



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2004)1645 final

Brussels, 18 February 2004

MINUTES

of the 1645th meeting of the Commission

held in Brussels

(Breydel)

on Monday 9 February 2004 (afternoon)

and

in Strasbourg

(Winston Churchill Building)

on Tuesday 10 February 2004 (morning and afternoon)

These minutes were approved by the Commission at its 1646th meeting, held in Brussels on 18th February 2004.

They contain 27 pages.

CONTENTS

Attendance list	5-7
------------------------	------------

1. AGENDAS (OJ(2004)1645/3; SEC(2004)141/2).....	8
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2004)1645 AND /2).....	8
3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1644TH MEETING (3 FEBRUARY) (PV(2004)1644; PV(2004)1644, PART II AND /2).....	8
4. PARLIAMENT	8
5. MONITORING THE APPLICATION OF COMMUNITY LAW	10
6. WRITTEN PROCEDURES AND EMPOWERMENT	11
6.1. WRITTEN PROCEDURES APPROVED (SEC(2004)142 et seq.)	11
6.2. SENSITIVE WRITTEN PROCEDURES (SEC(2004)143).....	11
6.3. EMPOWERMENT (SEC(2004)144 et seq.).....	11
6.4. DELEGATION AND SUBDELEGATION OF POWERS	11
7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2004)145/2).....	12
7.1. DG JAI/A - TEMPORARY OCCUPATION OF AN A2-LEVEL POST.....	12
7.2. DG JAI/B - TEMPORARY OCCUPATION OF AN A2-LEVEL POST.....	12
7.3. INITIAL COMMUNICATION UNDER ARTICLE 50 OF THE STAFF REGULATIONS.....	13
7.4. DG AGRI/AII - A2 POST OF DIRECTOR (PERS(2003)143 to /4).....	13
7.5. DG AGRI/G - A2 POST OF DIRECTOR (PERS(2003)144 to /4).....	13
7.6. TRANSMISSION OF IAS REPORT TO PARLIAMENT	14

7.7. TRANSLATION CENTRE FOR THE BODIES OF THE EUROPEAN UNION - COMMISSION REPRESENTATIVES ON THE MANAGEMENT BOARD (C(2004)387)	14
8. FINANCIAL FRAMEWORK FOR THE ACCESSION NEGOTIATIONS WITH BULGARIA AND ROMANIA (SEC(2004)160 TO /4)	15
9. RELATIONS WITH NON-MEMBER COUNTRIES.....	15
MEETING OF G7 FINANCE MINISTERS (FLORIDA, 6 AND 7 FEBRUARY) (SEC(2004)175).....	15
10. - PROPOSAL FOR A PARLIAMENT AND COUNCIL REGULATION AMENDING REGULATION (EC) NO 1073/99 CONCERNING INVESTIGATIONS CONDUCTED BY THE EUROPEAN ANTI-FRAUD OFFICE (OLAF) - PROPOSAL FOR A COUNCIL REGULATION AMENDING REGULATION (EURATOM) NO 1074/99 CONCERNING INVESTIGATIONS CONDUCTED BY THE EUROPEAN ANTI-FRAUD OFFICE (OLAF) (COM(2004)103 TO /4; COM(2004)104 TO /3; SEC(2004)156; SEC(2004)162)	15
11. COMPLETING THE REFORM MANDATE: PROGRESS REPORT AND MEASURES TO BE IMPLEMENTED IN 2004 - HOW TO ENHANCE EFFECTIVE APPLICATION OF THE WHISTLEBLOWING RULES AND PROTECTION OF WHISTLEBLOWERS (COM(2004)93 TO /7; SEC(2004)151 AND /2; SEC(2004)156).....	17
12. RELATIONS WITH RUSSIA (COM(2004)106; SEC(2004)150/2 AND /3).....	18
13. TRENDS IN THE MEMBER STATES (SEC(2004)131).....	19

14. BUILDING OUR COMMON FUTURE – POLICY CHALLENGES AND BUDGETARY MEANS OF THE ENLARGED UNION 2007-13 (COM(2004)101 AND /2; SEC(2004)159).....	19
15. PERMANENT REPRESENTATIVES COMMITTEE	20
<i>CONCLUSION OF THE UN CONVENTION AGAINST TRANSNATIONAL ORGANISED CRIME AND ITS TWO PROTOCOLS (SEC(2004)176)</i>	
16. BUILDING OUR COMMON FUTURE – POLICY CHALLENGES AND BUDGETARY MEANS OF THE ENLARGED UNION 2007-13 (CONTINUED FROM ITEM 14) (COM(2004)101 TO /3; SEC(2004)159).....	24

The 1645th meeting of the Commission was held in two parts:

- on Monday 9 February 2004 (afternoon)
- on Tuesday 10 February 2004 (morning and afternoon).

