



**COUNCIL OF  
THE EUROPEAN UNION**



11735/09 (Presse 207)

**PRESS RELEASE**

2954th Council meeting

**Economic and Financial Affairs**

Brussels, 7 July 2009

President

**Mr Anders BORG**  
Minister for Finance of Sweden

**P R E S S**

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11735/09 (Presse 207)

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**EN**

## **Main results of the Council**

*The Council opened **excessive deficit procedures** for **Latvia, Lithuania, Malta, Poland and Romania**, issuing recommendations on corrective measures to be taken, and adopted a new recommendation on measures to be taken by **Hungary** to correct its excessive deficit.*

*It adopted conclusions on **pro-cyclicality**, which is the term given to the perceived exacerbation of fluctuations on volatile financial markets. The conclusions assess work in progress aimed at reducing the pro-cyclical effects of financial regulation, as regards bank capital requirements and accounting standards for instance, as well as of remuneration schemes in the financial sector.*

*The Council adopted a programme granting assistance to 47 **energy projects** under the European economic recovery plan, for a total of EUR 3.98 billion in 2009 and 2010.*

*It also reviewed a number of member states' **stability and convergence programmes**.*

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

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## **PARTICIPANTS**

The governments of the Member States and the European Commission were represented as follows:

<b><u>Belgium:</u></b> Mr Didier REYNDERS	Deputy Prime Minister and Minister for Finance and Institutional Reforms
<b><u>Bulgaria:</u></b> Mr Boyko KOTZEV	Permanent Representative
<b><u>Czech Republic:</u></b> Mr Eduard JANOTA	Minister for Finance
<b><u>Denmark:</u></b> Mr Poul Skytte CHRISTOFFERSEN	Permanent Representative
<b><u>Germany:</u></b> Mr Peer STEINBRÜCK	Federal Minister for Finance
<b><u>Estonia:</u></b> Mr Jürgen LIGI	Minister for Finance
<b><u>Ireland:</u></b> Mr Rory MONTGOMERY	Permanent Representative
<b><u>Greece:</u></b> Mr Ioannis PAPATHANASIOU	Minister for the Economy and Finance
<b><u>Spain:</u></b> Ms Elena SALGADO	Deputy Prime Minister and Minister for Economy
<b><u>France:</u></b> Ms Christine LAGARDE	Minister for Economic Affairs, Finance and Employment
<b><u>Italy:</u></b> Mr Giulio TREMONTI	Minister for Economic Affairs and Finance
<b><u>Cyprus:</u></b> Mr Charilaos STAVRAKIS	Minister for Finance
<b><u>Latvia:</u></b> Mr Einars REPŠE	Minister for Finance
<b><u>Lithuania:</u></b> Mr Rytis MARTIKONIS	Permanent Representative
<b><u>Luxembourg:</u></b> Mr Christian BRAUN	Permanent Representative
<b><u>Hungary:</u></b> Mr Álmos KOVÁCS	State Secretary (with special responsibility), Ministry of Finance
<b><u>Malta:</u></b> Mr Tonio FENECH	Minister for Finance, Economy and Investment
<b><u>Netherlands:</u></b> Mr Wouter BOS	Minister for Finance, Deputy Prime Minister
<b><u>Austria:</u></b> Mr Josef PRÖLL	Vice Chancellor and Federal Minister for Finance
<b><u>Poland:</u></b> Mr Jacek DOMINIŁ	Deputy State Secretary, Ministry of Finance
<b><u>Portugal:</u></b> Mr Fernando TEIXEIRA DOS SANTOS	Minister of State, Minister for Finance
<b><u>Romania:</u></b> Mr Cosmin COMAN	State Secretary, Ministry of Finance

