



Malta-EU Steering & Action Committee

GENERAL AFFAIRS



31.07.09

Budget

COM (2009) 288 - Preliminary Draft amending Budget N°6 to the General Budget 2009 General Statement of Revenue

The Preliminary Draft Amending Budget No 6 to the Budget for 2009 (PDAB 6/2009) covers the revision of the forecast of Traditional Own Resources (TOR, i.e. customs duties and sugar levies), VAT and GNI bases, the budgeting of the relevant UK corrections as well as their financing and revision of financing of GNI reductions in favour of the Netherlands and Sweden in 2009, resulting in a change in the distribution between Member States of their own resources contributions to the EU budget.

COM (2009) 337 – Preliminary Draft amending Budget N° 8 to the General Budget 2009 Statement of Expenditure by Section III – Commission

Preliminary Draft Amending Budget (PDAB) No 8 for the year 2009 covers the following elements:

- An increase of EUR 49 340 000 Animal disease eradication and monitoring programmes and monitoring of the physical conditions of animals that could pose a public health risk linked to an external factor – New measures. This increase is intended to strengthen the budget for the eradication of bluetongue disease.
- The creation of an Operation of the high-flux reactor (HFR) — Supplementary HFR programmes (2009 to 2011), with a "p.m."
- In relation with the European Police Office – transition costs, to be endowed with an amount of EUR 1 250 000 in commitment and payment appropriations. These appropriations will be redeployed from budget article 18 05 09 Prevention of and fight against crime.
- A reinforcement of the Community subsidy to EUROJUST by EUR 3 900 000, of which it is proposed that EUR 1 600 000 be covered by assigned revenue stemming from the recovery of the EUROJUST surplus for the financial year 2008. Thus, the request for



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fresh commitment appropriations in this amending budget amounts to EUR 2 300 000. The corresponding payment appropriations will come from article 18 06 07 Civil Justice programme.

- Modifications to the establishment plan of OLAF, without additional financial provisions. The net financial impact of this amending budget is EUR 51 640 000 in fresh commitments, with no new request for payment appropriations.

Annual Reports

[COM \(2009\) 400](#) – Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions mainstreaming sustainable development into EU policies: 2009 Review of the European Union Strategy for Sustainable Development

The December 2007 European Council asked the Commission to provide a second progress report on the EU Sustainable Development Strategy by June 2009. This review is in response to the request of the European Council. This report deals with the evolving role of sustainable development in EU Policy Making and marks the Policy progress on the EU's sustainable development strategy on matters such as: climate change and clean energy; sustainable transport; sustainable consumption and production; conservation and management of natural resources; Public Health; Social inclusion, demography and migration; global poverty and sustainable development challenges; Education and training; Research and Development and finally Financing and economic instruments. Moreover, it deals with taking sustainable development into the future. Nonetheless, it should be noted that the European Economic and Social Committee is preparing an exploratory opinion on the future of EU Sustainable Development Strategy for autumn 2009, which could further contribute to the debate.

[COM \(2009\) 343](#) - Report from the Commission Annual Report 2008 on Relations between the European Commission and the National Parliaments

Since the start of its term in 2004, the Commission has shown the great importance it has placed on relations with national parliaments, by making the definition and implementation of a genuine 'national parliaments approach' one of its key priorities.

A Vice-President has for the first time been given specific responsibility for relations with national parliaments, something which constitutes a starting point. Subsequently, since February 2005, the College has established a short-term action plan and three more global objectives:

- Mutual service – a continuous and open dialogue;



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- Networking;
- Strengthening links with citizens and their elected representatives.

Relations between the Commission and the national parliaments are continuing to be developed, while fully respecting the prerogatives of the EU institutions. 2009 will see a major turning point for the future of the Lisbon Treaty and a new Commission, following the European Parliament elections. This annual report highlights the Commission's commitment to pursuing greater collaboration and dialogue with national parliaments. The Commission wishes to maintain and further intensify political dialogue with national parliaments. It will implement, where appropriate, the measures necessary to ensuring the smooth implementation of the provisions of the Lisbon Treaty relevant to national parliaments.

COM (2009) 341 - Report from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions Annual report from the European Commission on the Instrument for Stability in 2008

This report is submitted to the European Parliament and the Council in compliance with the reporting requirement set out in Article 23 of Regulation (EC) N°1717/2006 of the European Parliament and the Council of 15 November 2006 establishing an Instrument for Stability (the IfS Regulation).

