



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

**PV(2011)1983 final**

Brussels, 20 December 2011

**MINUTES**

**of the 1983rd meeting of the Commission  
held in Strasbourg  
(Winston Churchill building)  
on Tuesday 13 December 2011  
(afternoon)**

---

**PV(2011)1983 final**

## TABLE OF CONTENTS

<b>Attendance list</b>	<b>4-6</b>
1. AGENDAS (OJ(2011)1983/3; SEC(2011)1529/2).....	7
2. WEEKLY MEETING OF CHEFS DE CABINET (RCC(2011)1983).....	7
3. APPROVAL OF MINUTES OF 1982ND MEETING (7 DECEMBER).....	7
4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	7
4.1. WRITTEN PROCEDURES APPROVED (SEC(2011)1530 ET SEQ.).....	7
4.2. EMPOWERMENT (SEC(2011)1531 ET SEQ.).....	8
4.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2011)1532 ET SEQ.).....	8
4.4. SENSITIVE WRITTEN PROCEDURES (SEC(2011)1533 AND /2).....	8
4.5. AD HOC EMPOWERMENT CONCERNING MEASURES TO BE ADOPTED IN THE EVENT OF THE COUNCIL'S FAILURE TO ACT WHEN FIXING FOR 2012 THE FISHING OPPORTUNITIES FOR CERTAIN FISH STOCKS AND GROUPS OF FISH STOCKS, APPLICABLE IN UNION WATERS AND, FOR UNION VESSELS, IN CERTAIN NON-UNION WATERS (C(2011)9170).....	8
4.6. GENERAL EMPOWERMENT IN THE FIELD OF ECONOMIC AND FINANCIAL AFFAIRS CONCERNING UNION ASSISTANCE AND BORROWINGS/LOANS PROVIDING ASSISTANCE FOR MEMBER STATES' BALANCES OF PAYMENTS AND MACRO FINANCIAL ASSISTANCE FOR NON-MEMBER COUNTRIES (C(2011)9428).....	9
5. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2011)1534/2).....	9
5.1. DG CLIMA – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2011)59 TO /6).....	9
5.2. EUROPEAN ANTI-FRAUD OFFICE – PROCEDURE FOR APPOINTING MEMBERS OF THE SUPERVISORY COMMITTEE (SEC(2011)1601).....	10
5.3. DG HUMAN RESOURCES – PROPOSAL FOR A REGULATION OF THE	

*EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING THE STAFF  
REGULATIONS OF OFFICIALS AND THE CONDITIONS OF EMPLOYMENT OF  
OTHER SERVANTS OF THE EUROPEAN UNION (COM(2011)890/3;  
SEC(2011)1603; SEC(2011)1604; SEC(2011)1605) ..... 11*

6. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE  
102 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN  
UNION AND ARTICLE 54 OF THE EEA AGREEMENT (*CASE  
COMP/39692 – IBM MAINTENANCE SERVICES*) (C(2011)9245 TO /4)..... 12

7. INTERINSTITUTIONAL RELATIONS (RCC(2011)1038) ..... 13

7.1. *LEGISLATIVE MATTERS* ..... 13

7.2. *RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL*..... 14

7.3. *RELATIONS WITH PARLIAMENT* ..... 26

7.4. *MULTIANNUAL FINANCIAL FRAMEWORK 2014-2020*..... 26

**Single sitting: Tuesday 13 December 2011 (afternoon)**

The sitting opened at 13.12 with Mr BARROSO, President, in the chair.

Present:

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

Absent:

Ms KROES	Vice-President
Ms GEORGIEVA	Member
Mr HAHN	Member
Ms HEDEGAARD	Member
Mr FÜLE	Member
Ms MALMSTRÖM	Member

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

Mr JOSTEN	A member of Ms KROES' staff
Mr MÜLLER	A member of Ms HEDEGAARD's staff
Mr GIERING	A member of Mr FÜLE's staff

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr VANDERSTEEN	Acting Director-General, DG Communication	
Mr DOENS	Head of the Commission Spokesperson Service	
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	
Mr LAHTI	A member of Mr REHN's staff	Item 7 (in part)

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

**1. AGENDAS**

**(OJ(2011)1983/3; SEC(2011)1529/2)**

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(2011)1983)**

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 12 December.

**3. APPROVAL OF MINUTES OF 1982<sup>ND</sup> MEETING (7 DECEMBER)**

The Commission held over approval of the minutes of its 1982<sup>nd</sup> meeting for the following week.