**Slovenia:**

Mr Franc KRIŽANIČ

Minister for Finance

**Slovakia:**

Mr Peter KAŽIMÍR

State Secretary at the Ministry of Finance

**Finland:**

Mr Velipekka NUMMIKOSKI

State Secretary at the Ministry of Finance

**Sweden:**

Mr Anders BORG

Minister for Finance

Mr Per JANSSON

State Secretary to the Minister for Finance

**United Kingdom:**

Mr Kim DARROCH

Permanent Representative

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**Commission:**

Mr Joaquín ALMUNIA

Member

Mr Charlie MCCREEVY

Member

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**Other participants:**

Mr Jean-Claude TRICHET

President of the European Central Bank

Mr Philippe MAYSTADT

President of the European Investment Bank

Mr Thomas WIESER

Vice-president of the Economic and Financial Committee

Mr Christian KASTROP

Chairman of the Economic Policy Committee

## **ITEMS DEBATED**

### **PRESIDENCY WORK PROGRAMME**

The Council took note of the presentation by the Swedish presidency of a work programme for economic and financial affairs for the duration of its term in office, from July to December 2009 (*doc.* [11444/09](#)). It held a brief exchange of views.

Since last autumn, the European economy has faced unprecedented challenges. Turbulence in capital and credit markets, coupled with reduced global demand and a high degree of uncertainty, has resulted in the most severe downturn since the 1930s.

The EU and the member states have acted jointly to manage the crisis. A wide range of measures have been taken to restore confidence in financial markets, and the European Council has agreed on an economic recovery plan that has softened the impact of the crisis on growth and employment. The Swedish presidency will continue to follow the implementation of these measures and will further promote measures to facilitate a rapid yet sustainable recovery.

As regards the work of the Economic and Financial Affairs Council, the presidency programme establishes the following priorities:

- improving supervision and regulation of financial markets;
- re-establishing sound public finances;
- tackling labour market challenges;
- reinvigorating the EU's Lisbon strategy for growth and jobs post 2010;
- advancing international climate negotiations.

Preparatory work for the G-20 summit to be held in Pittsburgh (United States) on 24 and 25 September is also a priority issue.

## **FOLLOW-UP TO THE JUNE EUROPEAN COUNCIL**

The Council took stock of the follow-up to be given to the European Council's June meeting, in particular as regards the supervision of financial services and the international financing of measures to combat climate change.

The European Council on 18 and 19 June agreed on a new supervisory structure to be introduced at European level, inspired by the work of a high-level reflection group chaired by Jacques de Larosière<sup>1</sup>. The new framework is aimed at strengthening the supervisory system and rebuilding trust in the financial system following the global financial crisis. It involves the creation of a European Systemic Risk Board to continuously assess the stability of the financial system as a whole, and three supervisory authorities to deal with the banking, insurance and securities industries, working in a network with national supervisors.

The Commission is expected to present legislative proposals in the early autumn in order to put in place the new framework.

The June European Council also confirmed objectives for the negotiation in Copenhagen in December of a new global and comprehensive climate agreement for the period after 2012. The efforts that the EU expects of both developed and developing countries are set out in conclusions adopted by the Council at its meeting on 9 June.

The European Council welcomed the intention of the incoming presidency to develop a work programme, in close cooperation with the Commission.

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<sup>1</sup> Former managing director of the International Monetary Fund.



**PREPARATION FOR G-20 MEETINGS**

The Council was informed by the presidency of its intentions for handling the preparation of G-20 meetings scheduled for September. It was also informed of the outcome of a meeting of G-20 deputy finance ministers on 27 and 28 June.

The Council held a brief exchange of views.

A meeting of G-20 finance ministers and central bank governors is planned for 3 and 4 September in order to prepare a G-20 leaders' meeting to be held in Pittsburgh (United States) on 24 and 25 September as part of an ongoing process aimed at restoring economic confidence and financial stability worldwide.

The Pittsburgh summit will bring together the heads of state and government of the world's developed and emerging economies, as well as representatives of international financial institutions. It will follow on from summits held in Washington in November 2008, the first G-20 meeting to be held at the highest level, and in London in April.

EU finance ministers will hold an informal lunch meeting in Brussels on 2 September to prepare for the G-20 meetings.

