in C(2011)4997/4;
- adopted, in the authentic language (English), the decision in C(2011)4997/5, finding the notified operation to be compatible with the internal market and the agreement on the European Economic Area;
- decided to notify the decision set out in C(2011)4997/5 to the firm concerned, together with the final report of the Hearing Officer and the opinion of the Advisory Committee on Concentrations;
- decided that the key parts of the decision, together with the Advisory Committee's opinion and the Hearing Officer's final report, would be published in the official languages of the Union in the *Official Journal of the European Union* (with business secrets and other confidential information removed);
- decided also to publish the decision on the internet (with business secrets and other confidential information removed).

**9. GREEN PAPER ON THE ONLINE DISTRIBUTION OF AUDIOVISUAL WORKS IN THE EUROPEAN UNION – OPPORTUNITIES AND CHALLENGES TOWARDS A DIGITAL SINGLE MARKET
(COM(2011)427 TO /4; SEC(2011)903)**

The Commission approved the Green Paper in COM(2011)427/4, for transmission to Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and, for information, to the national parliaments.

**10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – REFORM OF THE COMMON FISHERIES POLICY
(COM(2011)417 TO /3; SEC(2011)886; SEC(2011)875; SEC(2011)887; SEC(2011)924)**

**11. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON REPORTING OBLIGATIONS UNDER COUNCIL REGULATION (EC) NO 2371/2002 OF 20 DECEMBER 2002 ON THE CONSERVATION AND SUSTAINABLE EXPLOITATION OF FISHERIES RESOURCES UNDER THE COMMON FISHERIES POLICY
(COM(2011)418 AND /2; SEC(2011)886; SEC(2011)875; SEC(2011)887; SEC(2011)924)**

12. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – EXTERNAL DIMENSION OF THE COMMON FISHERIES POLICY

(COM(2011)424 TO /4; SEC(2011)886; SEC(2011)875; SEC(2011)887; SEC(2011)924)

13. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE COMMON FISHERIES POLICY

(COM(2011)425 TO /5; SEC(2011)891; SEC(2011)892; SEC(2011)893; SEC(2011)886; SEC(2011)875; SEC(2011)887; SEC(2011)924)

14. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE COMMON ORGANISATION OF THE MARKETS IN FISHERY AND AQUACULTURE PRODUCTS

(COM(2011)416 TO /4; SEC(2011)883; SEC(2011)884; SEC(2011)885; SEC(2011)886; SEC(2011)875; SEC(2011)887; SEC(2011)924)

The Commission:

- approved the communications in COM(2011)417/3 and COM(2011)424/4;
- approved the report in COM(2011)418/2;
- adopted the proposals for Regulations in COM(2011)425/5 and COM(2011)416/4;
- decided to send the two above-mentioned communications and the report to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions and, for information, to the national parliaments, and to send the two proposals for Regulations to Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact studies and summaries thereof in staff working papers SEC(2011)891, SEC(2011)892, SEC(2011)883 and SEC(2011)884, the contents of which were noted;

- also took note of the opinions of the Impact Assessment Board on the above proposals for Regulations, as set out respectively in SEC(2011)893 and SEC(2011)885.

**15. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – A EUROPEAN TERRORIST FINANCE TRACKING SYSTEM: AVAILABLE OPTIONS
(COM(2011)429 TO /3; SEC(2011)905)**

The Commission approved the communication in COM(2011)429/3 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and, for information, to the European Data Protection Supervisor and the national parliaments.

**16. THE DEMOGRAPHIC SITUATION IN EUROPE
(SEC(2011)936; SEC(2011)925)**

The PRESIDENT opened the exchange of views by highlighting the unprecedented nature of the demographic challenge facing Europe and the attention that must be paid to it given its effects on EU policies and the decisions and choices that would have to be made to ensure the sustainability of the European social model over the next fifty years.

Mr ANDOR started by pointing out the highly political nature of the related demographic questions such as the size of the population, the composition of the labour force and the balance between the population economically active and that not economically active, as well as the impact of demographic changes on health and pension regimes.

He referred to the two clear trends in European demographics, namely longer life expectancy and the declining birth rate. The ageing population was already central to the Commission's work on pensions, economic policy, innovation, health, education and the Digital Agenda as well as immigration, internal mobility, the work-life balance and the participation of women in the labour market.

