



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2003)1608 final

Brussels, 23 April 2003

MINUTES
of the 1608th meeting of the Commission
held in Strasbourg
(Winston Churchill Building)
on Tuesday 8 April 2003
(afternoon)

These minutes were approved by the Commission at its 1609th meeting, held in Brussels on 23th April 2003.

They contain 20 pages.

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Single sitting: Tuesday 8 April (afternoon)

The sitting opened at 1330 hours with Mr Prodi, President, in the chair.

Present:

Mr PRODI	President
Mr KINNOCK	Vice-President
Mr MONTI	
Mr LIIKANEN	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr SOLBES	
Mr NIELSON	
Mr VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Ms de PALACIO	Vice-President
Mr FISCHLER	
Mr BYRNE	

The following sat in to represent absent Members of the Commission

Mr SCHINAS Deputy Chef de cabinet to Ms de Palacio

Ms LEONARD A member of Mr Byrne's staff

The following also sat in

Mr PETITE Director-General, Legal Service

Mr MANSERVISI Chef de cabinet to the President

Mr KEMPPINEN Commission Spokesman

Mr THOMAS Spokesman

Mr GUSSETTI A member of the President's staff

Mr BEKX Deputy Chef de Cabinet to Mr Solbes

Mr MARTINEZ MONGAY Adviser in Mr Solbes's Office

Ms JOHANSSON A member of Mr Nielson's staff Items 16 and 17

Mr VERDEAUX A member of Mr Barnier's staff Items 1 to 10

Ms GAGO-FILORI A member of Mr Vitorino's staff

Mr GLYNOS Chef de cabinet to Ms Diamantopoulou

Ms QUINTIN Director-General, Employment Items 13 to 15

Secretary: Mr O'SULLIVAN, Secretary-General, assisted by Ms BUGNOT, Director in the Secretariat-General.

1. AGENDAS

(OJ(2003)1608/3; SEC(2003)424/2)

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

2. WEEKLY MEETING OF CHEFS DE CABINET

(SEC(2003)1608)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 7 April.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1607th MEETING

(2 April)

(PV(2003)1607; PV(2003)1607, Part II to /4)

The Commission approved the minutes of its 1607th meeting.

Referring to item 12 of these minutes (Work of the Convention), the Commission noted that the question of the interaction between the constitutional Treaty and the Euratom Treaty as regards competition was independent of institutional factors proper, and remained open at this stage. It agreed to continue this debate later.

4. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP OF 4 APRIL (SP(2003)1290)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group of 4 April.

It paid particular attention to the following:

Preparations for April part-session

(point 2 of the record)

The Commission, in accordance with the rules in force, authorised the Commission Members responsible, in agreement with the PRESIDENT, Ms de PALACIO and any other Members associated, to take a position on Parliament's amendments to its proposals.

It paid particular attention to the following:

2001 discharge

- SØRENSEN report (discharge 2001) - 6th, 7th and 8th EDF
- CASACA report (discharge 2001) - Section III
- AVILES PEREA report (discharge 2001) - other sections
- STAES report (discharge 2001) - Section I
- BLAK report (discharge 2001) - decentralised agencies
- LANGENHAGEN report (discharge 2001) - ECSC budget

The Commission adopted the line set out in SP(2003)1268/2.

Empowerment

Under Article 13 of its Rules of Procedure the Commission empowered Mr LIIKANEN, in agreement with the PRESIDENT, the Member responsible for relations with Parliament and any other Members associated, to adopt its opinion on the amendments, together with any amended proposals, on the basis of the line set out in the document indicated, once Parliament had given its opinion, and transmit them to the Council in accordance with Article 251(2)(c) of the Treaty, for the following:

- SCHÖRLING report, Restrictions on the marketing and use of certain dangerous substances and preparations (substances classified as carcinogens, mutagens or toxic to reproduction - CMR)
(SP(2003)1291)

Action taken on Parliament's opinions and resolutions

(point 5 of the record)

The Commission adopted the replies to non-legislative opinions and own-initiative resolutions adopted by Parliament to which the Commission had undertaken to reply (SP(2003)1222), for transmission to Parliament.

5. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID AND INFRINGEMENTS

5.1. STATE AID

The Commission adopted the decision in C(2003)1224.

N472/2002 DENMARK

Permanent ceiling on land taxes for productive land

Decision: Corrigendum to the decision in C(2003)777 final of
19 March

5.2. INFRINGEMENTS - CASES DEFERRED BECAUSE OF NON-AVAILABILITY OF DOCUMENTS (SEC(2003)434)

The Commission adopted the decisions in SEC(2003)434.

6. WRITTEN PROCEDURES AND EMPOWERMENT

6.1. WRITTEN PROCEDURES APPROVED (SEC(2003)425 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 31 March and 4 April.