## **PRO-CYCLICALITY AND THE REGULATION OF FINANCIAL SERVICES**

The Council held an exchange of views on means to reduce pro-cyclicality on financial markets, in the light of a report from the Economic and Financial Committee ([11479/09](#)).

Pro-cyclicality is the term given to the perceived exacerbation of fluctuations on volatile markets. The discussion focused on the possible pro-cyclical effects of regulation, in particular bank capital requirements and accounting standards, as well as of remuneration schemes in the financial sector.

The Council adopted the following conclusions:

- "1. Following the Informal Ecofin of September 2008, the EFC mandated a Working Group on pro-cyclicality (WGPC) to contribute to the work ongoing at international level and, inter alia, determine how and with which tools the EU could take into account matters identified by the Financial Stability Board (FSB) and reflect to develop the macro-prudential orientation in supervision. The WGPC has now finalised its Report, which presents potential policy responses to reduce pro-cyclicality in the financial sector. In the meantime, the Declaration of the G-20 summit of November 2008 invited international bodies to address pro-cyclicality, by mitigating it in regulatory policy and also reviewing the ways in which valuation and leverage, bank capital, compensation schemes and provisioning practices may exacerbate cyclical trends. These objectives have been reiterated at the last G-20 Summit in April 2009 and underscored by the 18-19 June 2009 European Council.
2. The Council WELCOMES the report of the WGPC, which focuses on four main policy responses with a view to reducing potential pro-cyclical effects of financial regulation and developing counter-cyclical measures, namely: i) the monitoring of system-wide risks; ii) the building of counter-cyclical buffers through capital and provisions; iii) the improvement of accounting rules, and iv) the establishment of a sound framework for remuneration schemes. The report centres on developing a macro-prudential approach, by various means including building-in automatic stabilisers into the regulation and providing better information on the basis for discretionary supervisory measures and changes in regulation through enhanced monitoring.

3. The Council AGREES on the need to monitor system-wide risks and to ensure that appropriate tools and methods are in place to further develop macro-prudential monitoring. The Council STRESSES that such an approach will only be effective if recommendations based on such monitoring are translated into concrete policy actions where appropriate. The ESRB (European Systemic Risk Board), which will be put in place following the guidance received from the Ecofin and European Council of June, will have an important role to play in this respect.
4. The Council AGREES that the absence of counter-cyclical buffers and the lack of flexibility of accounting rules in allowing for through-the-cycle provisioning have been important factors in the amplification of the financial crisis. The Council UNDERSCORES the urgency and importance of addressing these issues.
5. The Council SUPPORTS the introduction of forward-looking provisioning, which consists in constituting provisions deducted from profits in good times for expected losses on loan portfolios, and which would contribute to limiting pro-cyclicality (including the development of models for dynamic provisioning). Accounting standards, such as IFRS, currently do not allow for the recognition of expected losses. The IASB will publish an exposure draft dealing with the provisioning issue, including consideration of an expected loss model, by October 2009. Allowing for the recognition of expected losses would ensure the build-up of provisions in good times, which can be used in downturns; would contribute to a better assessment of real profits in good times; adjust managerial incentives in relation to remuneration make investors more aware of the underlying risks and further enhance consistency between accounting and prudential rules. In line with the recommendations of the G-20 London Summit and calls from banking supervisors and the FSB to standard-setters, the Council therefore CONSIDERS that standard setters should give priority to amending current accounting rules and allowing for more flexibility for provisioning expected losses.

