



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2012) 2020 final

Strasbourg, 23 October 2012

MINUTES
of the 2020th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 17 October 2012
(morning)

PV(2012) 2020 final

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Single sitting: Wednesday 17 October 2012 (morning)

The sitting opened at 9.10 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Baroness ASHTON	High Representative/ Vice-President	
Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	
Ms KROES	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr REHN	Vice-President	
Ms VASSILIOU	Member	
Mr DE GUCHT	Member	Items 1 to 9 (in part)
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	Items 1 to 9 (in part)
Ms DAMANAKI	Member	
Ms GEORGIEVA	Member	Items 1 to 9 (in part)
Mr OETTINGER	Member	
Ms HEDEGAARD	Member	
Mr FÜLE	Member	Items 1 to 9 (in part)
Ms MALMSTRÖM	Member	

Absent:

Mr TAJANI	Vice-President
Mr POTOČNIK	Member
Mr PIEBALGS	Member
Mr BARNIER	Member
Mr ŠEMETA	Member
Mr HAHN	Member
Mr ANDOR	Member
Mr CIOLOŞ	Member

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

Mr CANGA FANO	Chef de cabinet to Mr TAJANI	Items 2 to 9
Mr VANDENBERGHE	Chef de cabinet to Mr POTOČNIK	Items 2 to 9
Mr KARHUNEN	Adviser in Mr PIEBALGS's Office	Items 2 to 9
Mr GUERSENT	Chef de cabinet to Mr BARNIER	Items 2 to 9 (in part)
Mr SADAUSKAS	Chef de cabinet to Mr ŠEMETA	Items 2 to 9
Mr GAMBS	Chef de cabinet to Mr HAHN	Items 2 to 9
Ms UJUPAN	A member of Mr CIOLOŞ's staff	Item 9 (in part)

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr VANDERSTEEN	Deputy Director-General (acting), DG Communication	Items 2 to 9
Mr DOENS	Head of the Commission Spokesperson Service	Items 2 to 9 (in part)
Ms AHRENKILDE HANSEN	Commission Spokeswoman	Items 2 to 9 (in part)
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Items 2 to 9
Ms SUTTON	A member of the PRESIDENT's staff	Items 2 to 9
Mr MORRISON	Chef de cabinet to Baroness ASHTON	Item 9 (in part)

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

The PRESIDENT paid tribute to Mr Claude CHEYSSON, French government minister, Member of the European Commission from 1973 to 1980 and from 1985 to 1989, and Member of the European Parliament from 1992 to 1994, who died on 15 October 2012.

Claude CHEYSSON, a committed socialist, European and champion of the third world, was a firm friend of developing countries and the Arab world who helped raise Europe's awareness of the dangers posed by North-South inequalities. He worked alongside the French Presidents Pierre Mendès-France and François Mitterrand, serving as the latter's Foreign Minister at a time when France was seeking to refocus its diplomatic policy and relations with the rest of the world (as illustrated by the Cancún speech of October 1981).

He first served at the European Commission from 1973 to 1981, holding the development policy and cooperation, budget and financial control portfolios under Presidents François-Xavier ORTOLI, Roy JENKINS and Gaston THORN. During his second spell from 1985 to 1989 he was in charge of Mediterranean policy and North-South relations under President Jacques DELORS. Claude CHEYSSON made a valuable contribution to European integration through his vision – which was both brave and innovative for his time – of its future relations with the rest of the world and in particular with the poorest countries. He was one of the architects of the first Lomé conventions signed between Europe and the African, Caribbean and Pacific countries and one of the first to boost Europe's importance and visibility on the world stage.

He would be remembered as a hard worker and indefatigable traveller but also as a generous man who was filled with a sense of justice and believed passionately in developing the Third World and anchoring it firmly in the international community.

On behalf of the whole Commission and in his own name, the PRESIDENT offered his sincere condolences to the family and friends of Mr CHEYSSON.

1. DECISION BY THE COMMISSION PRESIDENT ON THE ORGANISATION OF RESPONSIBILITIES OF THE MEMBERS OF THE COMMISSION

The Commission began the meeting by taking note of the PRESIDENT's decision, following the resignation of Mr DALLI, to entrust the health and consumer policy portfolio to Mr ŠEFČOVIČ until such time as Mr DALLI was replaced in accordance with Article 246 of the Treaty on the Functioning of the European Union.