First sitting: Monday 9 February (afternoon)

The sitting opened at 1650 hours with Mr Prodi, President, in the chair.

Present:

Mr PRODI	President
Mr KINNOCK	Vice-President
Ms de PALACIO	Vice-President
Mr MONTI	
Mr FISCHLER	
Mr LIIKANEN	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr SOLBES	
Mr VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Mr BYRNE	
Mr BARNIER	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	

Absent:

Mr NIELSON

Ms REDING

Ms DIAMANTOPOULOU

The following sat in to represent absent Members of the Commission

Mr MØRCH	A member of Mr Nielson's staff
Mr LAITENBERGER	Chef de cabinet to Ms Reding
Mr GALEROS	A member of Ms Diamantopoulou's staff

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Mr DE OLIVEIRA E SOUSA	Director-General, Press and Communication	
Mr KEMPPINEN	Commission Spokesman	
Mr THOMAS	Spokesman	
Ms UDWIN	Spokesman	
Mr ABOU	Chief Adviser in the President's Office	Items 10 and 11
Mr DE LECEA	Adviser in the President's Office	Item 14
Ms SUPERTI	A member of Mr Kinnock's staff	Item 14
Mr CALLEJA	Chef de cabinet to Ms de Palacio	
Mr PEREZ MONTES	A member of Ms de Palacio's staff	Item 14
Ms VANNINI	A member of Mr Monti's staff	
Ms MAUPERON	A member of Mr Fischler's staff	
Ms NEVALAINEN	A member of Mr Liikanen's staff	
Mr PAQUET	Deputy Chef de cabinet to Mr Busquin	
Mr PLANAS	Chef de cabinet to Mr Solbes	
Mr CHILD	Chef de cabinet to Mr Patten	
Mr BANNER	A member of Mr Patten's staff	
Mr HALL	Deputy Chef de cabinet to Mr Barnier	Item 14

Ms CARPARELLI	Deputy Chef de cabinet to Ms Wallström	Item 14
Mr PIRÃO	A member of Mr Vitorino's staff	
Mr LOPES ALEIXO	A member of Mr Vitorino's staff	
Ms CORUGEDO STENEBOG	Press and Communication DG	
Mr DEMARTY	Agriculture DG	Item 14
Mr LEYGUES	Regional Policy DG	Item 14
Mr BISARRE	Secretariat-General	Item 14
Mr SERVOZ	Secretariat-General	Item 14
Mr SLEATH	Secretariat-General	Item 14

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

1. AGENDAS

(OJ(2004)1645/3; SEC(2004)141/2)

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(2004)1645 and /2)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 9 February.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1644th MEETING

(3 February)

(PV(2004)1644; PV(2004)1644, Part II and /2)

The Commission approved the minutes of its 1644th meeting.

4. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP

(SP(2003)475)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on 6 February (SP(2004)475).

It paid particular attention to the following:

i) **Interinstitutional relations**

(point 1.1 of the record)

Codecision procedure - Article 251 EC

- MANDERS report, Environmental liability, 02/0021 (COD)

The Commission adopted the line set out in SP(2004)461 with a view to securing speedy agreement on a common draft.

Annual Policy Strategy, implementation and preparation of the Commission's legislative and work programmes

The Commission approved the action to be taken on Parliament's resolution on the Commission's legislative and work programmes for 2004, as set out in SP(2004)363/3.

ii) **Preparations for February I and II part-sessions**

(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:

- LULLING report, - Quarterly financial accounts for general government

The Commission adopted the line set out in SP(2004)480.

