



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2013) 2061 final

Brussels, 16 October 2013

MINUTES
of the 2061st meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 2 October 2013
(morning)

PV(2013) 2061 final

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Single sitting: Wednesday 2 October 2013 (morning)

The sitting opened at 9.08 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	Items 1 to 11 (in part)
Mr KALLAS	Vice-President	
Mr TAJANI	Vice-President	Items 10 (in part) and 11
Mr ŠEFČOVIČ	Vice-President	
Mr POTOČNIK	Member	
Mr BARNIER	Member	Items 10 (in part) and 11 (in part)
Ms VASSILIOU	Member	
Mr ŠEMETA	Member	
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	
Ms DAMANAKI	Member	
Ms GEORGIEVA	Member	
Mr OETTINGER	Member	Items 1 to 11 (in part)
Ms HEDEGAARD	Member	Items 1 to 11 (in part)
Mr FÜLE	Member	
Mr ANDOR	Member	Items 1 to 11 (in part)
Mr CIOLOŞ	Member	Items 1 to 10 (in part)
Mr BORG	Member	
Mr MIMICA	Member	

Absent:

Baroness ASHTON	High Representative/ Vice-President
Ms KROES	Vice-President
Mr REHN	Vice-President
Mr PIEBALGS	Member
Mr DE GUCHT	Member
Mr HAHN	Member
Ms MALMSTRÖM	Member

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

Mr MORRISON	Chef de cabinet to Baroness ASHTON	Items 1 to 10 (in part)
Mr BANNERMAN	Adviser in Baroness ASHTON's Office	Items 10 (in part) and 11
Mr KLEINER	Adviser in Ms KROES's office	Items 1 to 11 (in part)
Mr PESONEN	Chef de cabinet to Mr REHN	Item 10
Mr KARHUNEN	Deputy Chef de cabinet to Mr PIEBALGS	
Mr HOFFMEISTER	Deputy Chef de cabinet to Mr DE GUCHT	
Mr MÜLLER	A member of Mr HAHN's staff	
Ms ÅSENIUS	Chef de cabinet to Ms MALMSTRÖM	Items 1 to 10 (in part)
Mr SCHØNBERG	Deputy Chef de cabinet to Ms MALMSTRÖM	Items 10 (in part) and 11

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	Items 1 to 11 (in part)
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Items 10 (in part) and 11
Mr SOBRAL	Deputy Chef de cabinet to the PRESIDENT	Items 1 to 11 (in part)
Mr CABRAL	Adviser hors classe in the PRESIDENT's Office	Items 1 to 10
Mr KLAUS	A member of the PRESIDENT's staff	Item 11
Ms LUCAS	A member of the PRESIDENT's staff	Items 1 to 11 (in part)
Ms SKURATOWICZ	A member of the PRESIDENT's staff	Items 1 to 10

Mr SELMAYR	Chef de cabinet to Ms REDING	Item 11 (in part)
Ms BERGENFELT	Adviser in Ms HEDEGAARD's office	Item 11 (in part)
Ms GAGO	Chef de cabinet to Mr ANDOR	Item 10 (in part)
Mr HÄUSLER	Chef de cabinet to Mr CIOLOŞ	Items 10 (in part) and 11
Ms GOLBERG	Secretariat-General	Items 10 (in part) and 11

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

1. AGENDAS

(OJ(2013) 2061/FINAL; SEC(2013) 498/2)

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(2013) 2061)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 30 September.

3. MINUTES OF 2060TH MEETING (25 SEPTEMBER)

(PV(2013) 2060)

The Commission approved the minutes of its 2060th meeting.

4. INTERINSTITUTIONAL RELATIONS (RCC(2013) 123)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 27 September (RCC(2013) 123).

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

- Multiannual Financial Framework 2014-2020 – Cohesion policy – Common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) 1083/2006 (Regulation) – VAN NISTELROOIJ / KREHL report – 2011/0276 (COD)

The Commission approved the line set out in SI(2013) 499.