**2. AGENDAS
(OJ(2012) 2020/FINAL; SEC(2012) 572/2)**

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

**3. WEEKLY MEETING OF CHEFS DE CABINET
(RCC(2012) 2020)**

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

**4. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 2019TH MEETING
(10 OCTOBER)
(PV(2012) 2019; PV(2012) 2019, PART II)**

The Commission held over approval of the minutes of its 2019th meeting for the following week.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

STATE AID – INDIVIDUAL CASES

(SEC(2012) 581/2)

The Commission adopted the decisions in SEC(2012) 581/2.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2012) 573 ET SEQ.)

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

6.2. EMPOWERMENT

(SEC(2012) 574 ET SEQ.)

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

6.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2012) 575 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 8 and 12 October, as archived in e-Greffe.

6.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2012) 576)

The Commission took note of the sensitive written procedures for which the time limit expired between 15 and 22 October.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2012) 577)

ADMINISTRATIVE MATTERS
(PERS(2012) 110)

**7.1. EUROPEAN ANTI-FRAUD OFFICE – APPOINTMENT OF AD14
DIRECTOR**
(PERS(2012) 7 TO /7)

The Commission had before it applications under Article 29(1)(a)(i) and (iii), 29(1)(b) and 29(2) of the Staff Regulations for the post of Director, ‘Investigations I’, in the European Anti-Fraud Office (PERS(2012) 7 to /5).

It took note of the opinions of the Consultative Committee on Appointments of 11 and 19 July 2012 (PERS(2012) 7/6 and /7).

The Commission proceeded to compare the applicants’ qualifications for the post. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr ŠEMETA, it then decided to appoint Ms Petra KNEUER to the post.

This decision would take effect on 16 December 2012.

**7.2. EUROPEAN ANTI-FRAUD OFFICE – APPOINTMENT OF AD14
DIRECTOR**
(PERS(2012) 8 TO /5)

The Commission had before it applications under Article 29(1)(a)(i) and (iii), 29(1)(b) and 29(2) of the Staff Regulations for the post of Director, ‘Investigation Support’, in the European Anti-Fraud Office (PERS(2012) 8 to /3).

It took note of the opinions of the Consultative Committee on Appointments of 11 July and 6 September 2012 (PERS(2012) 8/4 and /5).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr ŠEMETA, it then decided to appoint Ms Beatriz SANZ REDRADO to the post.

This decision would take effect on 16 December 2012.

7.3. DG RESEARCH AND INNOVATION – LIST OF CANDIDATES FOR THE AD14 POST OF DIRECTOR OF THE JOINT UNDERTAKING FOR ITER AND THE DEVELOPMENT OF FUSION ENERGY (FUSION FOR ENERGY – F4E) (PERS(2012) 73 TO /3)

The Commission noted the procedure followed, as set out at point 3 of PERS(2012) 110, and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr OETTINGER, decided:

- to approve, in the order of preference indicated, the list of two candidates laid before it at point 3 of PERS(2012) 110 for the post of Director of the Joint Undertaking for ITER and the Development of Fusion Energy (Fusion For Energy – F4e) in Barcelona;
- to ask Mr OETTINGER to communicate this decision to the Governing Board of the Joint Undertaking for ITER and the Development of Fusion Energy.

These decisions would take effect immediately.

8. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 98/70/EC RELATING TO THE QUALITY OF PETROL AND DIESEL FUELS AND AMENDING DIRECTIVE 2009/28/EC ON THE PROMOTION OF THE USE OF ENERGY FROM RENEWABLE SOURCES

(COM(2012) 595 TO /4; SWD(2012) 343 AND /2; SWD(2012) 344 TO /3; SEC(2012) 579; RCC(2012) 100)

The Commission adopted the proposal for a Directive in COM(2012) 595/4 for transmission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment and the summary thereof in staff working documents SWD(2012) 343/2 and SWD(2012) 344/3 respectively, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Directive, as set out in SEC(2012) 579.

9. INTERINSTITUTIONAL RELATIONS (RCC(2012) 99)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 12 October (RCC(2012) 99).

It paid particular attention to the following points.

9.1. LEGISLATIVE MATTERS

i) Ordinary legislative procedure (point 1.2 of the IRG record)

Dossiers at Parliament first reading

- Strengthening of economic and budgetary surveillance of Member States experiencing or threatened with serious difficulties with respect to their financial stability in the euro area (Regulation) / Common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (Regulation) – the ‘two-pack’ – GAUZÈS / FERREIRA reports –

2011/0385 (COD) / 2011/0386 (COD)

The Commission took note of the information in SI(2012) 445/2.