Empowerment

Under Article 13 of its Rules of Procedure the Commission empowered Mr SOLBES, in agreement with the PRESIDENT, Ms de PALACIO 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 SP(2004)480, once Parliament had given its opinion, and transmit them to the Council in accordance with Article 251(2)(c) of the Treaty.

iii) **Action taken on Parliament's opinions and resolutions**

(point 5 of the record)

The Commission adopted the replies to own-initiative resolutions adopted by Parliament to which the Commission had undertaken to reply (SP(2004)428), for transmission to Parliament.

iv) **Other matters**

(point 8 of the record)

New names of parliamentary committees

The Commission took note of SP(2004)428.

BOWIS report, European Centre for Disease Prevention and Control,
COM(2003)441 - 03/0174 (COD)

Further to its discussions of the previous week (PV(2004)1644), the Commission took note of the unanimous agreement in Coreper, enabling the proposal to be adopted at first reading.

5. MONITORING THE APPLICATION OF COMMUNITY LAW

INFRINGEMENTS - CASES POSTPONED

(SEC(2004)157 and /2)

The Commission adopted the decisions in SEC(2004)157/2.

6. WRITTEN PROCEDURES AND EMPOWERMENT

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2004)142 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 6 February.

6.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2004)143)

The Commission took note of written procedures initiated between 2 and 6 February for the adoption of decisions with political implications.

6.3. EMPOWERMENT

(SEC(2004)144 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 6 February.

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 2 and 6 February, as archived on the "Grefte 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2004)145/2)

ADMINISTRATIVE MATTERS
(PERS(2004)20)

7.1. DG JAI/A - TEMPORARY OCCUPATION OF AN A2-LEVEL POST²

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr VITORINO, decided under Article 7(2) of the Staff Regulations that Mr Tung-Lai MARGUE, an A3 official, currently Head of Unit JAI/01 (Strategic policy, evaluation and institutional affairs), should be deemed temporarily to have occupied the post of Director of Directorate C (General affairs) (now Directorate A) in the Justice and Home Affairs DG, from 1 September 2003 and until the new Director was appointed, subject to a maximum of twelve months.

This decision would take effect immediately.

7.2. DG JAI/B - TEMPORARY OCCUPATION OF AN A2-LEVEL POST

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr VITORINO, decided under Article 7(2) of the Staff Regulations that Mr Jean-Louis DEBROUWER, an A3 official, currently Head of Unit JAI/A/2 (Immigration and asylum), should be deemed temporarily to have occupied the post of Director of Directorate B (Immigration, asylum and borders) (formerly Directorate A) in the Justice and Home Affairs DG, from 1 September 2003 and until the new Director was appointed, subject to a maximum of twelve months.

This decision would take effect immediately.

7.3. INITIAL COMMUNICATION UNDER ARTICLE 50 OF THE STAFF REGULATIONS

The Commission decided to initiate the procedure laid down in Article 50 of the Staff Regulations in respect of an A2 official.

**7.4. DG AGRI/AII - A2 POST OF DIRECTOR
(PERS(2003)143 to /4)**

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Director in the Agriculture DG (PERS(2003)143 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 16 and 29 January (PERS(2003)143/3 and /4).

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 Mr FISCHLER, it then decided to appoint Mr João PACHECO to the post.

This decision would take effect on 1 March.

**7.5. DG AGRI/G - A2 POST OF DIRECTOR
(PERS(2003)144 to /4)**

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Director in the Agriculture DG (PERS(2003)144 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 16 and 29 January (PERS(2003)144/3 and /4).

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 Mr FISCHLER, it then decided to appoint Mr John BENSTED-SMITH to the post.

This decision would take effect on 1 March.

7.6. *TRANSMISSION OF IAS REPORT TO PARLIAMENT*

The Commission authorised Mr KINNOCK to make the 2002 report of the Internal Audit Service available to all the members of Parliament's Committee on Budgetary Control, pursuant to Article 3.2, second indent, of Annex III to the framework agreement governing relations between the Commission and Parliament.

OTHER MATTERS

7.7. *TRANSLATION CENTRE FOR THE BODIES OF THE EUROPEAN UNION - COMMISSION REPRESENTATIVES ON THE MANAGEMENT BOARD* ***(C(2004)387)***

The Commission adopted the decision in C(2004)387 appointing its representatives to the Management Board of the Translation Centre for the Bodies of the European Union.

