



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

**PV(2012)2007 final**

Brussels, 27 June 2012

**MINUTES**

**of the 2007th meeting of the Commission**

**held in Brussels**

**(Berlaymont)**

**on Wednesday 20 June 2012**

**(morning)**

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**PV(2012)2007 final**

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**Single sitting: Wednesday 20 June 2012 (morning)**

The sitting was opened at 9.07 by Ms REDING, President BARROSO being absent.

**Present:**

Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	Item 9 (in part)
Ms KROES	Vice-President	
Mr TAJANI	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr REHN	Vice-President	
Mr BARNIER	Member	Items 8 and 9
Ms VASSILIOU	Member	
Mr ŠEMETA	Member	
Mr DE GUCHT	Member	Items 8 (in part) and 9
Mr DALLI	Member	
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	
Ms DAMANAKI	Member	
Mr OETTINGER	Member	
Mr HAHN	Member	Items 8 and 9
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	

Absent:

Mr BARROSO	President
Baroness ASHTON	High Representative/ Vice-President
Mr POTOČNIK	Member
Mr PIEBALGS	Member
Ms GEORGIEVA	Member
Ms HEDEGAARD	Member
Mr FÜLE	Member
Mr CIOLOŞ	Member

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

Mr BANNERMAN	Adviser in Baroness ASHTON's office
Mr VANDENBERGHE	Chef de cabinet to Mr POTOČNIK
Mr KARHUNEN	Adviser in Mr PIEBALGS's office
Ms HRISTCHEVA	Adviser in Ms GEORGIEVA's office
Mr VIS	Chef de cabinet to Ms HEDEGAARD
Mr BRUNET	A member of Mr FÜLE's staff
Mr HÄUSLER	Chef de cabinet to Mr CIOLOŞ

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr VANDERSTEEN	Deputy Director-General (acting), DG Communication	
Mr BAILLY	European Commission Spokesperson Service	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Items 8 (in part) and 9
Ms HOFFMANN	Deputy Chef de cabinet to Ms REDING	
Mr PESONEN	Chef de cabinet to Mr REHN	Items 1 to 8

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

**1. AGENDAS**

**(OJ(2012)2007/FINAL; SEC(2012)372/2)**

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

**2. WEEKLY MEETING OF CHEFS DE CABINET**

**(RCC(2012)2007)**

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 18 June.

**3. APPROVAL OF THE MINUTES OF THE 2005<sup>TH</sup> MEETING OF THE COMMISSION (6 JUNE) AND THE MINUTES OF THE 2006<sup>TH</sup> MEETING (12 JUNE)**

**(PV(2012)2005; PV(2012)2006)**

The Commission approved the minutes of its 2005th meeting and decided to hold over for one week approval of the minutes of its 2006th meeting.

**4. INTERINSTITUTIONAL RELATIONS**

**4.1. LEGISLATIVE MATTERS**

- i) **Access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms – Amendment of Directive 2002/87/EC on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate (Directive) / Prudential requirements for**

**credit institutions and investment firms (Regulation) –  
KARAS reports – 2011/0203 (COD) / 2011/0202 (COD)**

The Commission approved the line set out in SI(2012)298/2.

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

The Commission approved the line set out in SI(2012)299 and /2.

**iii) Amendment of Regulation (EC) 726/2004 as regards  
pharmacovigilance (Regulation) / Amendment of Directive  
2001/83/EC as regards pharmacovigilance (Directive) –  
MCAVAN report – 2012/0023 (COD) / 2012/0025 (COD)**

The Commission approved the line set out in SI(2012)301/2.

**iv) Agricultural product quality schemes (Regulation) –  
GARCÍA PÉREZ report – 2010/0353 (COD)**

The Commission approved the line set out in SI(2012)303.

**v) Certain measures in relation to countries allowing non-sustainable  
fishing for the purpose of the conservation of fish stocks  
(Regulation) – GALLAGHER report – 2011/0434 (COD)**

The Commission approved the line set out in SI(2012)304/2.