- 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(2013) 487.

- Multiannual Financial Framework 2014-2020 – Union programme to support specific activities in the field of financial reporting and auditing for the period 2014-2020 (Regulation) – STOLOJAN report – 2012/0364 (COD)

The Commission approved the line set out in SI(2013) 492.

- Fluorinated greenhouse gases (Regulation) – EICKHOUT report – 2012/0305 (COD)

The Commission approved the line set out in SI(2013) 490.

Dossier at Council first reading

- Sound level of motor vehicles (Regulation) – OUZKÝ report – 2011/0409 (COD)

The Commission approved the line set out in SI(2013) 483/2.

ii) Preparation for the October I part-session of Parliament
(point 1.3 of the IRG record)

Ordinary legislative procedure – First reading

- Flag State responsibilities for the enforcement of Council Directive 2009/13/EC implementing the Agreement concluded by the European Community Shipowners' Associations (ECSA) and the European Transport Workers' Federation (ETF) on the Maritime Labour Convention, 2006, and amending Directive 1999/63/EC (Directive) – BERÈS report – 2012/0065 (COD)

The Commission took note of the compromise text in SP(2013) 619, further to note SI(2013) 298/2, which it had already approved on 5 June.

- Harmonisation of recreational crafts and personal watercrafts (Directive) – HARBOUR report – 2011/0197 (COD)

The Commission took note of the compromise text in SP(2013) 620, further to note SI(2013) 285/2, which it had already approved on 29 May.

- Amendment of Directive 2005/36/EC on the recognition of professional qualifications and the Regulation on administrative cooperation through the internal market information system (Directive) – VERGNAUD report – 2011/0435 (COD)

The Commission took note of the compromise text in SP(2013) 621, further to note SI(2013) 311, which it had already approved on 11 June.

- Amendment of Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators as regards the placing on the market of portable batteries and accumulators containing cadmium intended for use in cordless power tools (Directive) – PANAYOTOV report – 2012/0066 (COD)

The Commission took note of the compromise text in SP(2013) 622, further to notes SI(2013) 340 and /3, which it had already approved on 19 June.

- Establishment of the European Border Surveillance System (EUROSUR) (Regulation) – MULDER report – 2011/0427 (COD)

The Commission took note of the compromise text in SP(2013) 623, further to note SI(2013) 442/2, which it had already approved on 24 July.

Special non-legislative procedure

- Conclusion of the Protocol between the European Union and the Islamic Republic of Mauritania setting out fishing opportunities and the financial contribution provided for in the Fisheries Partnership Agreement between the two Parties currently in force (Council Decision) – MATO ADROVER report – 2012/0258 (NLE)

The Commission approved the line set out in SP(2013) 624 and /2.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iii) Programming of Council business

(SI(2013) 498)

The Commission took note of the information in SI(2013) 498 on the Council meetings between 3 and 9 October.

4.3. RELATIONS WITH PARLIAMENT

iv) Action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its July part-session

(point 3.4.2 of the IRG record)

The Commission approved documents SP(2013) 625 and /2 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its July part-session, for transmission to Parliament.

4.4. EXTERNAL RELATIONS

v) Recommendation for a Council Decision authorising the opening of negotiations on an investment agreement, between the European Union and People's Republic of China

(point 5.1 of the IRG record)

The Commission approved the line set out in SI(2013) 485.

vi) Recommendation for a Council Decision modifying the negotiating directives for the EU-ASEAN negotiations towards a Free Trade Agreement in order to authorise the Commission to negotiate, on behalf of the Union, on investment

(point 5.2 of the IRG record)

The Commission approved the line set out in SI(2013) 486.

vii) Joint Recommendation for a Council Decision to authorise the Commission and the High Representative to open negotiations for an

agreement continuing and updating the International Science and Technology Centre (ISTC)