- Specific measures for agriculture in the outermost regions of the Union (Regulation) – MATO ADROVER report – 2010/0256 (COD)

The Commission approved the line set out in SI(2012) 436/2.

- Specific measures in favour of agriculture in the smaller Aegean islands (Regulation) – PAPASTAMKOS report – 2010/0370 (COD)

The Commission approved the line set out in SI(2012) 437.

- Amendment of Council Regulation (EC) 850/98 concerning the conservation of fishery resources through technical measures for the protection of juveniles of marine organisms and repeal of Council Regulation (EC) 1288/2009 (Regulation) – GALLAGHER report – 2012/0158 (COD)

The Commission approved the line set out in SI(2012) 433.

Dossier at Parliament second reading

- Further macro-financial assistance to Georgia (Decision) – MOREIRA report – 2010/0390 (COD)

The Commission approved the line set out in SI(2012) 442.

ii) Preparations for October I and II part-sessions of Parliament
(point 1.3 of the IRG record)

Ordinary legislative procedure – First reading

- Amendment of Council Regulation (EC) 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (Regulation) – FJELLNER report – 2011/0310 (COD)

The Commission approved the line set out in SP(2012) 655.

- Procedures for applying the Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Serbia, of the other part, and for applying the Interim Agreement between the European Community, of the one part, and the Republic of Serbia, of the other part – WINKLER report – 2011/0465 (COD)

The Commission approved the line set out in SP(2012) 656.

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

The Commission approved the line set out in SP(2012) 657, /2 and /4.

- European Year of Citizens (2013) (Decision) – PAPADOPOULOU report – 2011/0217 (COD)

The Commission took note of the compromise text in SP(2012) 658, further to note SI(2012) 367 which it had already approved on 18 July.

- Financial rules applicable to the annual budget of the Union (Regulation) – GRÄSSLE / RIVELLINI report – 2010/0395 (COD)

The Commission took note of the compromise text in SP(2012) 659, further to notes SI(2012) 328 and /2 which it had already approved on 27 June.

Special legislative procedure

- Consular protection for citizens of the Union abroad (Council Directive) – BAUER report – 2011/0432 (CNS)

The Commission approved the line set out in SP(2012) 660 and /2.

Non-legislative procedure

- Application of the Charter of Fundamental Rights of the European Union to the Czech Republic (Protocol) – DUFF reports – 2011/0818 (NLE) / 2011/0817 (NLE)

The Commission approved the line set out in SP(2012) 662 and /2.

Dossier requiring the consent of the European Parliament

- Multiannual financial framework for the years 2014-2020 (Council Regulation) – BÖGE / KALFIN report – 2011/0177 (APP)

The Commission approved the line set out in SP(2012) 663 and /3.

9.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iii) Programming of Council business

(SI(2012) 447)

The Commission took note of the information in SI(2012) 447 on the Council meetings between 18 and 31 October.

iv) Preparation of the European Council (Brussels, 18 and 19 October) and outcome of the meeting of the G7 Finance Ministers and of the annual meetings of the International Monetary Fund and the World Bank (Tokyo, 11 to 14 October)

The PRESIDENT started the discussion on the preparation of the European Council to be held on 18 and 19 October by saying that this summit would be the first of three very important summits up to the end of December which would turn the commitments made by June's European Council into specific measures. It was important for the Heads of State or Government to reach agreement on three key issues in order to restore the confidence of both citizens and markets in Europe's political will to deepen economic and

monetary union: (i) the single supervisory mechanism in the context of banking union, (ii) the 2014-2020 Multiannual Financial Framework, which would be the subject of an extraordinary European Council meeting in November, and (iii) the direct recapitalisation of banks under the European Stability Mechanism (ESM). This political sequence was based on a combination of short-term action and a longer term vision which would be discussed in more detail at the December summit.

On the growth front, he welcomed the fact that the draft conclusions of that week's European Council meeting underlined the need to implement the measures agreed, in particular in the Compact for Growth and Jobs, based on the many proposals tabled by the Commission. In relation to this, the PRESIDENT referred in particular to the letter from the President of the European Council, Herman Van Rompuy, asking the Heads of State or Government to take immediate steps to implement the outstanding proposals in the Single Market Act I. He would also send them a letter that day listing the proposals still pending, the obstacles and the next steps. The current impetus should be maintained and everything possible done to obtain immediate results.