**vi) Amendment of Regulation (EC) 562/2006 establishing a Community  
Code on the rules governing the movement of persons (Schengen  
Borders Code) and the Convention implementing the Schengen  
Agreement (Regulation) – PAPANIKOLAOU report – 2011/0051  
(COD)**

The Commission approved the line set out in SI(2012)305.



**vii) Attacks against information systems and repeal of Council Framework Decision 2005/222/JHA (Directive) – HOHLMEIER report – 2010/0273 (COD)**

The Commission approved the line set out in SI(2012)306.

**viii) Amendment of Directive 2008/106/EC on the minimum level of training of seafarers (Directive) – SIMPSON report – 2011/0239 (COD)**

The Commission approved the line set out in SI(2012)308/2.

**ix) Energy efficiency and repeal of Directives 2004/8/EC and 2006/32/EC (Directive) – TURMES report – 2011/0172 (COD)**

The Commission approved the line set out in SI(2012)309/2.

**x) Action to be taken on Parliament's legislative opinions and resolutions of a legal nature  
(SP(2012)446)**

The Commission decided to empower the Commission Members responsible for the sectors in question, in agreement with the PRESIDENT and Mr ŠEFČOVIČ 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(2012)446, drawn up following the June part-session of Parliament, the contents of which were noted.

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

**xi) Programming of Council business  
(SI(2012)307)**

The Commission took note of the information in SI(2012)307 on the Council meetings between 21 June and 4 July.

**xii) Increase in the capital of the European Investment Bank (EIB)**

The Commission approved the line set out in SI(2012)315.

**4.3. RELATIONS WITH PARLIAMENT**

**xiii) Results of the June 2012 part-session**

(SP(2012)415; SP(2012)416)

The Commission took note of the information in SP(2012)415 and SP(2012)416 on the proceedings of the part-session of Parliament held in Strasbourg from 11 to 14 June.

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

**5.1. WRITTEN PROCEDURES APPROVED**

*(SEC(2012)373 ET SEQ.)*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 11 and 15 June.

**5.2. EMPOWERMENT**

*(SEC(2012)374 ET SEQ.)*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 11 and 15 June.

**5.3. DELEGATION AND SUBDELEGATION OF POWERS**

*(SEC(2012)375 ET SEQ.)*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 11 and 15 June, as archived in e-Greffe.

**5.4. SENSITIVE WRITTEN PROCEDURES****(SEC(2012)376 AND /2)**

The Commission took note of the sensitive written procedures for which the time limit expired between 18 and 22 June and of the finalisation written procedures initiated following the weekly meeting of Chefs de cabinet on 11 and 18 June.

**5.5. AMENDMENT OF THE DELEGATION OF POWERS FOR THE MANAGEMENT OF CERTAIN ACTIVITIES OF THE SEVENTH RESEARCH FRAMEWORK PROGRAMMES (EC AND EURATOM)****(C(2012)4123)**

The Commission decided :

- to adopt the amendment to the delegation of powers (SEC(2007)1732, as previously amended by SEC(2010)141) for the management of certain activities of the seventh research framework programmes (EC and Euratom), as set out in C(2012)4123;
- in particular, to delegate to the Director-General of DG Research and Innovation the power to conclude certain Amendments to the Cooperation Agreement between the European Union and the European Investment Bank in respect of the Risk-Sharing Finance Facility – approved on 25 May 2007 (C(2007)2181) and subsequently amended as regards Annex VI (Asset Management Guidelines) – on the basis of joint preparation of such Amendments by the Directors-General of DG Economic and Financial Affairs and DG Research and Innovation, under the terms set out in C(2012)4123.