6.2. SENSITIVE WRITTEN PROCEDURES
(SEC(2003)426)

The Commission took note of the following written procedures initiated between 31 March and 4 April for the adoption of decisions with political implications:

Time limit: 7.4.2003

E/2003/517 - C(2003)1173 Health and Consumer Protection DG

Commission decision on the adoption of the annual consumer policy work plan for 2003, including budgetary implications and selection criteria

E/2003/537 - COM(2003)174 Justice and Home Affairs DG

Commission communication on measures to be taken by Member States to ensure participation of all citizens of the Union in the 2004 elections to the European Parliament in an enlarged Union

Time limit: 9.4.2003

E/2003/546 - C(2003)1181 Development DG

To take note of the communication to the Commission on the financing of deconcentration in the ACP zone 2006-07, to approve the conclusions set out at item 5

Time limit: 11.4.2003

E/2003/578 - COM(2003)184 Education and Culture DG

Commission communication: follow-up to the White Paper *A new impetus for European youth* - Proposed common objectives for the participation and information of young people, in response to the Council resolution of 27 June 2002 regarding the framework for European cooperation in the youth field

6.3. EMPOWERMENT

(SEC(2003)427 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 31 March and 4 April.

6.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 31 March and 4 April, as archived on the "Greffé 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2003)428/2)

ADMINISTRATIVE MATTERS

(PERS(2003)65)

7.1. DG EAC.C - A2 POST OF DIRECTOR

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Director in the Education and Culture DG (PERS(2003)7).

The Commission took note of the opinions of the Consultative Committee on Appointments of 18 and 20 March (PERS(2003)7/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also examined the reports on their ability, efficiency and conduct in the service. On a proposal from Mr KINNOCK, in agreement with the

PRESIDENT and Ms REDING, it then decided to appoint Mr Gregory PAULGER to the post.

This decision would take effect on 1 June.

7.2. APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS

The Commission continued its discussions on this matter, begun on 5 March (PV(2003)1603).

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BYRNE, adopted the decision in PERS(2003)67 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations in respect of Mr Robert COLEMAN, an A1 official, currently Director-General, Health and Consumer Protection.

This decision would take effect on 1 October.

8. PARLIAMENT (continued from item 4)

APRIL PLENARY SESSION

2001 discharge and introduction of a financial framework in the Accession Treaty

Ms SCHREYER reported on the positive conclusion of the discharge procedure for 2001, voted that day by Parliament with 440 in favour, 67 against and 14 abstentions. This was the culmination of a long and intense process of work and collaboration by all Commission Members and their departments, to which Ms SCHREYER expressed thanks.

Ms SCHREYER also pointed out that the conflict between Parliament and the Council on the delicate question of the adjustment of the financial perspective for

enlargement had also been resolved on the basis of a compromise proposal presented by the Commission. All the financial questions connected with enlargement were thus settled.

The Commission warmly congratulated Ms SCHREYER on these satisfactory results. It joined Ms SCHREYER in thanking Mr KINNOCK and Ms DE PALACIO and all the Members' Offices and Commission departments which had contributed to this process, particularly Mr ROMERO, Director-General, Budget, and his staff. The Commission also pointed to the importance of the modernisation of the Commission's accounting system. It expressed appreciation for the commitment shown by Mr MINGASSON, former Director-General, Budget, during this process and the work he had done to put in place the foundations for the action plan for the modernisation of the Commission's accounting system adopted in December 2002 and for the implementation of the financial reform.

9. PERMANENT REPRESENTATIVES COMMITTEE (SEC(2003)458)

The Commission took note of the Secretariat-General's reports on recent meetings of the Permanent Representatives Committee.

It paid particular attention to the following:

- ***Proposals for Commission Regulations E/104/2003 and E/105/2003 (scheme of generalised preferences: amendment of Council Regulation No 2501/2001 and application of Article 12 of Regulation No 2501/2001)***

Mr LAMY reported on the discussions in Coreper and his reasons for asking the Commission for additional flexibility in the negotiations in order to muster a qualified majority. If the Council unanimously took a position likely to call the

overall thrust of the legislation into question, he would withdraw the Commission proposal.

Following this presentation, the Commission authorised Mr LAMY to negotiate along the lines set out in SEC(2003)458.

10. WORK OF THE CONVENTION **(SEC(2003)445 and /2; SEC(2003)457)**

The Commission took note of the information supplied during the meeting by Mr BARNIER and Mr VITORINO on the plenary session of the Convention on 3 and 4 April. This session had focused on the discussion of the draft articles concerning the area of freedom, security and justice, and draft articles on the Union's finances. It had also provided an opportunity to present a number of institutional provisions to be considered at the plenary session on 24 and 25 April.

On the basis of a presentation by Mr BARNIER, the Commission held a wide-ranging exchange of views on the draft articles on external relations to be discussed in the Presidium and on the issues that might be raised at the special meeting of Heads of State or Government in Athens on 16 April in the presence of Mr GISCARD D'ESTAING.