(point 5.4 of the IRG record)

The Commission approved the line set out in SI(2013) 496/2.

viii) Recommendation for a Council Decision authorising the Commission to open negotiations on an agreement between the European Union and Iceland, Norway and Liechtenstein on the future financial contributions of the EEA EFTA states to economic and social cohesion in the European Economic Area

(point 5.5 of the IRG record)

The Commission approved the line set out in SI(2013) 500.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

STATE AID – INDIVIDUAL CASES

(SEC(2013) 507/2)

The Commission adopted the decisions in SEC(2013) 507/2.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2013) 499 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 23 and 27 September.

6.2. EMPOWERMENT

(SEC(2013) 500 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 23 and 27 September.

6.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2013) 501 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 23 and 27 September, as archived in e-Greffe.

6.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2013) 502)

The Commission took note of the sensitive written procedures for which the time limit expired between 30 September and 4 October.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2013) 503/2)

ADMINISTRATIVE MATTERS

(PERS(2013) 124/2)

**7.1. OFFICE FOR THE ADMINISTRATION AND PAYMENT OF
INDIVIDUAL ENTITLEMENTS – APPOINTMENT OF AD14/15
DIRECTOR**

(PERS(2013) 53 TO /8)

The Commission had before it applications under Article 29(1)(a)(i) and (iii), Article 29(1)(b) and Article 29(2) of the Staff Regulations for the post of Director of the Office for the Administration and Payment of Individual Entitlements (PERS(2013) 53 to /6).

The Commission took note of the opinions of the Consultative Committee on Appointments of 6 and 10 September (PERS(2013) 53/7 and /8).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, it then decided to appoint Mr Marc LEMAÎTRE to the post.

This decision would take effect on 16 November 2013.

7.2. *DG HUMAN RESOURCES AND SECURITY / DG INFORMATICS / DG COMMUNICATION NETWORKS, CONTENT AND TECHNOLOGY – ADMINISTRATIVE AND BUDGETARY ARRANGEMENTS FOR THE ‘COMPUTER EMERGENCY RESPONSE TEAM (CERT-EU)’ TASK FORCE*

The Commission took note of the information in point 2 of PERS(2013) 124/2 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms KROES, decided:

- to confirm the mandate of the Task Force beyond 1 October 2013;
- that the Task Force would continue to be made up of staff covered by the Staff Regulations from the Commission and other institutions; that members of staff would continue to be seconded to the Task Force by their current departments, with the exception of the Head of the Task Force who would be appointed to the post; that the Commission would provide the Task Force with a total of seven staff members, including the Head of the Task Force, broken down as follows: a maximum of five AD-level staff members (officials, temporary staff, seconded national experts or contract staff in function group IV) and a maximum of two AST-level staff members (officials, temporary staff or contract staff in function groups III or II);
- that, on a proposal by the PRESIDENT, in agreement with Mr ŠEFČOVIČ and Ms KROES, the mandate, the duration of the Task

Force and the ceilings applied to the different categories of staff would be reviewed if necessary.

These decisions would take effect on 1 October 2013.

7.3. *SECRETARIAT-GENERAL – ACTIVITIES OF A MEMBER OF THE COMMISSION AFTER LEAVING OFFICE*
(SEC(2013) 516/2)

The Commission approved the communication in SEC(2013) 516/2 concerning the activities planned by Mr DALLI after leaving the Commission. The Commission concluded that these activities were compatible with the provisions of Article 245(2) of the Treaty on the Functioning of the European Union, subject to the conditions set out in the above-mentioned document.

8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – STRENGTHENING THE FOUNDATIONS OF SMART REGULATION – IMPROVING EVALUATION
(COM(2013) 686 AND /2)

The Commission approved the Communication in COM(2013) 686/2 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments.