The 2006 Communication on demographics set out a five-point strategy: (i) demographic renewal in Europe through better support for families; (ii) promoting employment, particularly for older workers; (iii) increased productivity and economic performance; (iv) stepping up efforts to support and integrate immigrants; (v) ensuring the sustainability of public finances. In his view this strategy was still valid, but its results were mixed and because of the crisis ground had in fact been lost with regard to the birth rate, employment and public finances.

He also stressed that the economic dependency ratio was reaching a critical point and that the budgetary consequences of the crisis affected the States' capacity to carry out the reforms needed in health and pensions.

He also pointed out the key role played by immigration in demographic growth in Europe, regretting the fact that the crisis encouraged protectionist and xenophobic tendencies which could have an adverse effect on immigration and therefore ultimately on European demographic trends.

He also drew attention to the contrasting situations in different Member States in terms of demographics. Some States were experiencing a decline in population due in part to the difficult transition towards a market economy, which might damage their potential for economic growth, together with a growing exodus of their skilled labour force to other Member States offering more attractive remuneration.

He felt that the magnitude of these problems was now such that they could no longer be evaded. Appropriate responses must be implemented urgently at both national and European level.

Measures should therefore be taken in the following areas: (i) the promotion of investment and innovative measures to stimulate employment and ageing-related

services in line with the concept of "active ageing", which would be the theme of the 2012 European Year; (ii) immigration, to mitigate labour shortages in certain sectors such as IT and healthcare, and better integration of immigrants; (iii) mobility, ensuring that it did not aggravate the disparities between Member States; (iv) family policies, which played a key role for the birth rate and the participation of women in the labour market but which were the first to be affected by budgetary consolidation policies.

In conclusion, he noted that the Commission was seeking to make the challenge posed by an ageing population into a positive experience and stressed that the European Year for Active Ageing in 2012 offered the opportunity to mobilise stakeholders and define the debate and the actions to be taken. In its Annual Growth Survey, the Commission had already asked the Member States to establish a link between life expectancy and retirement age, and the specific recommendations for each country had addressed questions such as childcare, pensions and work-life balance. He noted that this approach tied in with the part of the work programme relating to the pension issue, and the contribution that would be made by the active and healthy ageing partnership, on which Ms GEOGHEGAN-QUINN, Ms KROES and Mr DALLI were working, the work being done by Mr DALLI on the prevention of chronic diseases and that being done by Ms MALMSTRÖM on the integration of immigrants.

Mr ANDOR stressed that many ideas and actions were currently being developed and called for a closely coordinated approach in order to optimise the results and maximise European added value.

On the basis of the outcome of today's discussion, he might consider to propose a review of the 2006 Communication in order to make the necessary adjustments in the light of the changing situation and plan possible responses. A communication published at the end of the year would make the European Year for Active Ageing more effective and support other measures taken by the Commission in areas such as pensions, immigration, healthcare and health and safety at work. In conclusion, he emphasised that this communication would be the result of a joint exercise closely involving the other Commission Members.

The PRESIDENT thanked Mr ANDOR for his detailed presentation. Once again, he stressed that a demographic turning point had been reached and that the Commission must demonstrate that it was up to the task of addressing this challenge while taking due account of the implications of an ageing population for European policies.

He referred to the three areas highlighted by Mr ANDOR as needing special attention: active ageing and pensions, immigration and mobility, and family policies. The Commission had already launched major initiatives in these areas and was working on others for the coming year through different portfolios. However, he recognised that a joint approach should be adopted from now on.

He pointed out that the Communication on the Europe 2020 strategy had already identified Europe's ageing population as one of its three main structural weaknesses, and that in the first European semester pension reform had been one of the most important and most debated issues. A more active policy should be adopted henceforth aimed at creating a more favourable environment for future generations.

He then invited the Commission Members to share their views, and in particular to highlight the new actions or initiatives that the Commission could propose in this area.