As regards deepening economic and monetary union, the absolute priority for the European Council this week was the single supervisory mechanism. While reiterating the validity of the other commitments undertaken at the European Council in June, the Heads of State or Government should send a clear message about the conclusion of an agreement on this mechanism by the end of 2012, which should pave the way for the separation of bank debt and sovereign debt by making it possible to take specific decisions on the direct recapitalisation of banks by the ESM.

Although the arrangements for operating the single supervisory mechanism came under the legislative process, the PRESIDENT said that he intended to encourage the European Council to approve a certain number of basic principles. The first one was to ensure a clear separation between the future supervisory task of the European Central Bank and its traditional monetary

policy tasks. The PRESIDENT also referred to the confirmation that the mechanism would indeed cover all banks, while clearly defining the role of national supervision. Third, the non-euro area countries that wanted to cooperate closely with the euro area must enjoy the broadest participation possible in decisions taken under the mechanism. He ended by turning to the measures that would ensure the fair and efficient functioning of the European Banking Authority and maintain the guarantees currently in place in the relations between home country and host country supervisors.

Moreover, the European Council should take a clear decision on speeding up the negotiations on the single rule book, which contained the rules applicable to banks in relation to capital, deposit guarantee mechanisms and bank recovery and resolution measures.

As for the other aspects of the deepening of economic and monetary union, the PRESIDENT said that the European Council would provide an opportunity to exchange views on and discuss the “interim report by the four Presidents”. The Commission Members took note of this report, which pointed to a number of paths to be explored that would have to be examined before conclusions were drawn at the European Council meeting in December. At the same time, renewed efforts would need to be made to speed up the adoption of the two proposals aimed at reinforcing budgetary surveillance in the euro area (the “two-pack”). The Commission would be presenting, if possible shortly after the European Council, its own vision of the future of economic and monetary union in the form of a fully-fledged discussion paper to which the Commission Members would make contributions and which would be used as a basis for the final report by the four Presidents.

Concluding the economic and financial aspects, the PRESIDENT said that, at the European Council on 18 and 19 October, he would have no hesitation in stating clearly that the deeper integration required in the euro area in particular must comply with three principles: it must be based on the current legal framework and existing EU institutions; it must be open and take

account of the need for convergence between current and future members of the euro area; and it must preserve the single market by proposing short-term solutions wherever this was feasible.

Lastly, he broached the other items that would feature on the European Council agenda: first, external policy, with a policy debate on China, in particular with a view to responding to the ambitious proposal for a cooperation framework which the Chinese authorities had presented to the European Union for the coming years, plus discussions on Syria, Mali and Iran.

The PRESIDENT ended his presentation by expressing the wish that the European Council would support the proposal to speed up the steps to be taken prior to establishing closer cooperation on the financial transaction tax, and that a draft decision authorising the Council to go down this road would already be before the Commission the following week.

Mr REHN was in full agreement with the PRESIDENT's remarks about the preparations for the European Council and the action to be taken by the Commission in the ongoing process. He expressed satisfaction that the discussions in the Council would deal in particular with the question of growth and the need to find a way of severing the link between sovereign debt and the banks.

Mr REHN then reported to the Members of the Commission on the results of the meeting of G7 Finance Ministers and the annual meetings of the International Monetary Fund (IMF) and the World Bank, held in Tokyo from 11 to 14 October.

He pointed out that the meetings had been held against the background of a slow-down in world growth and forecasts of a slower recovery than expected. He noted, however, that the talks had been more balanced on this occasion than in previous years, and there had been a convergence of opinion that the weaknesses in the euro area were not the only cause of the increased risks

threatening the world economy, but account should also be taken of the critical budget situation in the United States and Japan and the slow-down in growth in China and other emerging economies.

He went on to say that those present at the meetings had welcomed the EU's efforts to curb the crisis, in particular the setting-up of the European Stability Mechanism (ESM), the introduction of outright monetary transactions to buy back bonds, the initiative to set up a single banking supervisory mechanism, and the deepening of economic and monetary union in general. He also felt that there was an expectation that the European Union would continue on this path and demonstrate that the new instruments could be used when the need arose, in particular the purchase by the ESM of sovereign bonds issued by euro-area States, combined with outright monetary transactions carried out by the European Central Bank.