**6. ADMINISTRATIVE AND BUDGETARY MATTERS**

**(SEC(2012)377/2)**

**ADMINISTRATIVE MATTERS**

**(PERS(2012)75/2)**

**6.1. DG COMMUNICATION – APPOINTMENT OF AD14/15 DIRECTOR**

**(PERS(2012)33 TO /3)**

The Commission had before it applications under Article 29 (1) (a) (i) and (iii) of the Staff Regulations for the post of Director, ‘Strategy and Corporate Communication’, in DG Communication (PERS(2012)33).

It took note of the opinions of the Consultative Committee on Appointments of 14 and 24 May (PERS(2012)33/2 and /3).

The Commission proceeded to consider the applicants’ qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms REDING, it then decided to appoint Ms Sixtine BOUYGUES to the post.

This decision would take effect on 1 July 2012.

**6.2. DG EDUCATION AND CULTURE – APPOINTMENT OF AD14/15 DIRECTOR**

**(PERS(2012)34 TO /6)**

The Commission had before it applications under Article 29 (1) (a) (i) and (iii) of the Staff Regulations for the post of Director, ‘Youth and Sport’, in DG Education and Culture (PERS(2012)34 to /4).

It took note of the opinions of the Consultative Committee on Appointments of 8 and 24 May (PERS(2012)34/5 and /6).

The Commission proceeded to consider the applicants’ qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and

Ms VASSILIOU, it then decided to appoint Ms Chiara GARIAZZO to the post.

This decision would take effect on 1 September 2012.

**6.3. DG ECONOMIC AND FINANCIAL AFFAIRS – END OF THE SECONDMENT OF AN AD15 OFFICIAL IN THE INTEREST OF THE SERVICE AND APPLICATION FOR UNPAID LEAVE ON PERSONAL GROUNDS**

The Commission took note of the information at point 3 of PERS(2012)75/2 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr REHN, decided:

- to approve the end of the secondment in the interest of the service of Ms Odile RENAUD-BASSO, an AD15 official, to the private office of the President of the European Council;
- to approve her reinstatement in her function as principal adviser in DG Economic and Financial Affairs;
- to take note of her application for unpaid leave on personal grounds under Article 40 of the Staff Regulations in order to take up duties as deputy director of the private office of the French Prime Minister.

This decision would take effect on 16 May 2012.

**6.4. SECRETARIAT-GENERAL / DG BUDGET / DG HUMAN RESOURCES AND SECURITY – ADMINISTRATIVE AND BUDGETARY ARRANGEMENTS FOR THE OPERATION OF THE TASK FORCE FOR GREECE  
(SEC(2012)401 FINAL)**

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, Mr REHN, Mr LEWANDOWSKI and Mr ANDOR, the Commission took note of:

- the Memorandum of Understanding between DG Employment, Social Affairs and Inclusion, DG Economic and Financial Affairs and the Task Force for Greece, signed for the implementation of Structural Funds in the context of the technical assistance to be provided to Greece, as set out in SEC(2012)401 final;
- the appointment by DG Employment, Social Affairs and Inclusion of Mr Peter STUB JORGENSEN, currently Director in that DG, as representative on the Task Force for Greece;
- the temporary provision of four extra posts to DG Employment, Social Affairs and Inclusion in order to undertake tasks relating to budget and financial management for the Task Force for Greece, without affecting the annual allocation of resources.

**7. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK – THE OUTERMOST REGIONS OF THE EUROPEAN UNION – TOWARDS A PARTNERSHIP FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH  
(COM(2012)287 TO /4; SWD(2012)170 AND /2; RCC(2012)67)**

The Commission approved the communication in COM(2012)287/4 for transmission to Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and the European Investment Bank, and, for information, to the national parliaments, together with the staff working document distributed as SWD(2012)170/2, the contents of which were noted.

## 8. OTHER BUSINESS

### *LATEST ECONOMIC DEVELOPMENTS*

Mr REHN referred first to the situation in Greece and the ongoing negotiations to form a new government following the recent elections. He briefly summarised the outcome of these elections and the implications for the stability of the country and the future of the reforms initiated.