**4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS**

***4.1. WRITTEN PROCEDURES APPROVED***

***(SEC(2011)1530 ET SEQ.)***

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 9 December.

**4.2. EMPOWERMENT**

*(SEC(2011)1531 ET SEQ.)*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 9 December.

**4.3. DELEGATION AND SUBDELEGATION OF POWERS**

*(SEC(2011)1532 ET SEQ.)*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 5 and 10 December, as archived in e-Greffe.

**4.4. SENSITIVE WRITTEN PROCEDURES**

*(SEC(2011)1533 AND /2)*

The Commission took note of the sensitive written procedures for which the time limit expired between 12 and 16 December and of the 'finalisation' written procedures initiated following the weekly meeting of Chefs de cabinet on 5 and 12 December.

**4.5. AD HOC EMPOWERMENT CONCERNING MEASURES TO BE ADOPTED IN THE EVENT OF THE COUNCIL'S FAILURE TO ACT WHEN FIXING FOR 2012 THE FISHING OPPORTUNITIES FOR CERTAIN FISH STOCKS AND GROUPS OF FISH STOCKS, APPLICABLE IN UNION WATERS AND, FOR UNION VESSELS, IN CERTAIN NON-UNION WATERS**

*(C(2011)9170)*

The Commission decided to empower Ms DAMANAKI, Member of the Commission responsible for fisheries and maritime affairs, to adopt, in agreement with the PRESIDENT and on behalf of the Commission and under its responsibility, decisions concerning fishing opportunities for 2012 for certain fish stocks, in the event of the Council failing to act, in accordance with the terms laid down in C(2011)9170.



**4.6. GENERAL EMPOWERMENT IN THE FIELD OF ECONOMIC AND FINANCIAL AFFAIRS CONCERNING UNION ASSISTANCE AND BORROWINGS/LOANS PROVIDING ASSISTANCE FOR MEMBER STATES' BALANCES OF PAYMENTS AND MACRO FINANCIAL ASSISTANCE FOR NON-MEMBER COUNTRIES**  
**(C(2011)9428)**

The Commission granted the general empowerment set out in C(2011)9428 to the Member of the Commission responsible for economic and monetary affairs and the euro for the adoption, on behalf of the Commission and under its responsibility, of certain decisions relating to Union assistance and borrowings/loans providing assistance for Member States' balances of payments and macro financial assistance for non-member countries.

**5. ADMINISTRATIVE AND BUDGETARY MATTERS**  
**(SEC(2011)1534/2)**

**ADMINISTRATIVE MATTERS**  
**(PERS(2011)159/2)**

**5.1. DG CLIMA – APPOINTMENT OF AD14/15 DIRECTOR**  
**(PERS(2011)59 TO /6)**

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, 'Mainstreaming, Adaptation and Low Carbon Technology', in DG Climate Action (PERS(2011)59 to /4).

It took note of the opinions of the Consultative Committee on Appointments of 9 and 24 November (PERS(2011)59/5 and /6).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT

and Ms HEDEGAARD, it then decided to appoint Mr Humberto DELGADO ROSA to the post.

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

**5.2. EUROPEAN ANTI-FRAUD OFFICE – PROCEDURE FOR APPOINTING MEMBERS OF THE SUPERVISORY COMMITTEE (SEC(2011)1601)**

The Commission took note of the information at point 2 of PERS(2011)159/2 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr ŠEMETA, decided:

- to approve the appointment of Mr Herbert BÖSCH, Mr Johan DENOLF, Ms Catherine PIGNON, Ms Rita SCHEMBRI and Mr Christiaan TIMMERMANS as members of the Supervisory Committee of the European Anti-Fraud Office (OLAF);
- to approve the list of alternate members of the OLAF Supervisory Committee, consisting, in order of priority, of Mr Jens MADSEN, Ms Cristina NICOARA, Mr Tuomas Henrik PÖYSTI and Mr Dimitrios ZIMIANITIS;
- to endorse the draft decision of the European Parliament, the Council and the Commission as set out in SEC(2011)1601;
- to authorise Mr ŠEMETA, Member of the Commission responsible for the fight against fraud, to sign the draft decision on behalf of the Commission and, together with Parliament and the Council, to set the date on which the term of office of the members of the OLAF Supervisory Committee would begin, in accordance with the terms set out in SEC(2010)1601.