**8. FINANCIAL FRAMEWORK FOR THE ACCESSION NEGOTIATIONS
WITH BULGARIA AND ROMANIA
(SEC(2004)160 to /4)**

The Commission approved the communication in SEC(2004)160/4 for transmission to the Council.

9. RELATIONS WITH NON-MEMBER COUNTRIES

*MEETING OF G7 FINANCE MINISTERS
(FLORIDA, 6 AND 7 FEBRUARY)
(SEC(2004)175)*

The Commission took note of the information note distributed by Mr SOLBES.

**10. - PROPOSAL FOR A PARLIAMENT AND COUNCIL REGULATION
AMENDING REGULATION (EC) NO 1073/99 CONCERNING
INVESTIGATIONS CONDUCTED BY THE EUROPEAN ANTI-FRAUD
OFFICE (OLAF)
- PROPOSAL FOR A COUNCIL REGULATION AMENDING
REGULATION (EURATOM) NO 1074/99 CONCERNING
INVESTIGATIONS CONDUCTED BY THE EUROPEAN ANTI-FRAUD
OFFICE (OLAF)
(COM(2004)103 to /4; COM(2004)104 to /3; SEC(2004)156; SEC(2004)162)**

The PRESIDENT tabled two proposals for Regulations, which were in line with the series of measures he had announced to Parliament in relation to the handling of the Eurostat affair. The proposed amendments were based on the experience gained

since the establishment of the Anti-Fraud Office and on contacts with the Committee on Budgetary Control and the supervisory committee of the Anti-Fraud Office. While not providing at this stage for the total separation of the Anti-Fraud Office from the Commission, they constituted important improvements and would help strengthen the Anti-Fraud Office's operational effectiveness and ensure a better flow of information between the Office and the institutions, at the same time improving the preservation of the rights of persons concerned by an inquiry and strengthening the role of the supervisory committee.

In the light of this information, the Commission:

- approved the communication from the PRESIDENT, Mr KINNOCK and Ms SCHREYER on the amendment of Regulation (EC) No 1073/99, as set out in COM(2004)103/3 and /4, for transmission to Parliament, the Council and the Court of Auditors;
- approved the communication from the PRESIDENT, Mr KINNOCK and Ms SCHREYER on the amendment of Regulation (Euratom) No 1074/99, as set out in COM(2004)104/2 and /3, for transmission to Parliament, the Council and the Court of Auditors.

**11. COMPLETING THE REFORM MANDATE: PROGRESS REPORT AND
MEASURES TO BE IMPLEMENTED IN 2004**

**- HOW TO ENHANCE EFFECTIVE APPLICATION OF THE
WHISTLEBLOWING RULES AND PROTECTION OF
WHISTLEBLOWERS**

(COM(2004)93 to /7; SEC(2004)151 and /2; SEC(2004)156)

Mr KINNOCK presented the dossier, which would probably be the last follow-up report drawn up by the present Commission on the implementation of the reform of the Commission. The report highlighted the ambitious scope of the reform undertaken and of the modernisation accomplished, which should now be refined and continued in the light of experience gained. The Commission had discharged the commitments given in the March 2000 White Paper and had speedily learned the lessons from the Eurostat affair by taking supplementary strengthening measures. Mr KINNOCK commented more particularly on the new version of the code of conduct governing relations between Commission Members and departments, which, without altering the overall thrust, aimed to clarify the respective responsibilities and the flow of information between Commission Members and departments.

Following this presentation, the Commission adopted the communication on the follow-up report and measures to be implemented in 2004, as set out in COM(2004)93/5 to /7, for transmission to the Council, Parliament and the Court of Auditors.

The Commission also approved the approach set out in SEC(2004)151/2 on strengthening the effective application of the rules on whistleblowing and the protection of whistleblowers. It empowered Mr KINNOCK, in agreement with the PRESIDENT, to adapt on this basis the tables relating to the exercise of the powers

of the Appointing Authority, and authorised him to inform the other institutions accordingly.

