



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2008)1839 final

Brussels, 23 July 2008

MINUTES

of the 1839th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 16 July 2008

(morning)

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Single sitting: Wednesday 16 July 2008 (morning)

The sitting opened at 11.06 hours with Mr Barroso, President, in the chair.

Present:

Mr BARROSO	President	
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	Items 1 to 20 (in part)
Mr BARROT	Vice-President	
Mr DIMAS		Items 1 to 20 (in part)
Mr ALMUNIA		
Ms HÜBNER		
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		Items 1 à 20 (in part) and 23
Ms KROES		
Ms FISCHER BOEL		
Ms FERRERO-WALDNER		Items 1 to 20 (in part)
Mr McCREEVY		
Mr ŠPIDLA		
Mr MANDELSON		Items 1 to 20 (in part)
Ms KUNEVA		
Mr ORBAN		
Ms VASSILIOU		

Absent:

Mr KALLAS

Vice-President

Mr TAJANI

Vice-President

Ms REDING

Mr FIGEL'

Mr REHN

Mr MICHEL

Mr KOVÁCS

Mr PIEBALGS

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

Ms MANFREDI	A member of Mr KALLAS's staff	
Mr STROHMEIER	Chef de cabinet to Ms REDING	
Mr ADAMIŠ	Chef de cabinet to Mr FIGEL'	
Ms ÅSENIUS	Deputy Chef de cabinet to Mr REHN	
Mr DOENS	Chef de cabinet to Mr MICHEL	
Mr KESTERIS	Chef de cabinet to Mr PIEBALGS	Items 1 to 20 (in part)

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the PRESIDENT	
Ms DURAND	Acting Director-General, Legal Service	
Mr SØRENSEN	Director-General, DG Communication	
Mr LAITENBERGER	Commission Spokesman	Items 1 to 20 (in part)
Ms AHRENKILDE	DG Communication – Spokesman's Service	Items 20 (in part) to 23
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers	
Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT	
Mr CABRAL	Adviser hors classe in the PRESIDENT's Office	Item 20 (in part)
Mr CHILD	Chef de cabinet to Ms FERRERO-WALDNER	Items 20 (in part) to 23
Mr HILL	A member of Mr MANDELSON's staff	Items 20 (in part) to 23

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

1. AGENDAS

(OJ(2008)1839/3; SEC(2008)2252/2)

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

2. WEEKLY MEETING OF CHEFS DE CABINET

(SEC(2008)1839)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 14 July.

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 1837TH AND 1838TH MEETINGS OF THE COMMISSION (2 AND 8 JULY) (PV(2008)1837 TO /3; PV(2008)1837, PART II; PV(2008)1838; PV(2008)1838, PART II AND /2)

The Commission approved the minutes of its 1838th meeting, and decided to hold over for one week approval of the minutes of its 1837th meeting.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2008)2255 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 7 and 11 July.

4.2. EMPOWERMENT

(SEC(2008)2256 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 7 and 11 July.

4.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2008)2257 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 7 and 11 July, as archived in e-Greffe.

4.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2008)2258 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 14 and 18 July and of the "finalisation" written procedures initiated following the weekly meeting of Chefs de cabinet on 14 July.

5. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2008)2254/3)

ADMINISTRATIVE MATTERS

(PERS(2008)103 AND /3)

5.1. DG ENTERPRISE AND INDUSTRY – APPOINTMENT OF AD15 DIRECTOR

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr VERHEUGEN, the Commission decided, under Article 7 of the Staff Regulations, to fill the post of Director (Industrial policy and economic reforms) in DG Enterprise and Industry by transferring in the interest of the

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service Ms Viola GROEBNER, AD15 official and currently Director (Resources) in DG Environment.

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

5.2. DG RESEARCH – COMMISSION DECISION AMENDING DECISION 2007/134/EC OF 2 FEBRUARY 2007 ESTABLISHING THE EUROPEAN RESEARCH COUNCIL (C(2008)3732)

The Commission noted the information in point 2 of PERS(2008)103 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, adopted the Decision in C(2008)3732.

This decision would take effect immediately.