6. While the application of such provisioning will be an important step forward, it may not be enough as provisioning for losses in the loan portfolio may not be sufficiently large and buffers are also needed against fluctuations in the value of financial assets. The Council therefore AGREES that further work is necessary to mitigate pro-cyclicality by creating counter-cyclical capital buffers, i.e. to be raised in good times and to be drawn down in downturns. It is important that counter-cyclical capital buffers are not perceived as new minimum capital levels when conditions deteriorate and that they do not count towards eligible regulatory capital, so as to allow banks in downturns to draw on buffers previously built up in good times. CEBS, CEIOPS and the Basel Committee are working on proposals. The Council also WELCOMES efforts envisaged by the Commission in view of introducing simple non-risk based metrics which could limit unsustainable balance sheet growth and help in addressing pro-cyclicality.
7. While recognising the benefits of the fair-value principle, the crisis has highlighted that the current valuation of certain financial assets (in the trading book) may understate risks in good times and overstate them in downturns, for instance when 1) financial instruments not suitable for fair value are fair-valued, 2) market prices are used when markets are illiquid and 3) modelled prices rely too much on illiquid market prices. Mark-to-market valuation of many categories of financial instruments should be reviewed and adjusted as appropriate, particularly taking into account the uncertainty of valuations, the reality of the business model of banks, the holding horizons and the actual liquidity of markets. The Council SUPPORTS such views and the objective of a amendment of the relevant accounting rules, also recalling the objective of achieving a single set of standards at global level and of improving the governance of the standard-setting process.
8. The Council WELCOMES the commitment by the IASB to promptly review the accounting rules on impaired financial instruments. To this end, and to ensure equivalent treatment with US financial institutions, the Council URGES the IASB to amend IAS39 quickly and in time for the preparation of the 2009 year-end financial statements, including all the issues identified by the Commission in October 2008. In addition, the Council URGES the IASB to perform a more comprehensive review of IAS39, as a second step, taking into account the objective of achieving global convergence on accounting for financial instruments, as reflected in the G-20 communiqué.

9. The Council ACKNOWLEDGES that the remuneration schemes of financial firms have been a source of pro-cyclicality, due to inappropriate incentives, short-termism and inadequate capture of risk. The Council WELCOMES the works conducted at international level by the FSB, as well as the CEBS high-level principles for remuneration policy and the Commission's recent recommendations. The Council URGES Member States to implement these recommendations with a view to addressing such shortcomings, by strengthening the link between performance and pay, by promoting a balance between long and short term performance criteria and by enhancing the governance of the remuneration process; and NOTES the Commission's intention to come forward with amendments to the Capital Requirements Directive (CRD) on remuneration in the banking sector, which should be fully in line with ongoing works at international level.
10. Beyond the measures that aim at preventing future pro-cyclicality in financial markets, the Council is aware of the need to continue developing short-term measures to overcome the current crisis. The Council calls on the Commission and the Member States to accelerate their work and make rapid progress on countering the pro-cyclical effects of regulatory standards, e.g. as regards capital requirements and impaired assets.
11. The Council INVITES the European Commission to come forward with proposals to pursue these objectives and address pro-cyclicality, in coordination with the current developments at international level."

## **STABILITY AND GROWTH PACT**

### **Excessive deficit procedures: Latvia, Lithuania, Hungary, Malta, Poland and Romania**

The Council opened excessive deficit procedures for Latvia, Lithuania, Malta, Poland and Romania, issuing recommendations on corrective action to be taken, and issued a revised recommendation to Hungary on measures to be taken in order to correct its excessive deficit.

It adopted decisions, under article 104(6) of the treaty, on the existence of excessive government deficits in Latvia, Lithuania, Malta, Poland and Romania, which in 2008 exceeded the 3% reference value set by the treaty for the ratio of deficit to gross domestic product (GDP).

It adopted recommendations, under article 104(7) of the treaty, on action to be taken by those five member states to bring their deficits back below the 3% of GDP threshold, as well as revising the timetable for correction of Hungary's deficit. Hungary is already the subject of an excessive deficit procedure.

In its recommendations, the Council sets 7 January 2010 as a deadline for all six member states to take corrective action.

On the basis of the outlook provided by the Commission in its spring 2009 economic forecasts, the Council calls on Latvia to reduce its deficit below the 3% of GDP threshold by 2012, Lithuania to do so by 2011, Malta by 2010, Hungary by 2011, Poland by 2012 and Romania by 2011.