He hoped that a new Greek government would be formed promptly to enable the new Minister of Finance to take part in the forthcoming meetings of the Eurogroup and Economic and Financial Affairs Council in Luxembourg on 21 and 22 June. The troika would go to Athens in the next few days to hold exploratory talks with the Greek authorities so that, on the basis of a negotiating mandate, it could resume its on-the-spot assessment mission in order to take stock of what had been achieved and what remained to be done.

Despite recent uncertainty because of the electoral campaign, some measures to implement the assistance programme were well under way, in particular in the fiscal field, and it would be possible to make good the delays, for instance in relation to privatisation. However, it was important for the overall success of the exercise that the new Government should have a broad electoral base and strong support from the people to enable it to carry out the necessary reforms.

Turning next to Spain, Mr REHN referred to the latter's announcement on 9 June that it intended to seek European financial assistance to deal with the restructuring and recapitalisation of its banking sector.

While the Eurogroup had welcomed this announcement, the markets had not reacted positively, probably because of the uncertainty that remained regarding the exact form this assistance might take, and in particular the source of the European financing – the European Financial Stability Facility (EFSF) and/or the European Stability Mechanism (ESM) – since the choice between these two sources would have implications in terms of the order of payment of creditors. He hoped, therefore,

that once Spain had lodged an official request for financial assistance, the negotiations on these specific matters could be started swiftly.

The results of the bank stress tests would be published in the coming days, and private auditors were currently in the process of assessing the Spanish banking sector's exposure, with some of the results for each bank being published soon, and the rest by September at the latest.

Once the exact recapitalisation and restructuring needs of the Spanish banks were known, the financial assistance decided on could come either from the EFSF or from the ESM, with a view to restoring the viability of the entire sector.

Mr REHN concluded his presentation saying that he was in close contact with the Spanish authorities so that once a decision had been taken, they could have access to European financial assistance and the Commission's administrative and technical support. His department was also working with the other departments and structures concerned, in particular – within the Commission – the Directorate-General for Competition.

In the course of the ensuing debate the following main points were raised:

***Concerning the situation in Greece***

- a reference to the outcome of the parliamentary elections of 17 June, which opened the way to the formation of a coalition government and put an end to a period of political uncertainty; recognition that the situation in Greece nevertheless remained fragile;
- the need for the European Union in general and the Commission in particular to send a clear and strong message of political support to the future government; a reminder of the Commission's wish for Greece to succeed in its undertaking, the importance of this success both for Greece itself and for the European Union as a whole, and the need for Greece to honour its commitments;



- questions concerning the calendar of forthcoming visits of the troika to Athens and of the discussions on the subject of the Memorandum of Understanding entered into by the European Union, the International Monetary Fund and Greece with a view to a second financial assistance programme;
- pending the assessments to be made with a view to drawing up an objective and reliable review of the situation, the need to focus the discussions on how the future Greek government would implement the measures pledged by the Greek authorities; the need, too, for the European Union to define clearly which measures it considered essential in the short term;
- the suggestion that a clear distinction be drawn between implementation of the structural reforms linked to the assistance programme, about which the Commission must be extremely rigorous – in particular the pace of privatisations or reforms of the public sector – and the aspects about which the European Union could be rather more flexible. For example, flexibility could be shown regarding the calendar for the review of the stages of budget reform, in view of the severe recession hitting Greece and the imminence of certain significant budget deadlines, in return for renewed structural efforts, for example to recast the tax governance system, as recommended by the Commission and the International Monetary Fund;
- a call, nevertheless, for prudence with regard to the precise aspects of the Memorandum of Understanding that might be renegotiated;
- the need to act quickly in proposing solutions for Greece's current liquidity crisis and to draw up a restructuring plan for the banking sector in order to provide an urgent remedy for the drying up of credit for investment in the Greek private sector, thereby supporting the country's real economy;
- questions about the reasons why certain loans granted to Greece by the European Investment Bank (EIB) had not been used for several months; a reminder of the significant proportion of gross domestic product represented by