5.3. DG RESEARCH – APPOINTMENT OF INTERIM DIRECTOR OF THE EXECUTIVE AGENCY OF THE EUROPEAN RESEARCH COUNCIL

The Commission took note of the information in point 3 of PERS(2008)103 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK,

- decided to assign Mr Jack METTHEY, AD15 temporary staff member under Article 2(d) of the Conditions of Employment of Other Servants of the Communities and currently Director (Implementation of the "Ideas" Programme) in DG Research, to the post of interim Director of the Executive Agency of the European Research Council, in addition to his current duties, until the Executive Director took up his or her post;
- instructed the Director-General for Research to assign staff for the same duration to support the interim Director in setting up the Executive Agency of the European Research Council.

These decisions would take effect immediately.

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5.4. DG PERSONNEL AND ADMINISTRATION – COMMISSION DECISION CONCERNING SHORT-TERM TRAINEESHIPS FOR NATIONAL OFFICIALS – PILOT PROJECT

(C(2008)3733; SEC(2008)2308)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT, the Commission adopted the decision set out in C(2008)3733 and took note of staff paper distributed as SEC(2008)2308.

This decision would take effect immediately.

5.5. DG PERSONNEL AND ADMINISTRATION – PROGRESS REPORT ON THE INITIATIVE ON THE SIMPLIFICATION OF ADMINISTRATIVE PROCEDURES

(SEC(2008)2309 TO /3)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT, the Commission:

- approved the communication in SEC(2008)2309 to /3;
- instructed departments effectively to implement the remaining outstanding actions identified in the Communication of 4 July 2007 (see PV(2007)1795, item 10); this would require a firm commitment and dedicated effort by all the relevant departments, in particular those belonging to DG ADMIN and DG RELEX;
- instructed DG ADMIN to ensure on a continuous basis that new suggestions and proposals from staff were examined carefully and, to the extent possible, implemented; DG ADMIN should also continue to pursue its multi-annual review of processes and procedures, with a view to putting in place further simplification measures;
- asked all departments to identify possible simplification measures in their internal procedures and processes, notably through wider use of IT tools,

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wider and more structured access to information, e-participation, clearer rules and clearer communication of these; horizontal departments should also assess the scope for developing new internal systems for managing procedures and processes common to all services; priority should be given to systems which would facilitate the daily work of staff while ensuring more homogeneous and coherent application of procedures and processes across the Commission;

- instructed DG ADMIN to report to the Commission by June 2009 on the further progress made and to identify areas which the next Commission might wish to address as priorities for further work on administrative simplification.

6. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL CONCERNING TRADE IN SEAL PRODUCTS (COM(2008)469 TO /3; SEC(2008)2290 AND /2; SEC(2008)2291; SEC(2008)2292; SEC(2008)2305)

The Commission decided to hold over discussion of this item for one week.

7. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE ON THE STRUCTURE AND RATES OF EXCISE DUTY APPLIED ON CIGARETTES AND OTHER MANUFACTURED TOBACCO PRODUCTS

(COM(2008)460 AND /2; SEC(2008)2273; SEC(2008)2276)

8. PROPOSAL FOR A COUNCIL DIRECTIVE AMENDING COUNCIL DIRECTIVES 92/79/EC, 92/80/EC AND 95/59/EC ON THE STRUCTURE AND RATES OF EXCISE DUTY APPLIED ON CIGARETTES AND OTHER MANUFACTURED TOBACCO PRODUCTS

(COM(2008)459 AND /2; SEC(2008)2266 AND /2; SEC(2008)2267; SEC(2008)2268; SEC(2008)2273; SEC(2008)2276)

The Commission adopted the report and the proposal for a Council Directive in COM(2008)460/2 and COM(2008)459/2, for transmission to Parliament, the Council and the European Economic and Social Committee, and to the national parliaments, together with the impact assessment for the proposal for a Directive and the summary thereof in staff papers SEC(2008)2266/2 and SEC(2008)2267, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Council Directive, as set out in SEC(2008)2268.