A discussion followed, during which the following main points were raised:

- the case for changing the way demographic trends were perceived so as not to focus exclusively on worrying aspects such as the ageing of the population and its implications, particularly for pension schemes, but to highlight also the positive aspects which the EU could build on as opportunities for economic and social development;
- the need to make a major drive in education and training in Europe by emphasising language skills, supporting policies designed to promote higher education (although these came under national responsibility, the EU could present a coordinated vision), boosting degree disciplines in which there were shortages, especially the sciences, mathematics and engineering, providing for

- shorter courses so that young people could enter the labour market more quickly, improving the quality of training, and developing life-long learning, which was increasingly justified by the longer life expectancy of Europeans;
- the suggestion, in the context of the Europe 2020 strategy, that a new programme be adopted in the field of education that would focus on developing learning abilities, be more open to society, encourage older workers to share their experience – for example by acting as mentors – and develop the acquisition of skills through ‘non-formal’ education;
 - the importance for the Commission to use the European Year for Active Ageing in 2012 as an opportunity to draw up a raft of measures to encourage older people to make an active contribution to society;
 - a desire to see greater emphasis placed on the principle of automatically adapting the retirement age to life expectancy; the social and economic value of introducing flexible arrangements for the transition from an active life to retirement, for example by allowing older workers who so wished to continue their professional activities after the statutory retirement age;
 - the importance of actively contributing to healthy ageing and a suggestion that health models be completely re-designed, in particular by changing the way health systems were organised and introducing new technologies on a wider scale; the possibility, too, of EU initiatives to tap the potential for new economic activities to be found in services geared to older people and ‘e-health’ systems, in which the EU should play a pioneering role;
 - a suggestion for a specific economic and social measure – inspired by the European Disability Strategy for the period 2010-2020 – involving the development of markets for services to be offered to people affected by incapacity, disability or invalidity;
 - regarding family policies, the importance of prioritising childcare measures for young children and harmonising them in order to even out the significant differences between Member States in this field, of considering possible

- financial support arrangements for one or other parent, and of addressing specifically the trend in the economic dependency ratio, in particular by designing services for older people; a suggestion, too, that, in consultation with employers and trade unions, the possibility be raised of introducing ‘filial leave’ – along the lines of maternity and paternity leave – to allow employees to take a career break to care for an elderly parent;
- for young people in particular, support to encourage them to set up their own business;
 - the need to examine the issue of the ageing of agricultural workers and the services to be developed to address this situation, and the phenomenon of migration from rural areas to urban areas and its economic and social consequences, to envisage forms of support to encourage young people to settle in rural areas, and to study this problem in the light of close cooperation between agricultural policy and regional policy;
 - a proposal that concrete measures be considered to remedy the shortage of young qualified professionals in certain sectors, for example by encouraging mobility, flexible working and childcare services and by making it easier for women graduates to fill vacancies;
 - the importance of a labour immigration policy that attracts the qualified people Europe needs – with due regard for the principle of subsidiarity – by following on from the measures already adopted at the Commission’s initiative such as the blue card system, rules on seconded workers and the single permit;
 - the need to emphasise the fundamental importance of integrating immigrants through training for the less qualified, labour-market measures and dynamic language-learning policies;
 - a questioning of the need to develop a new communication rather than targeting a greater integration of demographic issues into other policies;
 - lastly, the case for examining issues such as the possible financial imbalances

that might result from a growing number of retired people settling in a Member State other than their country of origin, the demographic imbalances between different parts of the Union, and the specific situation of the countries of Eastern Europe which were affected by a declining population.

Mr ANDOR thanked the other Members of the Commission for their observations, which he felt had highlighted the seriousness of the questions raised and the urgency of a practical and satisfactory response. He noted that in terms of policies and possible actions, the demographic challenges fell within the areas of responsibility of a number of Members and he welcomed the fact that everyone was already aware of what was at stake.

He felt that the preliminary studies now available should be expanded and stressed that, regardless of the obvious impact of the current economic and financial crisis on European society, demographic challenges represented important trends which should be evaluated in the longer term.

Mr ANDOR also felt that the important thing now was to decide on the measures to be taken, at national and European level, and to convince every European citizen that these measures were justified. He recalled the numerous debates on this topic in the Council and added that the Commission could also play an active role in helping the Member States to introduce appropriate reforms, for example in the field of pensions, education or immigration.

The PRESIDENT thanked all the speakers for their contributions to the debate and expressed particular thanks to Mr ANDOR for his very clear presentation of the demographic issues facing Europe and its political leaders.

