



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2012)2001 final

Brussels, 16 May 2012

MINUTES
of the 2001st meeting of the Commission
held in Brussels
(Berlaymont)
on Tuesday 8 May 2012
(morning)

PV(2012)2001 final

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EUROPEAN COMMISSION STATEMENT FOR SCHUMAN DAY ON 9 MAY 2012 –

TIME TO DECIDE: ACTION FOR GROWTH, ACTION FOR JOBS (SEC(2012)304)..... 13

Single sitting: Tuesday 8 May 2012 (morning)

The sitting opened at 9.28 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms REDING	Vice-President	Items 1 to 7 (in part)
Mr ALMUNIA	Vice-President	Items 1 to 7 (in part)
Mr KALLAS	Vice-President	Items 1 to 7 (in part)
Ms KROES	Vice-President	Items 1 to 7 (in part)
Mr TAJANI	Vice-President	Item 7 (in part)
Mr ŠEFČOVIČ	Vice-President	
Mr REHN	Vice-President	
Mr POTOČNIK	Member	Items 1 to 7 (in part)
Mr PIEBALGS	Member	Item 7 (in part)
Mr BARNIER	Member	Item 7 (in part)
Ms VASSILIOU	Member	Items 1 to 7 (in part)
Mr ŠEMETA	Member	Item 7 (in part)
Mr DE GUCHT	Member	
Mr DALLI	Member	
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	
Ms DAMANAKI	Member	
Mr OETTINGER	Member	Items 1 to 7 (in part)
Mr HAHN	Member	
Ms HEDEGAARD	Member	Items 1 to 7 (in part)
Mr FÜLE	Member	
Mr ANDOR	Member	
Mr CIOLOŞ	Member	

Absent:

Baroness ASHTON

High Representative/
Vice-President

Ms GEORGIEVA

Member

Ms MALMSTRÖM

Member

(8 May 2012)

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

Mr MORRISON	Chef de cabinet to Baroness ASHTON
Mr DELPHIN	Deputy Chef de cabinet to Ms GEORGIEVA
Mr MUSCHEL	Deputy Chef de cabinet to Ms MALMSTRÖM

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PAULGER	Director-General, DG Communication	
Mr DOENS	Head of the Commission Spokesperson Service	
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	
Mr CABRAL	Adviser <i>hors classe</i> in the PRESIDENT 's Office	
Ms SUTTON	A member of the PRESIDENT's staff	
Ms SKURATOWICZ	A member of the PRESIDENT's staff	
Ms HOFFMANN	Deputy Chef de cabinet to Ms REDING	Item 7 (in part)
Ms LOHMUS	A member of Mr KALLAS's staff	Item 7 (in part)
Mr PESONEN	Chef de cabinet to Mr REHN	
Mr VANDENBERGHE	Chef de cabinet to Mr POTOČNIK	Item 7 (in part)
Mr SADAUSKAS	Chef de cabinet to Mr ŠEMETA	Item 7 (in part)

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

1. AGENDAS

(OJ(2012)2001/3; SEC(2012)283/2)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2012)2001)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Friday 4 May.

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 1999TH MEETING OF THE COMMISSION (25 APRIL) AND THE MINUTES OF THE 2000TH MEETING (2 MAY)

(PV(2012)1999; PV(2012)1999, PART II)

The Commission approved the minutes of its 1999th meeting, and decided to hold over for one week approval of the minutes of its 2000th meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2012)46)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Thursday 3 May (RCC(2012)46).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Ordinary legislative procedure

(point 1.2 of the IRG record)

Dossiers at Parliament first reading

- Information exchange mechanism with regard to intergovernmental agreements between Member States and third countries in the field of energy (Decision) – KARINŠ report – 2011/0238 (COD)

The Commission approved the line set out in SI(2012)185/2.

- European standardisation (Regulation) – COMI report – 2011/0150 (COD)

The Commission approved the line set out in SI(2012)191.

- Amendment of Regulation (EC) 1060/2009 on credit rating agencies (Regulation) – DOMENICI report – 2011/361 (COD)

The Commission approved the line set out in SI(2012)174/2, on the understanding that it would not express a formal position in the Council until Parliament had stated its position.

- Transitional arrangements for bilateral investment agreements between Member States and third countries (Regulation) – MOREIRA report – 2010/0197 (COD)

The Commission approved the line set out in SI(2012)181.