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9. COMMISSION DECISION CONCERNING A PROCEEDING UNDER ARTICLE 81 OF THE EC TREATY AND ARTICLE 53 OF THE EEA AGREEMENT (CASE COMP/C2/38.698 – INTERNATIONAL CONFEDERATION OF SOCIETIES OF AUTHORS AND COMPOSERS – CISAC)
(C(2008)3435 TO /6; SEC(2008)2303)

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 17 June in C(2008)3435/3;
- took note of the final report of the Hearing Officer of 25 June in C(2008)3435/4;
- adopted, in the authentic languages (Czech, Danish, Dutch, English, Estonian, French, German, Greek, Italian, Latvian, Polish, Slovak, Slovenian and Spanish), the decision set out in C(2008)3435/6, noting that the addressees of the decision - 24 collecting societies established in the European Economic Area which are members of the International Confederation of Societies of Authors and Composers - had infringed Article 81 of the EC Treaty and Article 53 of the Agreement on the European Economic Area, and requiring them to put an end to the infringements;
- decided that the decision in C(2008)3435/6 would be notified to the societies concerned, together with the final report of the Hearing Officer;
- decided that the most important parts of the decision, together with the opinion of the Advisory Committee and the final report of the Hearing Officer, would be published in the official languages in the Official Journal (with all business secrets removed);
- decided to publish the decision (with business secrets removed) on the Internet.
- empowered Ms KROES, in agreement with the PRESIDENT, to take the decisions referred to in Article 5 of the decision. This would require a

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favourable opinion from the Legal Service as an associated department. DG Education and Culture, DG Internal Market and Services and DG Information Society and Media would also have to be informed and given the opportunity to express their views before the empowerment was exercised.

10. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE COORDINATION OF LAWS, REGULATIONS AND ADMINISTRATIVE PROVISIONS RELATING TO UNDERTAKINGS FOR COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES (UCITS)

(COM(2008)458 TO /4; SEC(2008)2263; SEC(2008)2264; SEC(2008)2265; SEC(2008)2277)

The Commission adopted the proposal for a Directive in COM(2008)458/4, for transmission to Parliament, the Council and the European Economic and Social Committee, and to the national parliaments, accompanied by the impact assessment and the summary thereof in staff papers SEC(2008)2263 and SEC(2008)2264, 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(2008)2265.

**11. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE: AN INDUSTRIAL PROPERTY RIGHTS STRATEGY FOR EUROPE
(COM(2008)465 TO /4; SEC(2008)2298)**

The Commission approved the communication set out in COM(2008)465/4, for transmission to Parliament, the Council and the European Economic and Social Committee, and to the national parliaments.

**12. GREEN PAPER ON COPYRIGHT IN THE KNOWLEDGE ECONOMY
(COM(2008)466 TO /3; SEC(2008)2298)**

The Commission approved the Green Paper in COM(2008)466/3, for transmission to Parliament, the Council and the European Economic and Social Committee, and to the national parliaments.

**13. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2006/116/EC ON THE TERM OF PROTECTION OF COPYRIGHT AND CERTAIN RELATED RIGHTS
(COM(2008)464 TO /3; SEC(2008)2287; SEC(2008)2288; SEC(2008)2289; SEC(2008)2298)**

The Commission adopted, subject to final revision, the proposal for a Directive in COM(2008)464/3, for transmission to Parliament, the Council and the European Economic and Social Committee, and to the national parliaments, accompanied by the impact assessment and the summary thereof in staff papers SEC(2008)2287 and SEC(2008)2288, 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(2008)2289.

**14. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE SUSTAINABLE CONSUMPTION AND PRODUCTION AND SUSTAINABLE INDUSTRIAL POLICY ACTION PLAN
(COM(2008)397 TO /4; SEC(2008) 2110 AND /2; SEC(2008)2111; SEC(2008)2112; SEC(2008)2128; SEC(2008)2105)**

Mr VERHEUGEN briefly presented all the proposals for sustainable consumption and production discussed under items 14 to 18 of these minutes. First he thanked Mr DIMAS, Mr PIEBALGS, Ms KUNEVA and the departments involved for their contribution and excellent cooperation during the preparatory work. These proposals would be supplemented by other measures to be put before the Commission at forthcoming meetings.

He explained that the main objective of the proposals was to use voluntary instruments to encourage ecologically sustainable behaviour by consumers, industry and public authorities in relation to both the entire production cycle and the use and consumption of products.