Mr REHN also referred to the debate that had arisen on the question of fiscal multipliers to quantify the impact of fiscal consolidation on the slow-down of growth. He declared on this point that the Commission, in accordance with the rules governing the Stability and Growth Pact, was concentrating its efforts primarily on the implementation of structural budgetary measures aimed at achieving a sustainable reduction in deficits, rather than on trying to achieve purely nominal targets for the reduction of those deficits. He felt that, rather than the effect of fiscal multipliers, the ultimate goal was to restore confidence in the euro area – a goal that could only be achieved by pursuing long-term fiscal consolidation, prudent fiscal policies and structural reforms.

Summing up, Mr REHN said he felt a cautious optimism, shared by those present at the meetings, regarding Europe's economic prospects, without underestimating the challenges involved in maintaining the objective of achieving a deeper economic and monetary union.

On the situation in Spain, he said that the IMF had given its support to the work in progress on reforming the country's banking sector and on structural and budgetary reform.

On Greece, he mentioned the studies under way in the troika on the implementation of the Second Economic Adjustment Programme. He welcomed the efforts of the Greek Government to meet its commitments and in particular the progress made in introducing the budgetary and structural measures that were necessary for the deployment of the European assistance programme. He added, however, that the troika would also assess the implementation of other measures that were vital for the forthcoming release of a new instalment of aid to Greece. Finally, he said that the troika would have to examine Greece's overall financing needs as part of the analysis of the sustainability of its government debt. When this work had been completed, a proposal would be put before the Eurogroup, and to the IMF Executive Board, for them to decide on the payment of the next instalment.

Mr REHN concluded his remarks by reiterating the importance of creating a banking union within Europe, and the possibility of direct recapitalisation of the banks by the European Stability Mechanism. Noting that the setting-up of a single banking supervisory mechanism was an essential first step, he felt that it was vital to ensure the support of the Member States outside the euro area and said he was confident that a solution could be found that would allow their concerns to be met.

At the PRESIDENT's request, Mr ŠEFČOVIČ then reported on the meeting of the General Affairs Council held the previous day, including the discussions on the draft conclusions for the next European Council, in particular with regard to the single banking supervisory mechanism. He stressed that all non-euro area Member States that so wished should be allowed to be involved in this mechanism through pragmatic solutions to which the European Council could give its political endorsement, while at the same time taking into account the role of national parliaments.

He then referred to the debate on the EU's budgetary capacity and the work and discussions under way on a banking union, pointing out that they would have to be based on the Commission's proposals. He welcomed the progress report presented by the Presidency of the Council of Ministers on the

implementation of decisions taken by the European Council, which would serve to highlight the work still to be done by the Member States.

Lastly, Mr ŠEFČOVIČ stressed that the Commission must communicate effectively in its relations with the IMF and on issues being addressed jointly by the two institutions or in areas in which they were associated, for example the troika's mission to Greece.

Following these contributions, a brief discussion was held, in the course of which the following points were raised:

- the importance for the Commission – in general, but more specifically on politically sensitive dossiers – to target its communication strategy and measures more effectively, so that they were coordinated and tailored to the issues and problems involved, following the example of certain international institutions;
- the advantages for the Commission of actively engaging with national parliaments, which were now more closely involved in the European legislative process;
- the need to carry on working with the Member States in order to drive forward Commission proposals, for example on banking union, the single banking supervisory mechanism and the powers of the European Central Bank;
- questions about the state of play regarding the request for financial assistance which might soon be submitted by Cyprus;
- the need to clarify the messages to be conveyed at the end of the forthcoming European Council, particularly as regards the follow-up and implementation of decisions taken in June 2012 and the possible restructuring of government debt, while taking care not to raise expectations too much and to propose measures that were realistic.

Baroness ASHTON then took the floor to report on the recent developments

in external policy which had been discussed at the Foreign Affairs Council on 15 October and would be on the agenda of the European Council that week.

She began with a broad outline of her talks on 14 October with Mr Sergey Lavrov, the Russian Foreign Minister, about the bilateral relationship between the European Union and Russia in the context of preparations for the Foreign Affairs Council and the EU-Russia summit meeting to be held in December. She regarded these as a very encouraging basis for relaunching the strategic partnership between the Union and Russia, building on the solid political dialogue that already existed.