This report is also submitted in complement to the information already provided in accordance with the reporting requirement of Article 6(6) of the IfS Regulation. The practice established by the Commission since 2007 is to systematically inform the Council as well as the European Parliament of Exceptional Assistance Measures about to be supported under the IfS as part of the EU's crisis response. In view of the need to keep the reporting requirements on each individual programme manageable, the annual reports also provide for a global implementation update on all on-going measures earlier described, including those aspects on which information could not be provided upstream of the start of implementation. These updates are provided in the annexes to the Report.

Regional Policy

COM (2009) 384 - Proposal for a Council Regulation amending Regulation (EC) No 1083/2006 concerning general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund as regards simplification of certain requirements and as regards certain provisions relating to financial management



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The crisis is also having a negative impact on the budgets of Member States. It is in this context that the Commission has endeavoured to contribute to the debate currently taking place within the Union and with its international partners on how best to react to the current financial crisis and to its socio-economic consequences. In particular in the framework of its recovery package, the Commission proposed in December 2008 a number of regulatory changes to simplify the implementation rules for Cohesion Policy and to increase the pre-financing (advance payments) to ERDF and ESF programmes. The additional advance payments have provided an immediate cash injection of EUR 6.25 billion in 2009 to pre-finance investment, within the financial envelope agreed for each Member State for the 2007-2013 period. This amendment brings the total of advance payments in 2009 to EUR 11.25 billion. The Commission proposal was adopted by the Council in May 2009 and all advance payments now have been paid to Member States. The Commission has repeatedly encouraged Member States to transfer the additional advance payments to the bodies involved in project management to frontload expenditure to Cohesion Policy Projects.

The proposed modifications can be divided into two groups:

- Modification linked to the financial management rules with a view to further accelerate the implementation of ESF co-financed programmes on the ground.
- Modifications linked to programme implementation with a view to facilitate, simplify and clarify the rules governing Cohesion policy.

Other matters

[COM \(2009\) 389](#) - Proposal for a Council Decision revoking the agreements between the European Coal and Steel Community and the Swiss

The revocation of the agreements between the ECSC and Switzerland forms part of the measures to improve Community legislation. The processes and instruments implemented under the Better Regulation Action Plan include the simplification of existing legislation, requiring, among other things, an evaluation of the entire Community *acquis* in order to ensure that Community legislation is clear and up to date. The Treaty establishing the EC does not provide explicitly for internal procedures for revoking an international agreement. Nonetheless, the revocation of an international agreement by mutual consent is comparable to the amendment of an agreement.

[COM\(2009\) 392](#) - Proposal for a Council Decision on the Community position to be taken as regards the Joint Committee decision authenticating the Agreement between the European



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Community and its Member States on the one part, and the Swiss Confederation on the other, on the free movement of persons in the Bulgarian and Romanian languages.

Prior to the 2004 and 2007 enlargements of the EU, the European Community had entered into an Agreement with the Swiss Confederation on the free movement of persons. This agreement entered into force on 1 June 2002.

Upon the accession of the ten new Member States in 2004, a Protocol was entered into between the European Community and its Member States with the Swiss Confederation which provided for the free movement of persons originating from the new accession countries. This Protocol entered into force on 1 April 2006.

Similarly, a Protocol was entered into following Bulgaria and Romania's accession to the European Union. Article 9, paragraph 2 of this Protocol authorizes the Joint Committee to approve the authentic texts of the Agreement, including all Annexes and Protocols thereto and the Final Act in the Bulgarian and Romanian languages. However, Annexes II and III to the Agreement have been modified repeatedly, as a result of which an authentication in Bulgarian and Romanian would not fully reflect the current state of affairs concerning these annexes.

By means of this proposal the Commission is proposing that the Council adopt the Decision on the Community position to be taken on the decision of the said Joint Committee which is that the Bulgarian and Romanian versions of the original Agreement and the Protocol which provided for the ten accession countries of 2004 be equally authentic; whereas the Bulgarian and Romanian language versions of Annexes II and III shall be established by a separate decision of the Joint Committee.

International Trade

EU requests WTO consultations with the Philippines over unfair taxation of spirits – 29/07/2009

The European Union requested consultations with the Philippines at the World Trade Organisation (WTO) regarding excise taxes on distilled spirits, which the EU considers to be discriminatory and therefore in breach of international trade rules. Imported spirits including Spanish brandy and Scotch whisky can face taxes 10 to 50 times higher than those on domestic products, and exports to the Philippines have fallen significantly as a result. The EU has raised the issue repeatedly in recent years without success, and now hopes to use the WTO consultation process to arrive at a mutually satisfactory solution.