These decisions would take effect immediately.

**5.3. DG HUMAN RESOURCES – PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING THE STAFF REGULATIONS OF OFFICIALS AND THE CONDITIONS OF EMPLOYMENT OF OTHER SERVANTS OF THE EUROPEAN UNION**  
**(COM(2011)890/3; SEC(2011)1603; SEC(2011)1604; SEC(2011)1605)**

In order to continue, in the light of current developments, the efforts to modernise the institutions and increase their effectiveness, which were begun after the major reform in 2004, Mr ŠEFČOVIČ laid before the Commission a proposal for a Regulation of the European Parliament and of the Council amending the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union relating among other things to pensions, weekly working hours, career structure and the method for adjusting remuneration and pensions. In accordance with the current social dialogue procedure, this draft had been submitted for consultation with the staff representatives.

Having also noted the information set out in point 3 of PERS(2011)159/2, the Commission:

- took note of the opinions of the Staff Regulations Committee and the Central Staff Committee, as set out in SEC(2011)1604 and SEC(2011)1605, following consultation of those bodies with regard to the revised version of the draft proposal amending the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union;
- took note of the communication in SEC(2011)1603;
- adopted the proposal for a Regulation in COM(2011)890/3 for transmission to Parliament, the Council, the European Court of Justice and the Court of Auditors, and, for information, to the Economic and Social Committee, the Committee of the Regions and the national parliaments.

**6. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 102 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND ARTICLE 54 OF THE EEA AGREEMENT (CASE COMP/39692 – IBM MAINTENANCE SERVICES)  
(C(2011)9245 TO /4)**

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 5 December in C(2011)9245/3;
- took note of the final report of the Hearing Officer of 5 December in C(2011)9245/4;
- adopted in the authentic language (English) the decision in C(2011)9245, making the commitments offered by the company concerned, as set out in the annex to the decision, binding on it;
- decided to authorise Mr ALMUNIA, Member of the Commission responsible for competition, acting in agreement with the PRESIDENT, to adopt the decisions necessary to implement the commitments forming part of this decision, in order to guarantee that the company concerned complied with them;
- decided that the decision in C(2011)9245 would be notified to the company concerned, together with the final report of the Hearing Officer;
- decided that the key parts of the decision, together with the Advisory Committee's opinion and the Hearing Officer's final report, would be published in the official languages of the Union in the *Official Journal of the European Union* (with business secrets and other confidential information removed);
- decided also to publish the decision on the internet (with business secrets and other confidential information removed).

## **7. INTERINSTITUTIONAL RELATIONS (RCC(2011)1038)**

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 9 December (RCC(2011)1038).

It paid particular attention to the following points.

### **7.1. LEGISLATIVE MATTERS**

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

##### Dossiers at Parliament first reading

- Amendment of Regulation (EC) 1290/2005 on the financing of the common agricultural policy and Regulation (EC) 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products ('Single CMO Regulation') as regards food distribution to the most deprived persons in the Community (Regulation) – SIEKIERKSI report – 2008/0183 (COD)

The Commission approved the declaration set out in SI(2011)475.

- OTC derivatives, central counterparties and trade repositories (Regulation) – LANGEN report – 2010/0250 (COD)

The Commission approved the line set out in SI(2011)471/3.

##### Dossier at Parliament second reading

- Waste electrical and electronic equipment (WEEE) (Directive – recast) – FLORENZ Report – 2008/0241 (COD)

The Commission approved the line set out in SI(2011)481.

#### **ii) Preparation of Parliament's December part-session (point 1.3 of the IRG record)**

Ordinary legislative procedure – first reading

- Public access to European Parliament, Council and Commission documents (Regulation – recast) – CASHMAN report – 2008/0090 (COD)

The Commission approved the line set out in SP(2011)8694.

**7.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL**

**iii) Programming of Council business**

(SI(2011)482)

The Commission took note of the information in SI(2011)482 on the Council meetings between 15 and 22 December.

**iv) Outcome of the European Council and the summit of Heads of State or Government of the euro area (Brussels, 8 and 9 December)**

(SI(2011)480; SI(2011)489)

The PRESIDENT reported on the outcome of the European Council and summit of Heads of State or Government of the euro area, held on 8 and 9 December, describing these meetings as being of capital importance in more ways than one. He pointed out that the two objectives pursued had been to reach agreement on measures to stabilise the euro in the short term, and to lay the foundations for a strong and stable euro in the longer term.