Hungary has been the subject of an excessive deficit procedure since July 2004, when the Council also issued a recommendation under article 104(7) of the treaty. The Council issued further article 104(7) recommendations in March 2005 and October 2006.

The October 2006 recommendation set out measures for correction of Hungary's deficit by 2009. In view of the economic downturn however, respecting this target is no longer regarded as realistic.

For further details, see press release [11744/09](#).

## **Annual updates of the member states' stability and convergence programmes**

The Council adopted opinions on a number of annual updates of the member states' stability and convergence programmes.

The opinions relate to:

- updated stability programmes presented by Belgium ([9235/09](#)), Austria ([9157/09](#)) and Slovenia ([9677/09](#)), and a stability programme presented by Slovakia ([9844/09](#));
- an updated convergence programme presented by Romania (doc. [11375/09](#)).

Under the EU's stability and growth pact, member states having the euro as their currency are required to implement stability programmes, and those not participating in the single currency to implement convergence programmes. The aim is to ensure sound government finances as a means of strengthening the conditions for price stability and for sustainable growth conducive to employment creation.

The Council's opinions can be found in the following documents: Belgium ([11627/09](#)), Austria ([11628/09](#)), Romania ([11631/09](#)), Slovakia ([11630/09](#)) and Slovenia ([11629/09](#)).

**OTHER BUSINESS****Medium-term budgetary objectives**

The Council took note of issues raised by the Slovenian minister regarding a methodology to be used by member states from this autumn when they set medium-term objectives for their national budgets.

The new methodology was called for in the 2005 code of conduct on implementation of the EU's stability and growth pact, in order to ensure that the member states' budgetary strategies reflect real medium-term needs, by taking account not just of debt levels but also implicit liabilities, notably costs related to ageing populations, in particular projected healthcare and pension expenditure.



**MEETINGS IN THE MARGINS OF THE COUNCIL**

The following meetings were held in the margins of the Council:

– ***Eurogroup***

Ministers of the euro area member states attended a meeting of the eurogroup on 6 July.

– ***Breakfast meeting***

Ministers attended a breakfast meeting, where they discussed the resources of the International Monetary Fund, in particular the "new arrangements to borrow". They also took note of progress on the Marguerite Fund, a European equity fund for energy, climate change and infrastructure to be launched by the European Investment Bank and other financial institutions, as well as on the EU's investment framework for the Western Balkans.

– ***Union for the Mediterranean finance ministers' meeting***

Ministers joined their Mediterranean counterparts for a Union for the Mediterranean ministerial meeting. They held an exchange of views on measures to address the effects of the economic and financial crisis, and on the reform agendas of EU and Mediterranean countries, adopting joint conclusions.

– ***Facility for Euro-Mediterranean Investment and Partnership ministerial lunch meeting***

Ministers and their Mediterranean counterparts, over lunch, held a Facility for Euro-Mediterranean Investment and Partnership (FEMIP) ministerial meeting. They examined a draft three-year operational plan, including FEMIP's contribution to priorities established by the Union for the Mediterranean, and discussed the options for the structure of future FEMIP committee meetings.

**OTHER ITEMS APPROVED****ECONOMIC AND FINANCIAL AFFAIRS****Guarantee to the EIB for projects outside the EU**

The Council adopted a decision granting an EU guarantee to the European Investment Bank (EIB) against losses under loans and loan guarantees for projects outside the Community ([3620/09](#)), following a first-reading agreement with the European Parliament.

The EU guarantee will cover EIB financing operations signed during the period beginning on 1 February 2007 and ending on 31 October 2011, up to a global amount of EUR 27.8 billion.

**Code of conduct for business taxation**

The Council took note of a report from the code of conduct group for business taxation and invited the group to report back by the end of the Swedish presidency.

**JUSTICE AND HOME AFFAIRS****Civil law - Bilateral agreements with third countries**

The Council adopted regulations establishing procedures for the negotiation and conclusion of bilateral agreements between member states and third countries, concerning:

- jurisdiction, recognition and enforcement of judgments and decisions in matrimonial matters, parental responsibility and maintenance obligations, and applicable law in matters relating to maintenance ([9987/09](#)); and
- applicable law in contractual and non-contractual obligations ([3655/09](#) and *11191/1/09 ADD1*).