12. RELATIONS WITH RUSSIA

(COM(2004)106; SEC(2004)150/2 and /3)

The PRESIDENT reminded the meeting that this communication met the request from the December European Council to draw up an assessment report on all aspects of the Union's relations with Russia and to propose measures aimed at strengthening the strategic partnership and respect for the values on which it was based. The communication should be viewed in the light of the EU-Russia Summit in Rome. Relations with Russia currently offered a mixed picture in which areas of disagreement – such as the ratification of the Kyoto Protocol, the extension of the partnership and cooperation agreement to the ten new Member States of the Union, compliance with human rights and democratic values -- coexisted with traditionally positive factors such as combating international terrorism and the proliferation of weapons of mass destruction, the dialogue on energy, and cooperation on research. Bearing this in mind and also the interdependence between the EU and Russia, the communication set forth a realistic and coherent approach aimed at ensuring balanced relations based on common values and mutual interests.

Without underestimating the difficulty of the task, Mr PATTEN confirmed the mutual need for cooperation and the importance of strengthening relations between the two partners. To this end, it was essential that, on their side, the Union and its Member States followed a coherent and clear line and spoke with one voice. With this aim in view, the communication recommended ways and means of improved policy coordination towards Russia.

Following an exchange of views, with particular emphasis on the importance of a coordinated Union approach, the Commission adopted the communication in COM(2004)106, subject to the addition of a reference to the positive results achieved by Russia in its macroeconomic policy. The communication would be transmitted to the Council and Parliament.

13. TRENDS IN THE MEMBER STATES (SEC(2004)131)

Mr VITORINO referred to the main events covered by the media from mid-December to the end of January, as set out in SEC(2003)131, and drew particular attention to the importance of employment and combating unemployment in the eyes of European public opinion. Mr VITORINO also commented on the decline seen during 2003 in the sense of belonging to the Union.

The Commission took note of this information and held a brief exchange of views on the reasons for the erosion in public support for the European project and on the more general problem of disaffection towards political institutions, both national and European.

14. BUILDING OUR COMMON FUTURE – POLICY CHALLENGES AND BUDGETARY MEANS OF THE ENLARGED UNION 2007-13 (COM(2004)101 and /2; SEC(2004)159)

The Commission held an initial exchange of views on this item, to which it agreed to devote the whole of its discussions on Tuesday 10 February.

15. PERMANENT REPRESENTATIVES COMMITTEE

***CONCLUSION OF THE UN CONVENTION AGAINST TRANSNATIONAL
ORGANISED CRIME AND ITS TWO PROTOCOLS
(SEC(2004)176)***

The Commission authorised Mr VITORINO to follow the line set out in
SEC(2004)176.

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The meeting closed at 1910 hours.

Second sitting: Tuesday 10 February (morning and afternoon)

The sitting opened at 1150 hours with Mr Prodi, President, in the chair.

Present:

Mr PRODI	President
Mr KINNOCK	Vice-President
Ms de PALACIO	Vice-President
Mr MONTI	
Mr FISCHLER	
Mr LIIKANEN	
Mr BUSQUIN	
Mr VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr BOLKESTEIN
Mr SOLBES
Mr NIELSON

The following sat in to represent absent Members of the Commission

Mr EPPINK	A member of Mr Bolkestein's staff
Mr BEKX	Deputy Chef de Cabinet to Mr Solbes
Mr MØRCH	A member of Mr Nielson'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 HENIN	Spokesman
Ms WERNER	Spokeswoman
Mr DE LECEA	Adviser in the President's Office
Ms SUPERTI	A member of Mr Kinnock's staff
Mr SCHINAS	Deputy Chef de cabinet to Ms de Palacio
Mr CALLEJA	Chef de cabinet to Ms de Palacio
Mr PEREZ MONTES	A member of Ms de Palacio's staff
Ms VANNINI	A member of Mr Monti's staff
Ms MAUPERON	A member of Mr Fischler's staff
Ms NEVALAINEN	A member of Mr Liikanen's staff
Mr PAQUET	Deputy Chef de cabinet to Mr Busquin
Mr HALL	Deputy Chef de cabinet to Mr Barnier
Mr CHANTERIE	A member of Ms Reding's staff
Mr LEHNER	Chef de cabinet to Ms Schreyer
Mr PIRÃO	A member of Mr Vitorino's staff