He proposed that, rather than going back over the official conclusions of the European Council or the letter which he himself had sent to the Commission Members the day after that meeting, the debate should focus on the substance of the decisions taken which, in his view, constituted major progress and had garnered wide support for the Commission's proposals. He admitted that the Commission would have preferred a different outcome in terms of the form, one that was more in line with the conclusions it had reached at its two previous meetings on 30 November and 7 December. He considered that, while prudence was still advisable, the risks involved for the Union, the Community method and the Commission were manageable.

The PRESIDENT turned first to the important decisions aimed at reinforcing the tools to stabilise the euro, which had been the subject of the statement by the euro area Heads of State or Government. It had been agreed to rapidly deploy the European Financial Stability Facility leveraging and to speed up the entry into force of the treaty establishing the European Stability Mechanism, bringing this forward to July 2012. It had been satisfying to see that the Commission's recommendations on the future European Stability Mechanism had been followed, namely that the involvement of the private sector would adhere to IMF practices, and that there would be a qualified majority vote of 85% in emergencies. The PRESIDENT also referred to the decision by Member States to mobilise additional resources for the IMF in the form of bilateral loans to ensure that it had sufficient funds to cope with the crisis. This decision should be confirmed within the next few days.

He then turned to the measures aimed at giving the euro sound foundations in the longer term. The agreement reached reflected very clearly the will to move towards greater discipline, convergence and fiscal integration.

Considerable headway had been made with the legislative package comprising six measures on European economic governance (the 'six-pack'), which came into force that day, and with the two Commission proposals adopted on 23 November, based on Article 136 of the Treaty on the Functioning of the European Union, in relation to which the European Council had called for rapid progress.

The 'new fiscal compact' agreed at the Summit could have very positive effects if implemented in full. This compact would contain a 'golden rule' on the balancing of government budgets, would reinforce the excessive deficit procedure, which from now on would be triggered automatically once the 3% deficit ceiling was exceeded, and would tighten up coordination of Member States in relation to issuing debt and taking important economic policy decisions.

The PRESIDENT also underlined another key strategy on the European

Council agenda: growth. The 2012 Annual Growth Survey presented by the Commission had been welcomed by the Heads of State or Government as had its proposal to use accelerated adoption procedures so that the main growth-promoting measures could be implemented as soon as possible. The PRESIDENT had given a presentation on the Euro Plus Pact to the European leaders, highlighting the areas in which progress had been made and those in which efforts would have to be stepped up, for instance on competitiveness and employment, with a view to the new European Semester.

Lastly, the PRESIDENT felt that the outcome of the European Council was, in substance, positive, even if the results in terms of form were not quite in line with the Commission's expectations. Drawing on the discussions between the Commission Members at their two previous meetings, he said that he had argued vigorously for a solution involving the 27 Member States, within the treaties, and making use of the possibilities offered by Protocol No 12 of the Treaty on the Functioning of the European Union, which in his view would have been supported by most Member States. He explained that this had failed owing to the United Kingdom's demands, regarded as excessive because they went far beyond the general principles of non-discrimination and elimination of barriers to trade between Member States, in particular the demand for a protocol on financial services which would have affected the single market and undermined the reform in progress. The other Member States had refused to pay this price.

He went on to explain that the Heads of State or Government had then looked at other ways of implementing the fiscal compact. It was possible to implement it partly through secondary law. For the remainder, a decision had been taken to conclude an intergovernmental meeting of the '27 minus one', although several Member States still had to consult their national parliaments.

Expressing disappointment at the fact that it had then proved impossible to reach a unanimous decision so that a separate intergovernmental agreement would be necessary, the PRESIDENT emphasised, nevertheless, the positive aspects, first and foremost the message conveyed by the vast majority of



Member States, including a good number that had not yet adopted the euro, which indicated very clearly their commitment to deepening integration on the basis of a solid euro.

As for the form itself, he did not believe that the difficulties of a separate agreement were insurmountable, given that most of the Member States had stated that they did not want to circumvent the Community method or the European institutions, so there would be no question of creating parallel or rival structures that might undermine the integrity of the European Union treaties. In any case, he was determined that the Commission would fulfil its responsibility as guardian of the treaties and ensure that the intergovernmental agreement was legally viable and fully compatible with the EU treaties. Within the framework of the commitments to strengthen coordination, made by the Member States that are signatories to the agreement, the Commission could continue its monitoring and surveillance role as usual, in line with the ‘six-pack’ model and the rules based on Article 136 of the Treaty on the Functioning of the European Union.