He also mentioned the major contribution which the proposed measures would make to reducing CO₂ emissions: the possible savings were estimated at 5% of the CO₂ emission level in 2005. These measures fell under the efforts to combat climate change and increase energy efficiency.

Lastly, Mr VERHEUGEN felt that the measures were being proposed at the right time given the current rise in food and fuel prices, and given the positive effects that might ensue, notably a significant reduction in consumer prices estimated at EUR 45 billion.

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Mr DIMAS rounded off Mr VERHEUGEN's presentation by mentioning the positive effects of the proposed measures in terms of the environment, the promotion of innovation in European industry and the implementation of energy efficiency targets. He endorsed the thanks expressed to the Commission Members and the departments involved in preparing these proposals, congratulating them on the excellent results and their efficient work.

He referred to the impact of consumption and production patterns on the climate, biodiversity and other environmental aspects. He reminded the meeting of Europe's considerable ecological footprint in global terms, adding that the series of measures presented that day would help to redefine production and consumption patterns in Europe and beyond.

Mr DIMAS pointed out that the new approach was based on defining minimum standards for the products most harmful to the environment and developing incentives to use the most environmentally-friendly products. This approach built on existing safety standards for food products, cars and toys, with these proposals providing a more global and long-term dimension. These measures marked the beginning of a process that would contribute to enshrining standards to make consumption and production sustainable from the point of view of both producers and consumers.

During a brief roundtable discussion, the important international dimension of the proposals was underlined in particular since they would reinforce the European Union's role internationally, in relation not only to sustainable industrial production but also to combating climate change.

The PRESIDENT concluded by congratulating the Commission Members and departments concerned on their excellent work. He took note of the Commission's broad support for the five proposals discussed under items 14 to 18 of these minutes.

After taking note of this information, the Commission approved the Communication set out in COM(2008)397/4 for transmission to Parliament, the Council, the

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Economic and Social Committee and the Committee of the Regions, and to the national parliaments, accompanied by the impact study and its summary in staff papers distributed as SEC(2008)2110/2 and SEC(2008)2111, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above communication, as set out in SEC(2008)2112.

15. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING A FRAMEWORK FOR THE SETTING OF ECODESIGN REQUIREMENTS FOR ENERGY RELATED PRODUCTS (COM(2008)399 TO /3; SEC(2008)2115 AND /2; SEC(2008)2116; SEC(2008)2117; SEC(2008)2128; SEC(2008)2105)

The Commission adopted the proposal for a Directive in COM(2008)399/2 and 3 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and to the national parliaments together with the impact assessment and the summary thereof in staff papers SEC(2008)2115/2 and SEC(2008)2116 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(2008)2117.

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16. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE VOLUNTARY PARTICIPATION BY ORGANISATIONS IN A COMMUNITY ECO-MANAGEMENT AND AUDIT SCHEME (EMAS)

(COM(2008)402 AND /2; SEC(2008)2121; SEC(2008)2122; SEC(2008)2123; SEC(2008)2128; SEC(2008)2105)

The Commission adopted the proposal for a Regulation in COM(2008)402/2 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments, accompanied by the impact assessment and the summary thereof in staff papers SEC(2008)2121 and SEC(2008)2122, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Regulation, as set out in SEC(2008)2123.

17. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – PUBLIC PROCUREMENT FOR A BETTER ENVIRONMENT

(COM(2008)400 AND /2; SEC(2008)2126 AND /2; SEC(2008)2124; SEC(2008)2125; SEC(2008)2127; SEC(2008)2128; SEC(2008)2105)

The Commission approved the communication in COM(2008)400/2 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments, accompanied by the impact assessment and the summary thereof in staff papers SEC(2008)2126/2, SEC(2008)2124 and SEC(2008)2125, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above communication, as set out in SEC(2008)2127.

18. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON A COMMUNITY ECOLABEL SCHEME (COM(2008)401 TO /4; SEC(2008)2118 AND /2; SEC(2008)2119; SEC(2008)2120; SEC(2008)2128; SEC(2008)2105)

The Commission adopted the proposal for a Regulation in COM(2008)401/4 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments, accompanied by the impact assessment and the summary thereof in staff papers SEC(2008)2118/2 and SEC(2008)2119, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Regulation, as set out in SEC(2008)2120.