The regulations authorise any EU member state to amend an existing agreement or negotiate and conclude a new agreement with a third country in certain areas of civil justice through a functional and simplified arrangement, whilst ensuring that the "acquis communautaire" is safeguarded.

Adoption of the regulations follows agreements reached by the Council on 5 June ( *press release [10697/09](#)*).

## **TRADE POLICY**

### **Anti-dumping and anti-subsidy measures on imports of biodiesel from the United States**

The Council adopted regulations imposing anti-dumping duties ([11084/09](#)) and countervailing duties ([11080/09](#)) on imports into the EU of biodiesel originating in the United States.

The regulations make definitive, for a five-year period, provisional measures put in place in March 2009<sup>1</sup> with the purpose of offsetting the prejudice suffered by Community producers.

The measures stem from a Commission investigation which concluded that biodiesel from the US had been sold in the EU below the normal value price and had benefited from state subsidies, causing injury to European producers. The proceedings leading to adoption of the regulations were opened as a result of a complaint filed by the European Biodiesel Board on behalf of the Community industry.

The anti-dumping duty rates will range from EUR 68,60 per tonne to EUR 198 per tonne net. The countervailing duty rates will range from EUR 211,20 per tonne to EUR 237 per tonne net.

### **EU rules for imports from certain third countries**

The Council adopted a codified version of a regulation establishing EU rules for imports from certain third countries ([10347/09](#)).

The new regulation replaces the various acts incorporated into regulation 519/94, whilst fully preserving their content.

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<sup>1</sup> Official Journal L 67 of 12.3.09.

**ENERGY****European economic recovery plan - Projects in the field of energy**

The Council adopted a regulation establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy, approving all the European Parliament's first reading amendments ([3659/09](#), [11318/09](#) *ADDI REVI*).

The regulation is part of the European economic recovery plan endorsed by the European Council in December 2008 ([17271/08](#)) in response to the global financial crisis and economic slowdown. The plan provides a framework for measures taken by each member state in response to its specific circumstances, and identifies a number of actions to be taken at EU level.

The regulation is designed to aid economic recovery within the EU, face the demands of energy security and reduce greenhouse gas emissions by increasing spending in strategic sectors.

It lists 47 projects and the Community contribution for each of them, with a total financial envelope for implementation in 2009 and 2010 of EUR 3,980 million, divided as follows:

- 18 gas infrastructure projects: EUR 1,440 million;
- 9 electricity infrastructure projects: EUR 910 million;
- 2 small island projects: EUR 15 million;
- 5 offshore wind-energy projects: EUR 565 million;
- 13 carbon capture and storage projects: EUR 1050 million.

For each of these projects, specific proposals - in particular for implementing the project on the ground - will be submitted to management committees which will check whether the proposals meet the selection criteria set in the regulation, the most important of which are the maturity of the project and a lack of access to finance. Owing to the urgent need for stimulus, all individual legal commitments implementing the budgetary commitments made in 2009 and 2010 will be made by 31 December 2010.

The regulation will enter into force on the day following its publication in the Official Journal.

## **INTERNAL MARKET**

### **Two and three-wheel motor vehicles - Type approval**

The Council adopted codified versions of directives applying to type-approval of two or three-wheel motor vehicles, for the purposes of their clarification and simplification.

The directives concern passenger hand-holds ([3626/08](#)) and stands ([3625/08](#)) for two-wheel motor vehicles, as well as the identification of controls, tell-tales and indicators for two and three-wheel motor vehicles ([3629/08](#)).

### **Public procurement in the fields of defence and security**

The Council adopted a directive on defence and security procurement aimed at enhancing openness and competitiveness in the EU's defence markets ([3609/09](#) and [11134/3/09 ADD 1 REV 3](#)).