The PRESIDENT cautioned against viewing the intergovernmental agreement as the end point; the door remained open to any Member States that might want to rethink their opposition to a revision of the Treaty. He pointed out that the statement by the euro area Heads of State or Government of 9 December 2011 even allowed for the possibility of incorporating the agreement into the EU treaties as soon as possible. He acknowledged that much work remained to be done if the agreement was to be signed in March. The Commission’s Legal Service was working closely with the Council’s, and a first draft of the text should be ready in a few days. He stressed that he had that morning given a speech to the European Parliament on the results of the European Council, in which he had explained very clearly the Commission’s position on the revision of the Treaty and its commitment to involving Parliament in the process.

He concluded by mentioning the other important conclusions of the European Council, particularly as regards enlargement, where the Commission’s

recommendations had been broadly followed. It had been decided that the Council would reach a decision on Serbia's candidate country status in February 2012 and this would be confirmed at the European Council in March. In the case of Montenegro, the Commission had been asked to present a new report on the implementation of the reforms before a decision was taken on opening negotiations in June 2012. It had not been possible to take a decision on Bulgaria and Romania's accession to the Schengen area. An in-depth discussion on the governance of the Schengen system would be held at the next European Council, and the Commission would need to prepare for this carefully. In the area of energy, he hoped that the conclusions would encourage the European Union to redouble its efforts to complete the internal market and improve its energy efficiency.

He ended by expressing satisfaction at the signature of Croatia's Accession Treaty, which showed that the European Union still exerted a power of attraction, despite the current difficulties. Croatia would become the twenty-eighth Member State on 1 July 2013.

Mr REHN shared the PRESIDENT's interpretation of the substantive results of the meetings of 8 and 9 December, citing in particular the measures to strengthen the financial safety nets for containing the contagion of the economic crisis, and the new fiscal compact. However, he had reservations about the form, regretting that it had not been possible to reach an agreement supported by all 27 Member States. In his view, the Commission could, however, play an important role here in trying to reconcile the different positions in order to prevent the divisions from widening.

Referring to the new fiscal compact, which marked a new step towards greater fiscal discipline in the euro area, he reiterated the statement by the euro area Heads of State or Government on 9 December fully supporting the six pieces of legislation on economic governance (the 'six-pack'), committing the 17 members of the euro area and any Member States that wished to join them to adopting the Commission's proposals based on Article 136 of the Treaty on the Functioning of the European Union without delay, and providing for a

new balanced budget rule and stricter rules to correct excessive deficits.

The Commission then held an in-depth discussion during which the following main points were raised:

- an agreement to strengthen economic governance and introduce the new fiscal compact was essential in order to pave the way for closer economic integration of the EU Member States;
- disappointment that, as regards the form, the Member States had opted for an intergovernmental agreement;
- on the substance, the positive aspects of the agreement, such as the package of measures to enhance fiscal discipline within the euro area, the acceleration of the entry into force of the European Stability Mechanism and the participation of the private sector under the principles and practices of the International Monetary Fund; in particular, the desire expressed by the vast majority of non-euro area Member States to be party to this agreement;
- questions about the ratification process for the intergovernmental agreement in the Member States and the associated risks;
- questions about the political vision behind the intergovernmental agreement; for example, in the event of a transfer of sovereignty in the area of economic governance, which bodies would exercise the new powers being envisaged, the European institutions or some new intergovernmental structure created for that purpose;
- doubts regarding the Commission's future position in the institutional set-up that would emerge from the intergovernmental agreement; the risk that the Commission might see its role reduced to that of merely implementing decisions on economic governance taken at intergovernmental level; in this context, questions in particular about the Commission's powers to adopt sanctions if a Member State were to

infringe the rules of the new fiscal compact;