**9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE ON EVALUATING NATIONAL REGULATIONS ON ACCESS TO PROFESSIONS
(COM(2013) 676 AND /2; SWD(2013) 402 AND /2; RCC(2013) 124)**

The Commission approved the Communication in COM(2013) 676/2 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments, together with the staff working document distributed as SWD(2013) 402/2, the contents of which were noted.

**10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – STRENGTHENING THE SOCIAL DIMENSION OF THE ECONOMIC AND MONETARY UNION
(COM(2013) 690 AND /2)**

The PRESIDENT opened the discussion on strengthening the social dimension of the economic and monetary union (EMU) by referring to his State of the Union address to the European Parliament on 11 September in which he had announced this initiative and made it clear that it would be a political priority for the Commission in the months to come.

It was not the first time the Commission had considered this issue; the communication being tabled that day was a further stage in the process of creating a deep and genuine economic and monetary union launched by the Commission with its Blueprint in November 2012. The social dimension had always been at the heart of the EMU, which had pursued the objective of sustainable, balanced economic growth from the start. This communication was not about the European social

agenda in general, because social objectives featured prominently in the Europe 2020 strategy, but sought to incorporate the social dimension more effectively into European economic governance.

He noted that the communication was already arousing high expectations, the European Council having called for a stronger social dimension to the EMU and having stressed in particular the importance of better monitoring and closer coordination of social and employment policies. He also referred to calls by the European Parliament for a social pact for Europe and contributions by certain Member States and the social partners.

The Commission's aim in launching this initiative was to give greater attention and prominence to questions relating to jobs and social aspects in the governance of the EMU. This required the introduction of closer monitoring of the job situation and social developments as part of macroeconomic surveillance. He explained the different measures the Commission was proposing in order to put this monitoring into practice: (i) the inclusion of four new auxiliary indicators in the scoreboard used in the annual Alert Mechanism Report, (ii) a separate scoreboard for key employment and social indicators to help identify problems more effectively, (iii) a greater emphasis on labour mobility, which was a key element for the EMU to work properly, and (iv) an intensified social dialogue at European and national level and closer ties between the two levels.

The PRESIDENT indicated that the communication reiterated certain elements that had already featured in the Blueprint as a way of combining the need for reform and economic discipline with greater solidarity and financial support. In this context he mentioned in particular the imminent creation of the Convergence and Competitiveness Instrument. He also spoke of the long-term outlook and the possible creation of sufficient budget capacity to help Member States to absorb asymmetric shocks, although this would require an amendment to the Treaties and the progressive pooling of powers at European level affecting all countries' sovereignty and hence responsibility.

He concluded his presentation by commending the scale and even-handedness of the

measures proposed in the communication being presented to the College that day. However, he cautioned against unduly overburdening the system of economic governance which consisted primarily of the European Semester, the excessive deficit procedure and the macroeconomic imbalance procedure, all of which were beginning to bear fruit and restore confidence and stability and nurture the first signs of economic recovery.

Mr ANDOR began by thanking Mr REHN for the excellent cooperation between their respective departments in the drafting of this communication, which had enabled them to present a sound, balanced text.

He emphasised the need to strengthen the social dimension of the EMU in view of the differences in the social situation and employment levels within the euro area. In a monetary union with limited adjustment mechanisms, economic shocks were more likely to lead to a social crisis in one Member State which, by definition, would have negative repercussions throughout the area. The convergence of socioeconomic performance therefore played a major role in ensuring that the benefits of EMU were felt by all Member States.

He then outlined the main changes that would be made in the European Semester exercise and included in the draft Joint Employment Report, published as part of the Annual Growth Survey for 2014. This was not a new procedure, but an instrument that would allow a more targeted analysis of employment trends and social policy parameters. This analysis would feed into the Commission's work during the European Semester and could potentially result in country-specific recommendations.