- Markets in financial instruments and amendment of the EMIR Regulation on OTC derivatives, central counterparties and trade repositories (Regulation) / Markets in financial instruments and repeal of Directive 2004/39/EC (Directive – recast) – FERBER reports – 2011/0296 (COD) / 2011/0298 (COD)

The Commission approved the line set out in SI(2012)186.

ii) Preparation for the May I part-session of Parliament

(point 1.3 of the IRG record)

Ordinary legislative procedure – First reading

- Export and import of dangerous chemicals (Regulation – recast) – JØRGENSEN report – 2011/0105 (COD)

The Commission approved the line set out in SP(2012)316 to /3.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iii) Programming of Council business

(SI(2012)192)

The Commission took note of the information in SI(2012)192 on the Council meetings between 10 and 23 May.

- iv) Recommendation for a Council Decision authorising the opening of negotiations on an arrangement between the European Union on the one part, and Iceland, Norway, Switzerland and Liechtenstein, on the other part, on the modalities of participation by those States in the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice**

(point 2.4 of the IRG record)

The Commission approved the line set out in SI(2012)175.

- v) Submission by the European Union of an amendment of Appendix III to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (Council Decision) – 2012/0020 (NLE)**

(point 2.5 of the IRG record)

The Commission approved the line set out in SI(2012)183/2.

- vi) Amendment of Directive 93/109/EC as regards certain detailed arrangements for the exercise of the right to vote and stand as a candidate in elections to the European Parliament for citizens of the Union residing in a Member State of which they are not nationals (Council Directive) – DUFF report – 2006/0277 (CNS)**
(point 2.6 of the IRG record)

The Commission approved the line set out in SI(2012)190/2.

4.3. RELATIONS WITH PARLIAMENT

- vii) Preparation for the May I part-session of Parliament**
(point 3.1 of the IRG record)

Non-legislative dossier

- Discharge for implementation of the general budget for the 2010 financial year – FJELLNER / LIBERADZKI / EHRENHAUSER / AYALA-SENDER / MACOVEI reports

The Commission approved the line set out in SP(2012)320/2.

- viii) Action taken on non-legislative resolutions adopted by Parliament at its February II part-session**
(point 3.4.2 of the IRG record)

The Commission approved document SP(2012)322 on the action taken on the non-legislative resolutions adopted by Parliament at its February II part-session, for transmission to Parliament.

- ix) Action taken on legislative opinions and non-legislative resolutions adopted by Parliament at its March I and II part-sessions**
(point 3.4.3 of the IRG record)

The Commission approved document SP(2012)323 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its March I and II part-sessions, for transmission to Parliament.

4.4. RELATIONS WITH THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS, THE EUROPEAN OMBUDSMAN AND NATIONAL PARLIAMENTS

x) Action taken on opinions of the European Economic and Social Committee – fourth quarter 2011

(point 4.3 of the IRG record)

The Commission approved document SC(2012)18/2 on the action taken by the Commission on the opinions adopted by the European Economic and Social Committee during the fourth quarter of 2011, for transmission to that Committee.

4.5. EXTERNAL RELATIONS

xi) Decision on the signing, on behalf of the European Union, of the Trade Agreement between the European Union and Colombia and Peru (Council Decision) – DAVID report – 2011/0245 (NLE)

(point 5.1 of the IRG record)

The Commission approved the line set out in SI(2012)177.

xii) Decision authorising the signature and provisional application of the trade part (Part IV) of the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other (Council Decision) – 2011/0293 (NLE)

(point 5.2 of the IRG record)

The Commission approved the line set out in SI(2012)184.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

5.1. STATE AID – INDIVIDUAL CASES

(SEC(2012)292; RCC(2012)49)

The Commission adopted the decisions in SEC(2012)292.

5.2. STATE AID – HORIZONTAL DOSSIER

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – EU State Aid Modernisation

(COM(2012)209 to /3; RCC(2012)49)

The Commission approved the communication in COM(2012)209/3 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2012)284 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 30 April and 4 May.

6.2. EMPOWERMENT

(SEC(2012)285 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 30 April and 4 May.

6.3. DELEGATION AND SUBDELEGATION OF POWERS
(SEC(2012)286 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 30 April and 4 May, as archived in e-Greffe.

6.4. SENSITIVE WRITTEN PROCEDURES
(SEC(2012)287)

The Commission took note of the sensitive written procedures for which the time limit expired between 7 and 11 May.