Demographic trends, an ageing population and immigration were among the most important economic and social challenges currently facing the European Union. However, he felt that it was a mistake to concentrate only on the negative aspects of these challenges and pointed out, for example, that while the ageing population in Europe placed a greater financial burden on pension schemes and health care services, it also meant a healthier life and provided the opportunity to contribute to

economic development by creating new services to meet new demands.

At the same time he pointed out that these challenges that Europe would have to meet in the next few years were capable of gradually eroding its economic dynamism, its public finances and, more generally, the heart of its social model; he took the view that the first responsibility of EU policies was to raise European citizens' awareness of these questions without putting off until tomorrow what could be done today. Responses were needed, in some cases involving Commission support for existing measures damaged by the economic crisis, and in others calling for a more inventive approach.

On this basis, the PRESIDENT encouraged Mr ANDOR and the other Members concerned to assess what these responses might be, with particular attention to the European added value they would provide, and added that these matters also involved the Commission as a whole since many sectoral policies were affected.

Lastly, he pointed out that some of these responses, in the form of practical solutions, would come from civil society itself, citizens and businesses, and he felt that the Commission should support and encourage them as far as possible.

The PRESIDENT concluded by asking Mr ANDOR to work on the ideas and initiatives that the Commission might adopt in this area, and by stating that the Commission would decide, based on this work, whether a new initiative on its part dealing with demographic issues would provide any European added value.

The Commission took note of this information and these conclusions and of Mr ANDOR's note in SEC(2011)936.

17. OTHER BUSINESS

17.1. INTERNAL BORDER CONTROLS IN DENMARK

(SEC(2011)962)

At the PRESIDENT'S request, Ms MALMSTRÖM informed the Members of the Commission of the latest developments concerning the measures announced by Denmark in order to re-establish certain controls at its borders.

She reported on the exchange of letters and meetings between the Danish authorities and the Commission on this matter and explained that the decision taken by the Danish government to set up border controls comprised three phases, the first of which had just been launched, with 50 customs officers being deployed to Denmark's borders with Sweden and Germany on 5 July. Denmark had confirmed that these controls would be random and based on a risk analysis by the Danish customs. She noted that the compatibility of these first-phase measures with Community legislation would depend on how they were implemented and in particular on the risk analysis prompting the controls. On the basis of the information currently available, it was not yet possible to assess the compatibility of the different phases with European law.

She then highlighted the importance for the Commission of ensuring that all Union citizens were able to exercise their right to move and reside freely in the territory of the Member States. She had also decided to send a technical mission to Denmark to meet the Danish authorities and assess implementation of the *acquis*. The results of this mission and the legal analysis of the information provided by Denmark should allow a more detailed analysis of the measures to be made by the end of the month.

In the brief discussion that followed the following matters were highlighted:

- the need for the Commission to be precise and firm in its assessment of the Danish measures, reaffirming the basic values and principles of the

European Union, in particular the four freedoms, and the Commission's role as guardian of the treaties and the responsibilities it had as a result;

- the importance of taking into account the possible consequences of the Danish measures on the Commission's proposals for strengthening governance of the Schengen area and the European approach to its implementation; also, a reminder of the Commission's proposal for a possible mechanism for suspending the Schengen rules in exceptional circumstances;
- the importance of a factual and objective analysis of the implementation of the measures decided upon by the Danish authorities and of maintaining a proactive dialogue with Denmark.

The PRESIDENT concluded the discussion by underlining the need for the Commission to maintain a firm but composed and balanced approach in its dialogue with the Danish authorities, without prejudicing the results of the detailed analysis of the compatibility of the measures with European law. Finally, he stressed the need for appropriate communication on this matter.

The Commission took note of this information and of the note from Ms MALMSTRÖM in SEC(2011)962.

17.2. LATEST DEVELOPMENTS IN ECONOMIC MATTERS

The PRESIDENT asked all the Members of the Commission to familiarise themselves with the conclusions of the recent meeting of the Eurogroup and explained that at this stage it had not yet been decided whether to hold an extraordinary meeting of the European Council.

In response to certain questions he indicated that a new in-depth discussion of the situation in the euro area would be held at the Commission's meeting of 20 July. Finally, he said that in the coming days he would inform the Members of the Commission of any developments on this matter whenever necessary.

The Commission took note of this information.

*

* *

The Commission's other deliberations on certain items are recorded in the special minutes.

*

* *

The meeting closed at 11.15.