Mr ANDOR listed the five indicators used in the scoreboard: (i) the unemployment rate and changes, (ii) the NEET rate (young people not in education, employment or training) and youth unemployment rate, (iii) change in real gross disposable income of households, (iv) the at-risk-of-poverty rate of the working age population, and (v) income inequalities. He described each of these indicators in greater detail, stressing their usefulness for identifying and anticipating problems more efficiently, but explained that this system made no provision for automatic triggering of the

measures laid down under the economic governance instruments if developments in a Member State reached a critical level.

In relation to mobility, he stressed the need to develop tools such as the EURES portal, saying that it was important to combine the various instruments available. For instance, the measures to encourage transnational mobility should go hand in hand with granting the Youth Guarantee to all young Europeans, whether they wanted to remain in their own countries or move to another Member State.

The Commission embarked on a discussion of this document, during which the following points were raised:

General aspects

- the Commission's broad support for reinforcing the social dimension of EMU, in line with the November 2012 blueprint for a deep and genuine Economic and Monetary Union, which would be used as a basis for the discussions on the future of EMU at the European Council meeting on 24 and 25 October;
- the need for Member States to take ownership of the social dimension of EMU by incorporating it into the European Semester process;
- the work the Commission would have to do in explaining and educating the public in order to ensure that this measure was not wrongly perceived as a bureaucratic measure but rather as a tool that could contribute effectively to combating poverty and unemployment;
- the concern to avoid dashing the legitimately high hopes of Europeans, who were expecting an immediate response to their economic and social problems and consequently a swift change in unemployment figures and poverty levels in the Union;
- a reminder of the European political background to the communication, namely the Eurosceptic mood which populist political forces would not hesitate to exacerbate during the European Parliament election campaign;

The scoreboard and indicators

- support for the introduction of the scoreboard, regarded as both welcome and necessary in that it completed the economic and financial dimensions of EMU and of the growth-friendly fiscal consolidation strategy;
- the political message to be associated with the social dimension of EMU, namely that the indicators acted as an early warning system and did not trigger automatic measures; emphasis on the need to use the proposed tool properly;
- approval of the choice of indicators included in the scoreboard, their complementary nature, in particular the inclusion of the indicator on real gross disposable income of households, which was a useful addition to the at-risk-of-poverty indicator, and a comment concerning the true picture of the social situation in Member States that emerged as a result of these indicators;
- emphasis on the usefulness of some of these indicators for other policy areas, for instance education, health and consumer policy;
- a reminder about the analytical scope of the set of indicators chosen, the time-lag between the statistical observation of a trend and political action, and hence the suggestion that some thought should be given to potential anticipatory mechanisms;
- the political conclusion to be drawn from the social consequences of the recession for Europeans, the effect this was having on the functioning of the welfare state, and the need for an open debate about this;
- the policy issue raised by two important points: the fiscal consolidation recommended at national level, on the one hand, and its implementation, on the other; contrary to the Commission's suggestions, Member States were sometimes applying it to expenditure items such as education and research;

Mobility of workers

- approval of the fact that the very important concept of worker mobility was

taken on board given the significant opportunities it provided in terms of a response to unemployment and the lack of professional qualifications and skills observed in some Member States; the need to safeguard the rights of workers in this regard;

- regret expressed by some that the communication did not tackle the question of social competition in order to prevent the dismantling of social rights; a call not to underestimate the ways in which the Directive on the secondment of workers was being misused and the harm this was causing, and a request to deal with this by means of a political response;
- with the introduction of the scoreboard, the need for a discussion by the Commission on the impact certain policies were having on social indicators, for instance the implications that worker mobility would have for the brain drain; more broadly, a request to look at the long-term consequences of such mobility, for instance from the point of view of the social fabric; a suggestion to look into the possibility of offering incentives to return; support for the possibility of some form of European financial solidarity in future in the context of worker mobility;
- the importance of emphasising the implementation of the regulation on the free movement of people, including with regard to measures to prevent misuse, in order to forestall challenges on the grounds that it was being misapplied to permit 'welfare tourism';
- the distinction that should be made between free movement of people and free movement of workers within the Union, and the way these two different aspects were often confused;
- the need to clarify the confusion deliberately maintained about free movement of European Union citizens and immigration from non-European countries;
- the suggestion to include in the EURES system all job vacancies in the Union and to encourage the Member States to tell their citizens about this system.