European structural and cohesion funds, to be viewed against an absorption capacity that required considerable improvement;

- the proposal to consider increasing the capital of the EIB still further compared with the funds already provided, e.g. from the planned €10 billion to €12 billion, in order to be able to create a branch of the EIB specifically to finance projects in Greece, particularly infrastructure projects;
- the need for the European Union to conduct a critical debate on the measures that had been effective in Greece and those which had failed to deliver the expected results in the light of the new political situation in the country. This had been done, for example, in Ireland, where the issue of the minimum wage had been reviewed once the structural reforms were in place;
- recognition of the Commission's stabilising role and the positive action taken by Mr REHN in support of the Greek authorities and citizens; these attitudes had been much appreciated in the country;

***Concerning the situation in Spain***

- questions as to how Spain's economic situation might evolve in the time between the official request for financial assistance for the banking sector to be made by the Spanish government to the European institutions in the coming days, and the various stages in the analysis of the risks to which this sector was exposed, which would be completed by September at the latest;
- given the timescale for these audit activities, questions as to whether the amount of the planned financial assistance would meet the needs existing at the time it was deployed;
- the possible consequences of these uncertainties in the analysis made by the financial markets, combined with the uncertainties as to how much of the future European financial assistance for Spain was to come from the European Financial Stability Facility and how much from the European Stability Mechanism;

***Other matters***

- a reminder of the proposals already presented by the Commission with a view to providing a global European response to the current economic and financial crisis in the interests of the 27 EU Member States, for example the banking union, and the proposals still to be submitted, for example on the separation of risks in the banking sector; the observation that the idea of sharing the deficit burden was gradually winning acceptance and encouragement for greater European integration by strengthening the mutualisation that was essential for the 17 euro area Member States;
- whether to develop further the idea of sharing certain risks at European level, for example by setting up a ‘European Redemption Fund’, and calls for clarification regarding the need, if any, to amend the Treaty on the Functioning of the European Union in order to do so;
- questions about the reliability of the bank stress tests carried out in the past, from the point of view both of lending capacity and of equity capital, and on possible ways of updating such tests over time;
- the usefulness of the European Council of 28 and 29 June committing itself wholeheartedly to finding an overall solution to the situation in the euro area in order to put an end to the current turbulence;
- a call for the Commission to hold a detailed discussion, at its next meeting, on preparations for the European Council and the content of the proposals to be tabled by the Commission;
- a request for more information on the economic and budgetary situation of Cyprus;
- on the question of the recent G20 Summit held on 18 and 19 June at Los Cabos in Mexico, the usefulness for the Members of the Commission of having, in addition to the official communiqué, a detailed analysis of the discussion seen from the European point of view.

Mr REHN confirmed that the discussions would continue at the Commission's next meeting, which would be concerned with preparations for the European Council. He felt that Europe's response to Spain's request would have to be sufficiently swift, strong and structured to form an effective accompaniment to the political actions that would be agreed.

He pointed out that a number of future initiatives, such as those on a banking union or European bonds for example, would be impossible to implement unless the European Treaties were first amended. He also mentioned in this context the discussions under way, particularly in Germany, to find solutions to the problems caused by sovereign debt in the euro area; these discussions revolved around a 'European Redemption Fund' to be accompanied by a 'debt repayment pact', lasting for a specific period. He also said he would like further clarification from the Commission's Legal Service on this point. He went on to say that a fund of that kind would be able to operate effectively only if measures to strengthen governance went hand in hand with greater economic and budgetary integration.

He then explained, in relation to Greece, that discussions were ongoing regarding possible margins for flexibility, stressing nonetheless the need for the country to reform its administration, especially in tax matters. He also asked the Members of the Commission to consider what they might do to assist Greece, each in their own domain and on the basis of the Communication approved by the Commission on 18 April on growth and employment in Greece. He also reminded them of the importance of the timetable of the next few weeks.