**11. ECONOMIC FORECASTS FOR THE MEMBER STATES, THE EURO AREA AND THE EUROPEAN UNION - SPRING 2003
(SEC(2003)446)**

**12. ECONOMIC FORECASTS FOR THE FUTURE MEMBER STATES AND THE OTHER CANDIDATE COUNTRIES - SPRING 2003
(SEC(2003)447)**

Mr SOLBES presented the main points of the economic forecasts drawn up by his departments for the current Member States and the candidate countries.

The Commission took note of these forecasts.

**13. COMMISSION RECOMMENDATION FOR THE BROAD GUIDELINES OF THE ECONOMIC POLICIES OF THE MEMBER STATES AND THE COMMUNITY (2003-05)
(COM(2003)170/2 and /4; SEC(2003)444)**

**14. PROPOSAL FOR A COUNCIL DECISION ON GUIDELINES FOR THE EMPLOYMENT POLICIES OF THE MEMBER STATES
(COM(2003)176/2 and /4; SEC (2003)444; SEC(2003)459)**

**15. RECOMMENDATION FOR A COUNCIL RECOMMENDATION ON THE IMPLEMENTATION OF MEMBER STATES' EMPLOYMENT POLICIES
(COM(2003)177/2; COM(2003)176/2; SEC(2003)444)**

The PRESIDENT pointed to the importance of the proposals before the Commission from Mr SOLBES and Ms DIAMANTOPOULOU and thanked them for the work carried out. While the spring report constituted the Commission's

principal message to the European Council as regards economic, social and environmental governance, the broad economic policy guidelines (BEPGs) and the employment guidelines defined the main principles that should inform the Member States' economic and social policies. They highlighted the coherence of these policies so as to enable Member States to benefit from economic and monetary union while taking into account the constraints arising from the interdependence of their economies. This year for the first time the Commission was presenting the BEPGs and the guidelines as a synchronised package. This approach was aimed at highlighting and strengthening the complementarity and coherence of these two instruments with their different origins and traditions.

Mr SOLBES outlined the main points of the Commission recommendation on the broad economic policy guidelines of the Member States and the Community, which were an essential component of the Lisbon strategy. Besides the specific guidelines for each of the 15 Member States, the document identified ways of strengthening the Union's economy by a three-pronged approach: macro-economic policies based on growth and stability; economic reforms to increase Europe's growth potential; and making growth more sustainable.

Ms DIAMANTOPOULOU introduced two communications on employment policies in the Member States. The proposal for a Council decision on the guidelines addressed the need to relaunch the employment strategy with a view to enlargement and so as better to implement the Lisbon strategy. In accordance with the need to rationalise the approach, the guidelines had been reduced in number and simplified; they were geared more to outcomes and backed up by appropriate objectives. The employment guidelines were accompanied by recommendations for the employment policies of the Member States presented in the form of a Commission recommendation to the Council (COM(2003)177/2).

After an exchange of views on the various components of the package, particularly the nature and scope of the objectives laid down in the guidelines, and subject to leaving in the words "as from 2004" in COM (2003)170/4 (item 2.1 - guideline No 2 "Reinforce as from 2004 the coordination of their budgetary policies"), the Commission adopted:

- the Commission recommendation to the Council on the broad economic policy guidelines (COM(2003)170/4) for transmission to the Council, Parliament, the Economic and Social Committee, the Committee of the Regions and the European Central Bank;
- the proposal for a Council decision on the guidelines for the employment policies of the Member States (COM(2003)176/4) for transmission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions;
- the recommendation for Council recommendations on the implementation of the employment policies of the Member States (COM(2003)177/2) for transmission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions.

16. COUNCIL MEETINGS

(SI (2003)406)

GENERAL AFFAIRS AND EXTERNAL RELATIONS

(LUXEMBOURG, 14 APRIL)

The Commission took note of the information supplied by Mr PATTEN concerning the outlook following the war in Iraq, and by Mr NIELSON on the conditions for access by humanitarian organisations. Mr SOLBES reported on the exchange of

views on the Iraq question and its economic implications at the informal meeting of Economic and Financial Affairs Ministers in Athens on 4-6 April.

17. RELATIONS WITH NON-MEMBER COUNTRIES

17.1. VISIT BY MR LAMY TO SOUTH-EAST ASIA

(SEC(2003)460)

Mr LAMY reported on his visit to Thailand, Malaysia and Laos for the ASEAN-EU ministerial meeting. He urged Commission Members to visit these countries, which wanted more contacts with the European Union.

17.2. POLITICAL SITUATION IN CUBA

The Commission took note of the information communicated during the meeting by Mr NIELSON concerning the political situation in Cuba following the detention of 78 political dissidents. Given the political sensitivity of the subject and the need to monitor the situation as regards human rights and at the level of political dialogue, particularly as regards its opinion on Cuba's application for membership of the Cotonou Agreement, the Commission decided to discuss the matter at a future meeting with a view to preparing a communication to the Council.

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The Commission's other deliberations on certain items are recorded in the special minutes.

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The meeting closed at 1700 hours.