7. OTHER BUSINESS

EUROPEAN COMMISSION STATEMENT FOR SCHUMAN DAY ON
9 MAY 2012 – TIME TO DECIDE: ACTION FOR GROWTH, ACTION FOR
JOBS
(SEC(2012)304)

The PRESIDENT presented the draft statement to be published on 9 May – Schuman Day, the anniversary of the declaration by Robert Schuman. He said that this event was a good opportunity to reflect on the achievements and future of European integration, but pointed out that the management of the economic and financial crisis, which had changed the face of Europe, was the biggest challenge the EU had had to cope with since 1950.

For the past two years the Commission had been providing systematic and coherent responses to this crisis in the context of an approach combining smart budget consolidation, measures to boost investment-led growth and structural reform – an approach that could be found at the heart of the Europe 2020 strategy. The Commission had insisted on this three-pronged approach – which was balanced and comprehensive, and aimed at achieving stability, growth, discipline and solidarity –

on several occasions, in particular during the first annual growth survey in January 2011, in the State of the Union address before Parliament in September 2011 and when presenting the roadmap to stability and growth in October 2011. This vision was reflected in the annual growth survey for 2012, in a specific set of priority measures to boost growth.

The message was gradually starting to be heard and several Heads of State or Government appeared to be taking ownership of the Commission's ideas and proposals, in particular as regards bonds to finance projects, increasing the capital of the European Investment Bank, taxing financial transactions and gearing the EU Structural Funds more to competitiveness and convergence. Recalling the clear mandate that the European Council had recently given the Member States to embark on this route, the PRESIDENT emphasised that the Commission's key message on Schuman Day was to urge Member States to start implementing the proposals to boost growth that were already on the table.

He asked the Commission Members to show dynamism and discipline in repeatedly relaying this political vision, pointing out that a common communication approach was just as important as the relevance of the actual message. The aim was to take advantage of the momentum in favour of growth as a result of current European political events in order to make headway with ideas that the Commission had already presented. It was important to highlight the Commission's constant efforts to promote growth and jobs, without claiming that it was the only voice of reason, but rather remaining open to any suggestions that might possibly form part of the Europe 2020 strategy.

Schuman Day was an opportunity to encourage all Member States to stick to their recent commitments to find a balanced, comprehensive solution to the current crisis by reconciling budget consolidation and measures to promote growth, as in fact the Commission's specific recommendations to each Member State would recommend on 30 May.

The PRESIDENT wound up by saying that the European Union had equipped itself with a first-rate strategy on growth, was following a good economic governance

model and had presented a draft multiannual financial framework geared to growth. What Europe needed now was the collective political will of Member States to turn these proposals into actions.

The Commission then held an in-depth exchange of views on the draft statement during which the following main points were raised:

- support for the dual objective of drawing up a list of the policy initiatives taken by the Commission for more than two years to restore stability to European economies, against a background of structural reform, and of underlining the necessary measures proposed simultaneously in order to take firm action on growth;
- backing for the idea of the Commission taking the lead in this domain, tabling new ideas and shaping the European debate on how to trigger growth in Europe;
- the need for the Commission (i) to reiterate constantly its messages about the action it had been taking for a long time in the context of its Europe 2020 strategy for jobs and growth and of its global response to the economic and financial crisis; (ii) to emphasise the coherence of the measures it was proposing by systematically pursuing this same political approach and adopting the corresponding legislative measures; and (iii) to place in the context of this coherent political approach the “package” of recommendations to Member States that the Commission would adopt on 30 May for the purposes of the European Semester and the European Council meeting in June;
- the observation that the efforts and achievements of the Commission had not received the attention they deserved and had not therefore been able to produce the expected effects in terms of restoring confidence, and the need for more vigorous collective arguments, for instance to support Member States’ governments in applying the approved policies;
- the importance of simultaneously tackling the long and short-term challenges with a three-pronged approach: (i) continuation of budget consolidation efforts

with measures to promote growth that are adapted to the differing budget situations and macroeconomic figures of Member States, in line with the Stability and Growth Pact; (ii) support for the processes of adjusting macroeconomic and competitive imbalances through immediate radical structural reforms; and (iii) promotion of investment to stimulate growth, in particular cross-border investment in European energy, transport and communication infrastructure, and in research, development and innovation;

- the need to launch a debate on what conditions would have to be in place, in terms of budgetary and economic integration, in order to consider a pooling of the debt of the euro-area countries;
- questions about the overall impact of all the proposed measures, which were aimed at the long and medium term, whereas the financial markets were constantly pressing the EU to come up with short-term responses to the current recession;
- questions too about the scope for financing growth, given that aggregate demand in the Union was slowing down and ways had to be found of countering this trend; the observation that uncertainties over the government debt crisis were having an adverse effect on capital movements in the euro area and on the attitude of investors;
- comments from some Commission Members about the need to continue and step up the in-depth discussions within the College on the current major economic issues in order to propose a new growth model that was geared in particular towards a green economy;
- the importance for the EU, alongside the rules it had established on macroeconomic discipline, to adopt a clear position on macroeconomic policy in order to offset the slowdown in aggregate demand – since the use of automatic stabilisers was not enough – and ensure that the structural reforms proposed by the Commission were financially neutral for national budgets that were already under severe pressure;