She then turned to the situation in Syria, which she described as extremely difficult, and spoke of the violence being inflicted upon the population, the flood of refugees fleeing the country, particularly to Jordan, the influx of extremists from abroad and the inability of the various groups opposing the current regime to unite, all of which was being played out against a background of deadlocked discussions in the UN. She said that a great deal of work would be required to rebuild the country and its communities, a point echoed by Ms GEORGIEVA, who expressed her concern about the inadequacy of the funds for humanitarian aid, which was desperately needed to deal with the crisis which was unfolding in Syria and threatened to spread to neighbouring countries if the situation continued to deteriorate. Baroness ASHTON also referred briefly to the current tensions between Syria and Turkey and the ongoing efforts to reach a ceasefire between the two sides.

She then voiced Europe's grave concerns about the situation in Mali. The Union was committed to working with the United Nations, the African Union and the Economic Community of West African States (ECOWAS) to find solutions. The Council had called on the Malian authorities to launch a political process and start talks with the radical groups occupying the north of the country, which had become a no-go area under the control of drug traffickers. It had also announced a plan to create a European military mission, if necessary, with a view to organising and training the Malian army

if it intended to reconquer that part of the country. Baroness ASHTON's hope was to see a future government equipped with a credible roadmap for restoring democracy to the whole of Mali, in order to prevent the destabilisation of the entire Sahel region.

She concluded by mentioning the continuing negotiations on Iran, the talks with the countries of the Middle East and the latest domestic policy developments in Georgia.

Replying to a number of questions and comments, Mr REHN agreed that it was important for the Commission to reinforce its communication strategy directed at public opinion and European citizens on the one hand and national parliaments and the European Parliament on the other. He proposed that he, the PRESIDENT, Ms REDING and Mr ŠEFČOVIČ look into the matter so that the Commission could regain the initiative in this area.

He then mentioned the economic situation in Cyprus and said that, on the basis of his latest contacts with the Cypriot Government, a request for financial assistance could be sent to the European Union in the next few days. In the case of Greece, he added that the reports in the press should not be taken too literally and regretted, in this connection, the repeated leaks following the troika's contacts with the Greek Government.

Mr REHN reminded the meeting of the commitments made at the European Council in June concerning the banking union. In order to implement these he stressed the importance of winning the support of the EU Member States who were not members of the euro area and, to that end, working out a compromise acceptable to all or most of them. Finally he mentioned the joint statement by three heads of government concerning the debts that could be covered by the European Stability Mechanism, and said that the decisions taken in June 2012 were perfectly clear, and the suggested distinction between assets was impossible to apply in practice.

The PRESIDENT wound up the discussion with several comments about the

grave situation in Syria and its consequences, particularly for a small country like Jordan, where over 200 000 people had already sought refuge in camps. Having been there himself a few days before, he spoke of the suffering of the people concerned and mentioned in passing the very favourable response to the programmes providing schooling for refugee girls which the Union was funding jointly with UNICEF.

On the subject of the Commission's report on economic and monetary union he explained that he himself would prepare the draft, working with Mr REHN, and also with Mr BARNIER and Mr ALMUNIA, before it was discussed in the full Commission.

Referring to the situation in Greece, he hoped that the troika would deliver a favourable decision in December 2012 on releasing a new tranche of aid. On a more general level, he wanted the European institutions to make every effort, through more targeted and proactive communication, to debunk the misleading or even incorrect information that was being put about and appearing in the media, and would be raising this matter at the European Council. Finally, in the same area, he stressed the need to draw a very clear distinction between political issues and technical measures, so that the reforms which countries benefiting from a European assistance programme were being asked to make remained politically and socially acceptable to the general public.

The Commission took note of this information.

**v) Preparations for the Council meeting (Agriculture and Fisheries)
(Luxembourg, 22 and 23 October)**

- Fishing opportunities for 2013 for certain fish stocks and groups of fish stocks applicable in the Baltic Sea (Council Regulation) – 2012/0223 (NLE)

The Commission approved the line set out in SI(2012) 435.

9.3. RELATIONS WITH PARLIAMENT

vi) Action taken on legislative opinions and non-legislative resolutions adopted by Parliament at its September part-session

(point 3.4.1 of the IRG record)

The Commission approved, for transmission to Parliament, document SP(2012) 665 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its September part-session.

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The meeting closed at 11.46.