The directive will reduce the current regulatory fragmentation in this field and increase competition and transparency, thus enabling European companies, including small and medium-sized enterprises, to tender for contracts throughout the EU.

Under the new harmonised rules applicable to the procurement of arms, munitions and war material, exceptional cases where the member states may apply restrictions to access to public tender will be limited to certain cases, such as those affecting the interests of its national security. The new rules take into account the specific features of the market, namely security of supply and security of information.

The directive will apply to contracts with a value estimated to be no less than EUR 412 000 for supply and service contracts and EUR 5 150 000 for works contracts.

It combines with a directive on the simplification of intra-EU transfers of defence products, adopted by the Council on 23 April (*press release [8713/09](#), page 20*).

## **EUROPEAN ECONOMIC AREA**

### **Extension of the EGNOS and Galileo programmes to Iceland and Norway**

The Council approved a draft decision incorporating the basic regulation of the European satellite navigation programmes (EGNOS and Galileo) into the European Economic Area (EEA) agreement, and agreed to forward it to the EEA Joint Committee for adoption ([10686/09](#)).

The text is aimed at allowing Norway and Iceland to participate in all EGNOS and Galileo activities. Due to economic constraints, the participation of Iceland in the programmes is however suspended temporarily. The decision is planned to apply retroactively, as from 1 January 2009.

## **EMPLOYMENT POLICY**

### **Guidelines for the employment policies of the member states**

The Council adopted a decision establishing guidelines for 2009 for the employment policies of the member states ([10421/09](#)).

Despite the economic crisis, the Council decided to maintain the guidelines adopted last year as they also serve as a tool for meeting the immediate challenges of increasing unemployment and social exclusion (e.g. through flexicurity policies to facilitate transition to work, matching the unemployed with available jobs, and the upgrading of skills).

In addition, the guidelines encourage member states to make structural reforms which should help in recovery from the crisis.

## **AGRICULTURE**

### **EU trade system for ovalbumin and lactalbumin**

The Council adopted a codified version of the regulation on the common system of trade for ovalbumin and lactalbumin ([10357/09](#)). The new regulation replaces the various acts incorporated into regulation 2783/75, whilst fully preserving their content.

## **FISHERIES**

### **Conservation measures - Northwest Atlantic Fisheries Organisation**

The Council adopted a regulation laying down conservation and enforcement measures applicable in the regulatory area of the Northwest Atlantic Fisheries Organisation (NAFO) ([10150/09](#)).

The text amends regulation 1386/2007 and takes into account modifications to conservation and enforcement measures adopted by NAFO at its 30th annual meeting held in September 2008. The amendments relate to provisions on bottom fishing, closed areas to ensure seamount protection, labelling requirements and additional port state measures.

## **TRANSPARENCY**

### **Transparency - public access to documents**

The Council adopted:

- the reply to confirmatory application 16/c/01/09 made by Mr Christian SYRIER, the Dutch, Finnish and Swedish delegations voting against (doc. [10539/09](#));
- the reply to the letter sent to the Council by the European Ombudsman concerning complaint 1170/2009/KM made by Mr Klaus-Dieter SOHN (doc. [11012/09](#)).

## **APPOINTMENTS**

### **Committee of the Regions**

The Council adopted a decision appointing for the remainder of the current term of office, ending on 25 January 2010

a) as members:

- Mr Geert BOURGEOIS, Vlaams Volksvertegenwoordiger (change of mandate),
- Mr Luc VAN DEN BRANDE, Voorzitter Vlaams-Europees Verbindingsagentschap (change of mandate),
- Mr Gilbert BOSSUYT, burgemeester Menen (change of mandate),
- Mr Patrick LACHAERT, gemeenteraadslid Merelbeke (change of mandate)

b) as an alternate member:

- Mr Marc VAN DEN ABEELLEN, burgemeester van Aartselaar (change of mandate).

## **WRITTEN PROCEDURE**

### **Court of First Instance**

The Council approved amendments to the rules of procedure of the Court of First Instance.

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