- a suggestion that more emphasis be placed on the role of the multiannual financial framework and the European budget as a means of stimulating growth and jobs;
- on the subject of the investments for growth made under the cohesion policy, the need to mention the recent reprogramming of expenditure towards areas such as research, innovation and energy efficiency, to insist that such spending was sustainable and improve its quality, and to push for the development of joint public funding by the EU and the Member States;
- alongside project bonds, the need to examine how structural funds could be used more effectively, including the possibility of reallocation, and the possibility of gaining new revenue by taxing financial transactions;
- concerning the increase in the capital of the European Investment Bank and the additional investment this could provide for growth and employment, a request to spell out clearly that such investment should include funding for the development of broadband infrastructure, a crucial factor for boosting innovation and productivity and creating new services and content, which in turn would generate growth and jobs;
- the suggestion that more emphasis be placed on certain major sources of growth in Europe, namely (i) the Single Market Act; (ii) easier access to funding for European small and medium-sized enterprises, in particular through the expected adoption of the Late Payments Directive in 2013; (iii) the development of tourism – the only industry that was expanding and a considerable source of liquidity for economies throughout Europe; (iv) the EU's industrial competitiveness; (v) the common agricultural policy, which contributed fully to the aim of boosting growth and jobs in Europe: this contribution and that of the agri-food industry needed to be spelled out in communication measures; and (vi) vital aspects such as social cohesion, culture and the acquisition of skills through education and training;

- on the question of job creation, the need to highlight certain measures that required coordination at European level, for example more flexible labour markets, measures to encourage the start-up of small and medium-sized enterprises, and schemes to develop skills, particularly among young people;
- the case for using the politically symbolic date of 9 May (i) to remind people of the significance of this date in European history and the scale of the European project for peace and solidarity, (ii) to make a political statement here and now that displayed boldness, ambition and confidence in spite of very difficult political and economic circumstances, (iii) to point out that solidarity is a fundamental principle that lies at the heart of any real action by public authorities to spur European growth, and (iv) to address a very clear, simple and comprehensible message to citizens in response to the crisis of confidence currently afflicting the European project, the sense of anxiety about the future and the voters' rejection of austerity policies, in particular at the most recent elections in Europe;
- the announcement of a Commission report in precisely one year's time, in 'European Citizens Year' 2013, which would draw conclusions from the wide-ranging consultation exercise launched on 9 May this year in order to obtain a clearer picture of what Europeans expected of the European Union;
- a reminder that this statement was also intended to be read by the EU's partners, who must be given a clear message about the direction of the projects currently being prepared, particularly in the field of trade negotiations and investment;
- with a view to the communication measures carried out on 9 May and thereafter, the need to adopt a firmer tone towards other European and national political players, and the importance of conveying concise, concrete messages, focusing in particular on the proposals to move beyond austerity and rigour, and on the responsibilities of each of the players involved, for example as regards the delay in adopting certain Commission proposals.

The PRESIDENT confirmed that the discussion would continue at the next Commission meeting, but felt that it would be useful if a clear message could be formulated now for the 9 May commemoration. This should reiterate the key proposals for growth and stability already put forward by the Commission. The need for such initiatives was now being cited in certain national debates, without any acknowledgement that they had already been suggested and had been under discussion for several months at European level.

The PRESIDENT noted that while the content of the statement was aimed at both Member State governments and their citizens and the media, the demands of effective communication meant that it could not provide an exhaustive catalogue of European policies for promoting growth, stability and employment. From a political point of view he felt it was important to present a summary and, without going into details, point out that a European programme for growth and stability already existed and that this formed a basis for further discussions.