19. MONITORING THE APPLICATION OF COMMUNITY LAW

STATE AID – INDIVIDUAL CASES – RECAPITULATIVE LIST (SEC(2008)2272; SEC(2008)2285)

The Commission adopted the decisions set out in the recapitulative list in SEC(2008)2272, subject to the following clarification:

C 17/2005

POLAND

Title: Restructuring aid for Gdynia Shipyard

(C(2008)3634/2)

Proposal: Negative decision with recovery

C 19/2005***POLAND******Title:*** Restructuring aid for Szczecin Shipyard

(C(2008)3627/2)

Proposal: Negative decision with recovery

Ms KROES briefly outlined the background to the two cases. The two Polish shipyards had experienced serious economic difficulties since 2002, suffering constant losses, and the State had injected considerable amounts of aid to keep them working. Since Poland joined the EU in 2004, the Commission had worked with the Polish authorities to examine whether the aid could be authorised under the guidelines on State aid for rescue and restructuring. Ms KROES explained that the successive restructuring plans presented by the Polish authorities had fallen short of the State aid rules.

However, Ms KROES noted that, in the end, despite a number of additional deadlines having been granted, none of the various privatisation projects had materialised. She also lamented the fact that another opportunity given to the Polish authorities – to submit by 26 June 2008 restructuring plans that complied with the conditions imposed by the State aid rules – had not produced the desired result. She had therefore had two negative decisions prepared by her departments. However, given the particularly sensitive nature of the cases in question, the Polish authorities were being given a final opportunity to submit by 12 September at the latest new restructuring plans meeting certain specific conditions. Ms KROES made it clear in this regard that, if the restructuring plans presented by that date did not meet the said conditions, the negative decisions would have to be adopted.

Following this information, the Commission discussed the question of the timetable for examining the possibilities of privatisation, the positive nature of the efforts by Commission departments to find a solution and the formal undertaking that had now been given by the Polish Government.

Concluding this brief discussion, the PRESIDENT indicated that the Commission was deciding, on the basis of the current facts, to approve the grounds and conclusions contained in C(2008)3634/2 and C(2008)3627/2, to set 12 September 2008 as the final deadline for submission by the Polish authorities of viable restructuring plans and to postpone formal adoption of the draft decisions in order to assess whether the new restructuring plans would significantly improve the situation and allow the Commission to authorise the restructuring aid.

20. INTERINSTITUTIONAL RELATIONS

20.1. LEGISLATIVE MATTERS

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

(SP(2008)4260)

The Commission decided to empower the Commission Members responsible for the sectors in question, in agreement with the PRESIDENT and Ms WALLSTRÖM and, if necessary, with the other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council, as set out in SP(2008)4260, drawn up following the July part-session of Parliament, the contents of which were noted.

20.2. RELATIONS WITH THE COUNCIL

ii) Programming of Council business

(SI(2008)1196)

The Commission took note of the information in SI(2008)1196 on the Council meetings between 10 and 23 July.

**iii) Results of the informal meeting of Ministers of European Affairs
(Brest and Roscoff, 12 and 13 July)**

(SI(2008)1210)

Ms WALLSTRÖM briefed the Commission on the results of the informal meeting of Ministers of European Affairs held in Brest and Roscoff on 12 and 13 July. She reported that, in the aftermath of the Irish referendum on the ratification of the Lisbon Treaty, the meeting looked in particular at issues of communication, and specifically the Commission's proposal for a partnership between the institutions and the Member States to improve coordination between the various players, with due regard for their respective powers. She stressed the importance of convincing and effective communication with a view to the next European elections.

Ms WALLSTRÖM also presented the note on trends in the Member States and mentioned in this context the new cluster analysis approach in connection with Eurobarometer, which was intended to give a better understanding of the state of public opinion in Europe. She also pointed to the pragmatism of those consulted and the need for the Commission to maintain a proactive presence in the debates, not least on the internet.

The Commission took note of this information.