Mr ANDOR replied to the different comments by first emphasising that the communication was based on the progress achieved on economic governance in recent years and by recalling the organic link between economic and social questions in the EMU.

He addressed the question of labour mobility in particular, pointing out that it was an area in which the Commission had to continue its efforts and take new initiatives. The Member States had to strive to ensure tangible and effective implementation of the rules on the mobility of workers from one Member State to another, in order to allow them to exercise their rights there. He referred to the updating of the rules for the coordination of social security systems, an initiative to be taken by the Commission next year in order to provide better support to people looking for a job in another Member State.

The PRESIDENT thanked the Members of the Commission for their contributions. He reiterated that the communication was part of the extension of the action to consolidate European economic governance and the ideas developed by the Commission in its Blueprint from November 2012. He noted the importance of that day's discussion and stressed the need to give priority to these questions in order to keep the European economies permanently on the positive trajectory that they had taken thanks to the structural reforms.

He picked out the salient points in the discussion, in particular the care to be given in presenting the communication so as to clearly define its content without arousing unjustified expectations, in a difficult political context and only a few months before the European elections. Similarly, he stressed the need to get across the message about exactly what the European Union was able to do in the field of employment and social affairs, and about the limits imposed by the Treaties, which did not allow harmonisation of national legislation, in particular in the field of employment. That was why he emphasised the Union's positive track record in the social field and on questions linked to employment, referring to the Europe 2020 targets to fight poverty and promote investment in education, or the recent Youth Employment Initiative. The Commission had fought to strengthen the instruments and funds that support the social dimension, which was why he thought it important to remind

Member States of their responsibilities.

The PRESIDENT returned to the key priority of labour mobility, a field in which the Union did have powers; freedom of movement was a fundamental right guaranteed by the Treaties to all the citizens of the Union and a factor that contributed to economic growth. At the same time, irregularities in this area had to be combated; he felt that implementation of European rules by the Member States was not up to the mark and allowed social dumping to develop.

By way of conclusion, he stressed the importance of sending a clear message to explain that ‘Brussels’ was not solely interested in removing deficits, but regarded its contribution to Europeans’ social well-being as a fundamental dimension of its action. Finally, referring to the long-term prospects raised in the communication, he firmly believed that, in a deep and genuine Economic and Monetary Union, the beginnings of a certain form of budgetary union would sooner or later become essential.

Subject to a final general clean-up of the text, the Commission approved the communication in COM(2013) 690/2 for transmission to Parliament and the Council and, for information, to the national parliaments.

**11. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN SOCIAL AND ECONOMIC COMMITTEE AND THE COMMITTEE OF THE REGIONS – REGULATORY FITNESS AND PERFORMANCE (REFIT): RESULTS AND NEXT STEPS
(COM(2013) 685 AND /2)**

The PRESIDENT opened the discussion by explaining that the document for adoption, in conjunction with the communication on improving evaluation, also tabled that day (see item 8 of these minutes), was the summary of the collective efforts that the Commission intended to pursue and the initial results of

implementing the Regulatory Fitness and Performance Programme (REFIT), which was developed as part of the Commission's Better Regulation strategy. The institution, backed by a broad consensus on this question, had endeavoured for a number of years to rationalise legislation, reduce regulatory constraints and the administrative burden, and modernise its working methods, and that it would now be judged by its actions.

The PRESIDENT welcomed the substantial progress made, with a 25% reduction in the regulatory burden between 2007 and 2012, 660 simplification proposals, and almost 6 000 legal acts repealed since 2005. Nonetheless, the European Union was still perceived as an intrusive, prescriptive and bureaucratic body that simply added to the multiple constraints facing citizens and small and medium-sized enterprises in particular.