Finally, the PRESIDENT noted that the Commission had agreed to the following amendments to the English language version of the draft statement in SEC(2012)304:

- **the title of the statement was amended to read as follows:**

‘EUROPEAN COMMISSION STATEMENT FOR SCHUMAN DAY

9 MAY 2012

Time to decide: action for growth, action for jobs’

- **on page 2 of the document, the first paragraph of Chapter 2 was amended to read as follows:**

*‘To get the EU growing at a sufficient rate to create jobs, fund much needed investment, remove administrative burden and simplify rules for SMEs and to support Europe's social support systems a mix of ingredients is needed. Putting several EU level initiatives together would give us **a clear plan for accelerating the***

implementation of the Europe 2020 strategy and thus action for growth and jobs in the EU in 2012.';

- on pages 2 and 3 of the document, in the section of Chapter 2 entitled 'GROWTH ENHANCING STRUCTURAL REFORMS', the second paragraph and the first, third, fourth, sixth and seventh bullet points were amended to read as follows:

'The EU's Single Market still has untapped potential to deliver new sources of growth and jobs. That is why the Commission proposed the Single Market Act and is preparing a Single Market Act II. Much can be done at EU and national level through growth enhancing structural reforms, for example

- ***Full implementation of legislation that has already been agreed:*** Early implementation of the Late Payments Directive³ would ease the situation of SMEs. If all Member States fully implemented the Services Directive it is estimated that the EU would gain up to 1.8% in additional growth. The Commission will make **proposals to get more out of the Services Directive** to the June European Council.

³ Directive 2011/7/EU

(...)

- ***Going digital:*** as part of the Europe 2020 strategy the Commission has made proposals to build a digital single market. These will be developed as part of a second Single Market Act. Estimates show that EU GDP could grow by 4% by 2020 if the EU takes the necessary step to create a modern digital single market.
- ***Boosting innovation:*** the introduction of the long awaited EU patent would reduce costs from € 36,000 to € 4,700 and meeting our 3% target for R&D spending would create 3.7 million new jobs and boost EU GDP by € 800 billion by 2020.

(...)

- ***Strengthening employment policies:*** the Commission's recent employment package⁷ encourages Member States to stimulate labour demand, reduce taxes

on labour, support skills development in areas with the biggest future job creation potential such as the green economy, health services and ICT. It proposes to set up a European employment service to match job seekers and jobs across borders and increase the involvement of the social partners. It proposes key reforms to make labour markets more dynamic, stimulate flexibility, ensure appropriate contractual arrangements and opportunities for young people. It is estimated that up to 20 million new jobs could be created if the package is implemented.

- ***Drawing on external sources of growth:*** by accelerating trade and investment negotiations with dynamic third country partners, notably the EU's neighbours. We should also accelerate the entry into force of already concluded trade and investment agreements.’;

⁷ Towards a job-rich recovery (COM(2012) 173)

- **on pages 3 and 4 of the document, in the section of Chapter 2 entitled ‘TARGETED INVESTMENT IN GROWTH’, the second and third bullet points were amended to read as follows:**

- ***Targeting the EU structural funds more on competitiveness and convergence:*** for 2012 and 2013 the Commission has proposed to reallocate some of the structural funds to support SMEs and youth training and employment. A report on pilot actions in 8 Member States will be sent to the June European Council. In its multiannual financial framework proposals the Commission has proposed to link funding from the structural funds to its country specific recommendations, thus ensuring that the funds promote growth through structural reform, boosting competitiveness and convergence and improving absorption capacity.
- ***Targeted investment in 21st century infrastructure:*** much of Europe's existing transport and energy infrastructure is ageing, is not equipped for climate change and there are huge gaps in the new Member States. Europe is lagging behind its main competitors in the deployment of the broadband infrastructure necessary for high-speed Internet access. The Commission has proposed a

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Connecting Europe Facility⁸ (€ 50 bn as part of its multi annual financial framework proposals) to provide the EU level modern links needed in rail transport, air traffic management and energy connections as well as to deliver high speed broadband and ICT across the EU. The Commission has also proposed to use project bonds⁹ to combine public and private funds in an effective way of delivering key infrastructure investments.’;

⁸ A growth package for integrated European infrastructure (COM(2011)676)

⁹ COM(2011)500 and COM(2011)660 (pilot phase)

- **on page 6 of the document, the last paragraph of the chapter entitled ‘Next steps’ was amended to read as follows:**

‘The European Council meeting on 28/29 June will draw the 2012 European Semester to a close, on the basis of the Commission's recommendations and other inputs from the Commission which will include a package of proposals on the implementation of the Services Directive. At that meeting the Commission will call for the rapid adoption of the proposals mentioned in this paper, including for adoption of an ambitious future budget for the EU, to create the conditions for a return to growth and job creation across the EU.’.

Subject to the introduction of the above amendments and a final linguistic revision of the text, the Commission endorsed the statement in SEC(2012)304.

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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 11.35.