Mr GALEROS	A member of Ms Diamantopoulou's staff
Mr DEMARTY	Agriculture DG
Mr LEYGUES	Regional Policy DG
Mr DE MICHELIS	Regional Policy DG
Mr ROMERO	Director-General, Budget
Mr SERVOZ	Secretariat-General

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

**16. BUILDING OUR COMMON FUTURE – POLICY CHALLENGES AND
BUDGETARY MEANS OF THE ENLARGED UNION 2007-13 (continued
from item 14)
(COM(2004)101 to /3; SEC(2004)159)**

The PRESIDENT introduced the communication as one of the most important contributions by the present Commission in its term of office. Resulting from much study and preparation in which all Commission Members and departments had been involved, it outlined the Commission's vision concerning the plan for a political Europe and its budget planning for the period 2007-13. With the aim of enabling enlargement to bear fruit and help Europe prosper, the communication proposed three major policy priorities (sustainable development, the interests of citizens, and the role of the Union as a world partner) and identified ways of achieving this. To this end, it would be necessary to concentrate the Union's resources on a number of main initiatives and to ensure coherence between the various objectives and instruments. To optimise the performance of the implementing instruments, it was proposed that certain existing financial instruments be simplified and that a road map showing goals, objectives, instruments and indicators be drawn up with the involvement of the Member States. The communication also tackled specific questions such as the appropriate period for the new financial framework, whether the priorities defined at the beginning of the period could be adapted at a later stage, and the system of financing (own resources structure, corrective mechanisms, etc.). Finally, the communication sought to define the financial framework necessary for the achievement of these objectives, taking into account the policy commitments made and the ambitions set forth at the highest level.

Following the PRESIDENT's introduction, the Commission held a very detailed discussion, particularly on:

- the importance of the political presentation of the dossier and of the message to be delivered;
- the effort that had been made to identify priorities as well as the coherence and realism of the proposals as regards the commitments made, particularly concerning the Lisbon agenda, enlargement, and the common agricultural policy;
- the financial and political implications of the proposed framework, taking into account the efforts at budgetary rigour requested of the Member States and the added value of European expenditure compared with national expenditure;
- the scenarios and pace of possible expenditure in compliance with the ceiling of 1.24% of GNI;
- the structure and profile of the new financial framework;
- the timetable for presentation of the legislative proposals that would need to follow the communication before the Commission;
- the need for and the components of a road map agreed with the Member States to accompany implementation of the project;
- the limits of the present own resources structure, and whether this question should be given further study;
- the proposed flexibility instruments, their operation and the criteria applicable to them;
- the advisability of a generalised financial corrective mechanism and the possible criteria for its operation.

In the debate, the Commission decided that the following amendments would be made to the document:

- the title of the communication to read: *Building our common future - Policy challenges and budgetary means of the Enlarged Union 2007-2013*;
- in item I.A.1.a), 5th indent: delete the words between parentheses; in item I.A.1.b), 6th bullet, the text box to read “.... *at the nano-scale, investment in future mobile and wireless technologies and applications, enhancement of joint efforts in embedded systems, as well ...*”;
- in item 1.A.1.a), last indent: a passage concerning the action plan for ecotechnologies (ETAP) would be added. A reference to the financial instrument for the environment (FIE) would be also introduced;
- in item I.B.1.ii), 3rd bullet: add the following sentence:

“In this respect, the Union must implement measures, within this policy domain, to provide incentives and support for the action of Member States with a view to promoting the integration of third-country nationals residing in their territories.”

Subject to these amendments, the Commission approved the communication, as set out in COM(2004)101/3 and with the addition of the figures agreed during the meeting, for transmission to Parliament and the Council.

The Commission agreed that all the reports of the various working groups of Commission Members involved in the work would be made public on the internet.

The PRESIDENT concluded by thanking on behalf of the Commission the Members who had chaired the working groups and all the Members' Offices and departments which had contributed, in particular Mr ROMERO, Mr DE LECEA, Mr LEHNER, Mr THERY, Mr HALL and Mr SERVOZ, for their excellent work.

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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 1440 hours.