The PRESIDENT took the view, as indicated in his State of the Union address to the European Parliament on 11 September, that it was not by taking initiatives on everything and by proposing a European solution to every problem that the perceived gap between Europe and its citizens would be bridged. He was convinced that the Union should concentrate instead on the essentials and focus its action on the fields in which it could provide added value, a need that was even more pressing in a time of crisis, when new priorities had to be addressed, and against a background of limited human and financial resources. He emphasised that the added value must take the form of deeds, not just words.

He therefore called on the Commission to demonstrate its ability to make clear choices and set equally clear priorities if it wished to maintain its influence on a complex political arena. The Commission would be wrong to listen more to pressure groups than to European voters, whatever the legitimacy of the cause defended, and even to respond positively to all the requests coming from the European Parliament or the Council.

The PRESIDENT then turned to the efforts that still had to be made, judging from the results, published some weeks ago, of the screening of European regulation launched following the approval of the REFIT programme in December 2012. In

particular, the Commission must do more to ascertain the state of play of implementation of European legislation and the cost of this legislation so that this cost could be reduced.

He mentioned the sixty or so initiatives submitted in the annex to the Communication. These should be examined critically in terms of cost-effectiveness, above all the 20 texts on which the Communication submitted to the Commission that day recommended immediate action, whether this was (i) to refrain from proposing a new legislative act, (ii) to review the legislation in force, (iii) to withdraw pending proposals or (iv) simply to repeal legislative acts. While the choice of the decisions to be taken must of course meet certain criteria, this choice was also the Commission's political responsibility.

With regard to the first category (new initiatives), he suggested focusing on the legislative acts that corresponded to the Commission's political priorities and had a real chance of being adopted before the end of the present legislature.

He explained that the second category, which included proposals for revision, consisted of legislative acts whose preparation was well advanced and which, once adopted, would lead to regulatory simplification, rationalisation and consolidation.

The third category, proposals to withdraw legislation, was aimed at legislative initiatives in which, however sound and justified they had been originally, the Commission had to acknowledge that it had not been backed by the co-legislator. This was all part of the democratic process. In these cases the Commission must recognise the political consequences of this fact by withdrawing these proposals, particularly if they had been bogged down for years at the same stage of the interinstitutional examination process.

In the fourth category, proposals for repeal, the PRESIDENT stressed the importance, as for the other categories, of the Commission's credibility. It must demonstrate that it was capable of taking the lead and of showing flexibility, moderation and a sense of balance in responding to the economic and social crisis.

After this presentation he opened the discussion on the measures put forward in the

Communication to implement in practice the Commission's wish for better regulation.

During this discussion, the Commission raised the following main points:

- broad support for the Communication presented, which took stock of the Commission's actions in recent years in the field of better regulation and set out the next steps for implementation of the REFIT programme in order to give fresh momentum to the initiatives in this field;
- given the growing importance attached to smart regulation both in European institutions and beyond, the need to enumerate very clearly the measures and tools put in place by the Commission to constantly ensure that European legislation was fit for purpose and reduce regulatory constraints as far as possible; in this context, the importance of highlighting specific examples demonstrating the flexibility of the approach adopted so as to take into account the needs of the different players concerned, for example the burden on small and medium-sized enterprises;
- the need to remember the broader context and the numerous factors contributing to the European regulatory burden once the proposed legislative acts were beyond the Commission's control, hence the relevance of the proposed scoreboard;
- the importance of continuing to develop the measures implemented by the Commission; support for the integrated approach to the evaluation process set out in the Communication (see item 8 of these minutes); a suggestion that future impact assessments should also consider the cost of refraining from legislating on a particular matter;
- general support for the approach applied to specific legislative initiatives, subject to certain adjustments;
- questions by some Commission Members on the criteria to determine the most appropriate line for classifying legislative initiatives in one of the four

categories proposed in the annex; the concern to take into account certain elements of the specific political context of the legislative acts that came under future stages of the REFIT programme, particularly on the basis of the experience acquired, in the interinstitutional negotiations, by the Commission Member responsible for the dossier;

- highlighting of the importance attached by the Commission to full respect for the principle of subsidiarity;
- a mention of the risk of populist exploitation of certain justified legislative initiatives which, in the current political climate, might be misused and distorted.