**iv) Results of the Eurogroup meeting and the Economic and Financial
Affairs Council (Brussels, 7 and 8 July)**

(SI(2008)1190)

Mr ALMUNIA reported on the results of the Eurogroup meeting and the Economic and Financial Affairs Council on 7 and 8 July. The French Presidency's work programme in the area of economic and financial affairs was presented and three main topics were discussed: the economic outlook, measures to be taken in response to the rise in oil prices, and the situation on the financial markets.

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Mr McCREEVY spoke about the scale of the financial crisis and the as yet uncertain outcome. He reviewed the developments of the past year, referring particularly to the downward spiral affecting stock markets throughout the world, the increase in inflation, rising food prices and the record level of oil prices. He noted in this connection the dependence of the world economy on events in the United States, where the situation had been giving cause for concern in recent months, particularly in the housing market and as regards the impact on the banking sector. He noted the current nervousness on the markets following publication of the financial institutions' reports on the second quarter and in anticipation of further deterioration, at a time when rising inflation coupled with the weakness of the dollar was limiting the American Federal Reserve's room for manoeuvre.

The Commission then held a very brief exchange of views, during which questions were raised about the role of the pension funds and the impact on funded pension schemes.

The Commission took note of this information.

v) Results of the informal meeting of Ministers of employment and social policy (Chantilly, 10 and 11 July)

(SI(2008)1203)

Mr ŠPIDLA briefed the Commission on the work of the Ministers of employment and social policy at their informal meeting in Chantilly on 10 and 11 July.

The atmosphere of the meeting had been very constructive, and the package of measures for the renewed social agenda recently put forward by the Commission had been generally well received by the ministers.

He was optimistic about the possibility of substantial progress being made in the work in the Council over the next few months, either on the proposals on temporary agency work, or on the European works council. However, there

were still some differences of opinion on non-discrimination and equal opportunities, which would have to be addressed more closely in the Council bodies.

Finally, he paid tribute to the efforts already being made by the Council Presidency, and felt that the Commission's initiatives had generated a new dynamism that would help to strengthen the social dimension of the EU and to consolidate the European social area.

The Commission took note of this information.

vi) Results of the Agriculture and Fisheries Council (Brussels, 15 July)

Mr BORG outlined the main items discussed by the Council (Agriculture and Fisheries) on Tuesday 15 July, i.e.:

- adoption of the Regulation on the conclusion of the Protocol setting out the fishing opportunities and financial contribution provided for in the Fisheries Partnership Agreement between the European Community and the Islamic Republic of Mauritania, which allowed Community-flagged vessels to fish uninterrupted in Mauritanian waters in return for payment to the Mauritanian authorities of a sum that represented a substantial part of that country's budget; and
- the political agreement obtained, by a qualified majority plus one vote, on the proposal for a Council Regulation instituting a temporary specific action aiming to promote the restructuring of the European Union fishing fleets affected by the rise in fuel prices.

On this second item, Mr BORG reported that most of the Member States and the Presidency had been satisfied with the promptness of the Commission's reaction on what was a highly sensitive issue. The Commission's proposal had been amended only on a number of minor points. Aspects relating to the common organisation of the market in fisheries products would be dealt with in later proposals.

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Ms FISCHER BOEL then reported very briefly on the discussions under way on the "health check" of the common agricultural policy, placing them in the context of the round of negotiations on the Doha Development Agenda. In any event she was confident of a successful outcome on these issues.

The Commission took note of this information.

**vii) Preparations for the Economic and Financial Affairs Council –
Budget session (Brussels, 17 July)**

Ms GRYBAUSKAITĖ discussed the reactions that might be expected at the Budget Council meeting ahead of the adoption on Friday 18 July of the Proposal for a Regulation of the European Parliament and of the Council establishing a facility for rapid response to soaring food prices in developing countries. She also described the likely reception in Parliament's Committee on Budgets and voiced her own doubts not on the substance of the proposal but on its funding, an issue which she felt might also have repercussions for negotiations on the 2009 budget as a whole.

For his part the PRESIDENT had received an assurance that the proposal would be widely supported by the various tendencies represented in the European Parliament; he was also convinced it would be supported by most of the Member States and in particular by the Council Presidency.

The Commission took note of this information.