European industry has raised concerns about the Philippine excise tax regime for a number of years. Spirits produced from certain raw materials typically used domestically in the Philippines



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are taxed at a specific flat rate while other spirits, including most imported products, face a much higher tax.

This taxation regime has prevented EU exporters from fully participating in the Philippine market for alcoholic beverages, which has seen steady growth in recent years. While sales of local spirits have grown by over 8% since 2005, overall sales of imported spirits have actually declined during the same period. From 2004 to 2007, EU exports of spirits to the Philippines fell from around €37 million to €18 million. .

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Enlargement

EU membership – Iceland clears first hurdle – 28/07/2009

Iceland's bid to join the EU gets off to a fast start as the European foreign ministers have asked the Commission to evaluate Iceland's suitability for EU membership which is the first step in the entry process.

The Commission will now prepare a detailed study on Iceland's economic, legal and political systems which usually take more than a year to complete. However, Iceland may not have to wait as long as some countries, as it already has an advanced market economy and stable, democratic institutions which are two key conditions for membership.

Once they have received the report, the European Council and Parliament will decide whether to accept Iceland as an official candidate. Only then can formal negotiations begin on the terms of membership, a process that could take another year or two. If the EU accepts Iceland, the country will hold a referendum on the question.

In the meantime, during their meeting on 27 July, Foreign Ministers also reiterated their support for the membership aspirations of Western Balkan countries. At present, three countries which are; Croatia, Turkey and the Former Yugoslav Republic of Macedonia are official candidates for EU membership. Five other western Balkan countries; Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo are waiting in the wings.

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Anti-dumping duties



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COM (2009) 396 - Proposal for a Council Regulation amending Regulation (EC) No 1890/2005 imposing a definitive anti-dumping duty on imports of certain stainless steel fasteners and parts thereof originating, inter alia, in Vietnam

In August 2008 the Commission initiated an interim review of the measures in force in respect of stainless steel fasteners originating in Vietnam further to a request made by a Vietnamese exporting producer. The request was based on *prima facie* evidence that the circumstances on the basis of which measures were established have changed; i.e. that the company now fulfils the criteria for market economy treatment (MET) and therefore the continued imposition of measures at the existing levels would no longer be necessary to offset dumping.

The investigation showed that the company fulfilled the criteria to be granted MET and that no dumping took place during the investigation period. It was also found that the circumstances during the current investigation period were of a lasting nature. Thus the Commission is proposing that the Council adopt the Regulation that would amend the anti-dumping measures currently in force.

General Affairs Council Conclusions

27/07/2009

The Council invited that the Commission to give an opinion on an application by Iceland for membership of the European Union.

It adopted a common position extending the scope of restrictive measures against North Korea, in accordance with U' Security Council resolution 1874 (2009), following the testing of a nuclear device by North Korea in May.

It adopted joint actions extending the duration of the EU's monitoring mission in Georgia and the mandate of the EU special representative for the crisis in Georgia.

The Council adopted a regulation introducing a legal framework for credit rating agencies, providing for a legally-binding registration and surveillance system, and a directive aimed at tightening the rules on capital requirements for banks, in response to specific weaknesses identified in the light of the financial crisis.

The Council adopted a programme on electronic interoperability solutions for European public administrations, with a EUR 164.1 million budget for the 2010-15 period, and a directive making



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the 900 MHz frequency band, used for GSM, available for UMTS and other systems so as to provide a broader choice of services.

It adopted a regulation setting restrictions on the marketing of seal products, in response to concerns about seal hunting practices.

The Council also approved new rules for the coordination of social security systems, so as to make it easier for citizens to exercise their right to move from one member state to another for study, leisure or professional reasons.

The Council decided to step up the EU engagement for promoting peace and development in Somalia, in line with High Representative Javier Solana's recommendations. Priority will be given to activities that produce quick, yet sustainable, results to promote peace and recovery for the Somali people. Capacity building of public institutions will be of particular importance in this context.

In the light of the achievements of the EU Monitoring Mission in Georgia (EUMM), in particular in the areas of stabilisation, normalisation, and confidence building, the Council also decided to extend the mandate of EUMM for another 12 months until 14 September 2010.