- the suggestion that the Court of Justice of the European Union be asked for its opinion on the compatibility of an intergovernmental agreement with the Union treaties;
- the importance of pointing out that, although the summit had managed to set out a plan to resolve a number of long-term problems, stronger measures were needed to stabilise markets in the short term in order to spare the EU and the euro area from further turmoil and to preserve the cohesion of the euro area;
- concerns that the lack of concrete measures to revive growth might undermine implementation of the fiscal compact; questions too about how long the new fiscal compact would last and whether future European governments would commit to implementing it;
- the need for the economic governance exercise to be accompanied by democratic checks and balances, hence the case for involving the European Parliament in drafting the intergovernmental agreement in order to uphold its prerogative of democratic scrutiny; in this context, the idea of convening national parliamentary committees on European, budgetary and financial affairs in the near future, under the auspices of the European Parliament, to inform them of developments on strengthening economic governance (the ‘six-pack’) and on the recent legislative proposals in that field;
- the importance for the Commission of being well placed in the negotiations on a new intergovernmental agreement: a majority of the Member States and the European Parliament wanted the Commission to make an active contribution to these negotiations in order to safeguard the Community method;
- the importance for the Commission to examine ways of keeping dialogue open with the United Kingdom; the need to stress the Commission’s

intention of working with all the Member States to complete a single market covering 27 countries, which would play a role in enhancing competitiveness, including for the UK financial sector;

- the need to take steps to boost competitiveness and the real economy and to resolve the liquidity crisis, and in particular to provide European businesses with access to credit; regret at the absence of clear guidelines on this point from the euro area Heads of State or Government.

The PRESIDENT thanked the Members of the Commission for their comments and asked the Director-General of the Legal Service to clarify a number of points.

The Director-General began by noting that some questions could not be answered at this stage. He explained that the Member States were within their rights to conclude agreements among themselves if they met certain conditions. They must abide by the primacy of Union law and the principle of sincere cooperation and apply the Community method for matters falling within the remit of the European Union. In other words, the intergovernmental agreement could not alter the rules of the EU treaties or interfere with the procedures laid down therein. He took as an example the Schengen Agreement, which had been established on uncharted legal territory; by contrast, economic governance was an area in which Community law had already left its mark. As regards the possibility of asking the Court of Justice of the European Union for an opinion on the compatibility of an intergovernmental agreement with the Union treaties, his initial feeling was that such an approach would be impossible, as it had no legal basis.

He also drew a distinction between, on the one hand, measures that could be adopted by secondary legislation on the basis of the current treaties and, on the other, measures that had no legal basis in the treaties and were therefore not covered by Union law. He suggested that the latter could form part of the intergovernmental agreement, citing as an example the ‘golden rule’ on balanced budgets and the jurisdiction of the European Court of Justice to

monitor transposal of this rule in national law. It would also be useful if the agreement were to include a clause setting out the principle of the primacy of Community law and the possibility of incorporating the agreement into the EU treaties at a later date.

Mr REHN, taking the floor, said that in his view it was up to the European institutions to ensure that the intergovernmental agreement was based on the Community method and on the European Union's supervisory rules, and that it was up to the Commission in particular to contribute to the debates on this issue. He welcomed the involvement of the European Parliament and stressed the importance of this involvement in terms of democratic legitimacy. With regard to the fiscal compact, the necessary revision of secondary legislation was under way with a view to including the new points adopted by the European Council.

Mr REHN also said that he had recently sent a letter to five Member States (Belgium, Cyprus, Malta, Hungary and Poland) inviting them to correct their excessive deficit by mid-2012, and that the proposed measures would be adopted by written procedure the following week. He would report on this matter to the Commission meeting on 20 December, and the initiatives would be put before the Economic and Financial Affairs Council in January 2012.

He wound up by outlining the next steps awaiting the European Union, in particular the specific measures that would be taken on the basis of the Annual Growth Survey to stimulate sustainable growth, the strengthening of surveillance by the Commission, the 'six pack' proposals for secondary legislation and the completion, as soon as possible, of the treaty establishing the European Stability Mechanism.

In conclusion, the PRESIDENT spoke of his confidence, founded on the fact that despite the risk that the European Council would end with its members divided into two camps, with the 17 euro area countries on the one hand and the 10 countries which had not yet adopted the euro on the other, the result had been wholehearted support for the European Union and for European

solidarity. He strongly reaffirmed the primacy of the Community method, the common institutions and European law. He also emphasised that the legitimacy of decisions was a crucial aspect which would be ensured only by closely involving the European Parliament as well. With regard to the national parliaments, he pointed out that they had the responsibility of ratifying the future intergovernmental agreement. Turning to European stability bonds, which were one of the main subjects of debate at the European Council, he said that he had clearly defended the idea that this project marked the Union's firm commitment to the euro.