He commented, as did several speakers, on the lack of liquidity on the market and the adverse effect this was having on the return to growth, particularly because it was leading to a lack of funding for the private sector and especially for small and medium-sized businesses. Lastly, he noted that if Greece's fiscal consolidation path were to be extended, a number of euro area Member States would probably have strong reservations, and it would then be important to educate and persuade the national ministers and parliaments concerned.

He clarified a number of points of uncertainty relating to the recapitalisation and restructuring of the Spanish banking sector through either the EFSF or the EMS.

Mr REHN gave a brief summary of the situation of Cyprus and the possibility discussed in certain media that the Member State might request external financial assistance. Stressing that open talks were currently being held on this question, he added that he personally would like to see preference given to a European solution.

Finally, Mr REHN referred briefly to the conclusions of the G20, quoting parts of the press release issued at the end of the meeting.

The Director-General of the Legal Service addressed the meeting on the subject of the mutualisation of the euro area's sovereign debt, pointing out that Article 125 of the Treaty on the Functioning of the European Union prohibited any joint liability of the Member States in financial matters and that as a result any proposal to introduce a redemption fund for this purpose would require prior amendment of the Treaty. He said that discussions on this matter were still going on and that all options remained open at that point.

Replying to a question on the outcome of the Los Cabos G20, Ms REDING said that the PRESIDENT, who was getting ready to take part in the UN Conference on Sustainable Development in Rio de Janeiro, was planning to send the College a memo as soon as possible.

She wound up the discussion by thanking Mr REHN for his presentation and the Members of the Commission for their contributions.

The Commission took note of these points.

## **9. RELATIONS WITH NON-MEMBER COUNTRIES**

### ***TRANSATLANTIC ECONOMIC RELATIONS***

Mr DE GUCHT referred to the Joint Statement on transatlantic economic relations

made by the President of the United States, the President of the European Commission and the President of the European Council in the margins of the G20 summit in Los Cabos on 19 June, following the publication of the Interim Report of the High Level United States-European Union Working Group on Jobs and Growth.

He drew attention to the fact that the Statement ended with a call for the Group to complete its work as quickly as possible, so that a recommendation on the decision to open negotiations for an overall agreement on trade and investment could be made to the leaders by the end of 2012. He said that he would shortly distribute a more detailed information note on the Interim Report.

Mr DE GUCHT considered, therefore, that work was well on track for the opening of negotiations and he welcomed the fact that the American authorities had acknowledged the added value of a comprehensive approach, as opposed to multiple sectoral approaches, as well as the need to conclude an ambitious, yet realistic agreement before the end of the present Commission's term of office.

He said that there was no doubt that the negotiations would be extremely complicated and would require input from all services, given the broad scope of the issues at stake.

The Commission also referred to the possibility of combining these negotiations with others being held at sectoral level with the American counterparts, to discussions under way with the United States on financial services and to the state of play of discussions with Canada.

Mr DE GUCHT reminded the Commission that the negotiations in question would focus on a free trade agreement, with particular emphasis on dismantling tariff barriers and red tape and on sanitary and phytosanitary standards, but would have no impact on non-trade related sectoral negotiations.

He also reported on the state of play of negotiations to conclude a global economic and trade agreement between the European Union and Canada; the aim was to finalise these negotiations before the next summit between the two partners, due to

take place in the autumn. He added that these negotiations should focus on defining a 'negative list,' i.e. of those sectors and areas excluded from the scope of the agreement, which would thus automatically benefit from trade liberalisation. In the context of these negotiations, he made particular reference to the complexity of questions relating to rules of origin and to the impact of the North American Free Trade Agreement.

Ms REDING concluded by stating that progress made in discussions on the opening of formal trade negotiations with the United States should be subject to regular follow-up.

The Commission took note of these points.

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The meeting closed at 10.27.