20.3. RELATIONS WITH THE EUROPEAN PARLIAMENT

viii) Results of Parliament's July part-session

(SP(2008)4228 to /3; SP(2008)4240)

The Commission took note of the information supplied in SP(2008)4228 to /3 and SP(2008)4240 relating to Parliament's part-session held in Strasbourg from 7 to 10 July.

**ix) Results of the meeting of the Committee on Budgetary Control
(Brussels, 15 July)
(SEC(2008)2329)**

Ms HÜBNER gave a very concise account of the outcome of the meeting of Parliament's Committee on Budgetary Control, stressing the positive atmosphere that had prevailed and the satisfaction expressed by MEPs at the Commission's implementation of its action plan to step up supervision of structural measures and the presentation of a quarterly report on that subject. She added that the departments concerned were making numerous efforts in connection with the plan and Parliament had been given detailed information on, among other things, the assistance provided to Member States in relation to first-level checks and better reporting on financial corrections.

The Commission took note of this information and of the note from Ms HÜBNER in SEC(2008)2329.

**21. TRENDS IN THE MEMBER STATES
(SEC(2008)2321)**

The Commission took note of the information supplied by Ms WALLSTRÖM and mentioned at item 20.2.iii) of these minutes, and of the note distributed as SEC(2008)2321.

22. ANY OTHER BUSINESS

***LAUNCH OF THE PROCEDURE FOR REDUCING PAYMENTS TO GREECE
UNDER THE AGRICULTURAL POLICY***

Ms FISCHER BOEL informed the Commission of the launch that day of a procedure which could in time lead to a 10% reduction in payments to Greece under

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agricultural and rural development aid measures. She recalled the recurrent difficulties encountered with the Greek system for controlling payments to farmers, which had led to the establishment of an action plan in 2006. Her departments had visited Greece in June and concluded that it was impossible for the Greek authorities to implement on time the new land parcel identification system provided for in the action plan. Ms FISCHER BOEL said she therefore had no choice but to send a letter of formal notice that day to the Greek Minister for Agriculture, as the first stage in the procedure. She had already informed the Greek authorities of the situation.

The Commission took note of this information.

23. RELATIONS WITH THIRD COUNTRIES

23.1. G8 SUMMIT (HOKKAIDO TOYAKO, 7 TO 9 JULY)

The PRESIDENT reported on the G8 summit which had taken place in Hokkaido Toyako from 7-9 July. He began by expressing his satisfaction at the results achieved.

He welcomed in particular the G8's agreement on a long-term climate-change goal of reducing greenhouse gas emissions by at least 50% by 2050, together with mid-term targets. He felt that this went a long way towards securing a global UN agreement on the climate at Copenhagen in 2009.

The PRESIDENT also referred to the notable progress made during the "meeting of the major economies", stressing the important developments since the Heiligendamm summit the previous year which, he felt, were largely attributable to efforts by the EU.

He then went through the list of achievements: on development – the renewed commitment to implementing the Millennium Development Goals; on food security – the announcement of the EU's intention to set up a new €1 billion

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facility to support agriculture in developing countries; and on the world economy – recognition by the G8 of the urgent need to conclude the Doha negotiating round and reach a comprehensive and balanced agreement.

The PRESIDENT felt there had been more optimism than at previous summits regarding the prospects of bringing negotiations on the Doha Development Agenda to a successful conclusion.

There had been a notable convergence of views with the World Bank and the International Monetary Fund on the analysis of the situation regarding prices and energy and on concerns over world inflation. He also stressed that a clear link had been established between these various issues, with the global nature of the problems – and hence the need for global solutions – being brought to the fore.

Finally, two important decisions had been taken: an international partnership for cooperation on energy efficiency was to be launched, with a G8 Energy Forum planned for the end of the year; and the G8 Agriculture Ministers were to meet later in the year to discuss world food security.

In conclusion he expressed once again his satisfaction at the outcome of the summit in terms of the fight against climate change and mentioned the questions raised regarding the format of the G8 and the pressure to expand it to 13 countries.

The Commission took note of this information.

23.2. *SUMMIT OF THE UNION FOR THE MEDITERRANEAN (PARIS, 13 JULY)*
(SEC(2008)2327)

The Commission took note of the information note from Ms FERRERO-WALDNER in SEC(2008)2327.

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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 12.42 hours.