The PRESIDENT thanked the Commission Members for their constructive contributions to that day's discussion. He noted the broad consensus of all the Members regarding the approach recommended in order to build upon the Commission's commitments to better regulation. He also noted the Commission's agreement to the introduction of the following changes to the English-language version of the Communication and the annex thereto distributed as COM(2013) 685/2:

In the communication

- **on page 4, the second sentence in the first paragraph following the box now reads as follows:**

'Between 2007 and 2012, the Administrative Burden Programme achieved a decrease of 25% of burden in 13 priority areas equivalent to savings of EUR 30.8 billion with a further EUR 5 billion still pending adoption by the co-legislator⁹. ';

- on page 7, footnote No 13, which now became footnote No 12, now reads as follows:

'Directives 92/43/EC and 2009/147/EC: This Fitness Check will be organised to accompany the evaluation required under the legislation, respecting the deadlines set out in the Directives. ';

- on page 8, in section 4, **'Withdrawals and Repeals'**, the second and third sentences in the second paragraph now reads as follows:

'Nine proposals to repeal legislation are planned. These include legislation on the promotion of clean and energy-efficient road transport vehicles, the supply of crude oil and petroleum products, the classification, packaging and labelling of dangerous preparations and steel statistics. ';

- on page 8, in section 4, **'Withdrawals and Repeals'**, the fifth sentence in the second paragraph now reads as follows:

'Seven proposals identified in this category include access to justice in the environmental field'¹⁵, a proposal for a Directive simplifying VAT obligations, a proposal on the statute of a European private company'¹⁶, the Regulation on statistics on steel and the retrofitting of mirrors to heavy goods vehicles. ';

In the annex to the Communication

- on page 8, the title of section 3 now reads as follows:

'Areas where the Commission will propose or is considering to repeal laws, withdraw pending proposals or where initiatives will not be taken forward';

- on page 8, under the point **'Environment'** in section 3, a paragraph would be added under the first bullet, **'Withdrawal of a proposal for a Soil Framework Directive'**, which would read as follows:

'The Commission notes that the proposal has been pending for eight years during which time no effective action has resulted. It will therefore examine

carefully whether the objective of the proposal, to which the Commission remains committed, is best served by maintaining the proposal or by withdrawing it, thus opening the way for an alternative initiative in the next mandate. This will be judged on the feasibility of reaching adoption before the European Parliament elections. ';

- **on page 9, under the point 'Mobility and Transport', the bullets now reads as follows:**

- ' • *Repeal of Directive 2007/38/EC on the retrofitting of mirrors to heavy goods vehicles;*
- *Repeal of Directive 2009/33/EC on the retrofitting of mirrors to heavy goods vehicles;*
- *Withdrawal of proposal in legislative procedure regarding driving licences which include the functionality of a driver card. ';*

- **on page 11, footnote No 43 now reads as follows:**

'Directives 92/43/EC and 2009/147/EC: This Fitness Check will be organised to accompany the evaluation required under the legislation, respecting the deadlines set out in the Directives. ';

- **on page 14, under the point 'Mobility and Transport', a new first bullet would be inserted in the subsection 'Evaluations planned' to read as follows:**

- ' • *Evaluation of Directive 2004/54/EC on tunnel safety; '.*

At the end of the discussion, subject to inclusion of the above amendments and to final linguistic revision, the Commission approved the Communication in COM(2013) 685/2 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments.

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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 12.55.