With regard to economic prospects in the short term, he admitted that difficult adjustments had to be made, including reforms to stimulate competitiveness, innovation and green growth without drawing on budgetary margins that had already been significantly eroded. However, he emphasised the value of a proper political balance between responsibility and solidarity, discipline and convergence, and announced that a Commission seminar on these matters would be held at the beginning of next year. He concluded by noting the Commission's increased responsibilities, which went well beyond the power to impose penalties and also reinforced its role as lead proposer.

The Commission took note of this information.

**v) Developments in the Council since 1 December**

(point 2.2 of the IRG record)

- Bilateral negotiations to upgrade the Euro-Mediterranean Association Agreements with Egypt, Jordan, Morocco and Tunisia with a view to establishing deep and comprehensive free trade areas

The Commission approved the line set out in SI(2011)476.

- Council Decision 94/800/EC concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the agreements reached in the Uruguay Round multilateral negotiations (1986-1994) – Government Procurement Agreement

The Commission approved the line set out in SI(2011)478 and /2.

**vi) Preparation for Council meeting (Foreign Affairs) (Brussels, 14 December)**

(point 2.3.3 of the IRG record)

- Position to be adopted on behalf of the European Union within the relevant instance of the World Trade Organisation on the accession of Samoa to the World Trade Organisation (Council Decision) – 2011/0331 (NLE)
- Position to be adopted on behalf of the European Union within the relevant instances of the World Trade Organisation on the accession of the Russian Federation to the World Trade Organisation (Council Decision) – 2011/0320 (NLE)

The Commission approved the line set out in SI(2011)472.

**vii) Preparation for Council meeting (Agriculture and Fisheries) (Brussels, 15 and 16 December)**

(point 2.3.4 of the IRG record)

- Fishing opportunities for 2012 for certain fish stocks and groups of fish stocks applicable in the Black Sea (Council Regulation) – 2011/0375 (NLE)
- Fishing opportunities for 2012 available to Union vessels for certain fish stocks and groups of fish stocks which are not subject to international negotiations or agreements (Council Regulation) – 2011/0255 (NLE)
- Fishing opportunities for 2012 available in Union waters and, to Union vessels, in certain non-Union waters for certain fish stocks which are subject to international negotiations or agreements (Council Regulation) – 2011/0317 (NLE)



The Commission approved the lines set out in SI(2011)464/3, SI(2011)465/2 and SI(2011)466 respectively.

**viii) Preparation for Council meeting (General Affairs) (Brussels, 16 December)**

(point 2.3.5 of the IRG record)

- Cohesion policy legislative package 2014-2020 – Proposal for a Regulation of the European Parliament and of the Council laying down 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 Regulation (EC) 1083/2006 / Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The Future of the European Union Solidarity Fund / Proposal for a Regulation of the European Parliament and of the Council on the Cohesion Fund and repealing Council Regulation (EC) 1084/2006 / Proposal for a Regulation of the European Parliament and of the Council on specific provisions concerning the European Regional Development Fund and the Investment for growth and jobs goal and repealing Regulation (EC) 1080/2006 / Proposal for a Regulation of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal / Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and implementation of such groupings / Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund and

repealing Regulation (EC) 1081/2006 / Proposal for a Regulation of the European Parliament and of the Council on the European Globalisation Adjustment Fund (2014-2020) / Proposal for a Regulation of the European Parliament and of the Council on a European Union Programme for Social Change and Innovation

The Commission approved the line set out in SI(2011)479/4.

### **7.3. RELATIONS WITH PARLIAMENT**

**ix) Action taken on non-legislative resolutions adopted by Parliament at its September II part-session**

(point 3.4.2 of the IRG record)

The Commission approved for transmission to Parliament documents SP(2011)8719 and /2 on the action taken on the non-legislative resolutions adopted by Parliament at its September II part-session.

**x) Action taken on non-legislative resolutions adopted by Parliament at its October I part-session**

(point 3.4.3 of the IRG record)

The Commission approved for transmission to Parliament document SP(2011)8720 on the action taken on the non-legislative resolutions adopted by Parliament at its October I part-session.

### **7.4. MULTIANNUAL FINANCIAL FRAMEWORK 2014-2020**

**xi) Commission reply to the request to take part in a House of Lords' inquiry into the 2014-2020 multiannual financial framework**

(point 6.1 of the IRG record)

The Commission approved the line set out in SNP(2011)10/3.

\*

\* \*

The meeting closed at 15:23.