



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2004)1656 final

Brussels, 19 May 2004

MINUTES

of the 1656th meeting of the Commission

held in Brussels

(Breydel)

on Friday 7 May 2004

(morning)

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These minutes were approved by the Commission at its 1658th meeting, held in Brussels on 19 May 2004.

They contain 18 pages.

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Single sitting: Friday 7 May (morning)

The sitting opened at 0915 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 VERHEUGEN	
Mr LAMY	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Mr DIMAS	
Mr BARROT	
Mr ALMUNIA	
Mr BALAZS	
Ms HÜBNER	
Mr KALLAS	
Mr BORG	
Ms KALNIETE	
Ms GRYBAUSKAITE	
Mr POTOČNIK	

Mr FIGEL

Mr KYPRIANOU

Mr TELIČKA

Absent:

Mr NIELSON

Mr PATTEN

Mr BYRNE

The following sat in to represent absent Members of the Commission

Mr HAMBURGER Chef de cabinet to Mr Nielson

Mr CHILD Chef de cabinet to Mr Patten

Mr POWER Chef de cabinet to Mr Byrne

The following also sat in

Mr PETITE Director-General, Legal Service

Mr MANSERVISI Chef de cabinet to the President

Mr KEMPPINEN Commission Spokesman

Ms DAHMEN Spokeswoman Item 10

Mr DE RYNCK Spokesman Item 9

Ms GONZALEZ LAYA Spokeswoman

Mr MANN Spokesman Item 12

Mr THOMAS Spokesman

Ms WERNER Spokeswoman Item 12

Mr DE LECEA Adviser in the President's Office Item 12

Mr SMULDERS A member of the President's staff Item 9

Mr CALLEJA Chef de cabinet to Ms de Palacio Item 9

Mr PEREZ MONTES A member of Ms de Palacio's staff Item 12

Ms HOFFMAN	Deputy Chef de cabinet to Ms Reding	
Mr LEHNER	Chef de cabinet to Ms Schreyer	
Ms KONTOU	Chef de cabinet to Mr Dimas	Item 12
Ms ROGER	Chef de cabinet to Mr Barrot	
Mr HALL	Deputy Chef de cabinet to Mr Barrot	Item 12
Mr PLANAS	Chef de cabinet to Mr Almunia	
Mr ITALIANER	Chef de cabinet to Mr Telička	
Mr LEVI	GOPA	Items 9 to 12
Ms CORUGEDO STENEBERG	Press and Communication DG	
Mr MOAVERO MILANESI	Deputy Secretary-General	Items 1 and 2
Mr PONZANO	Secretariat-General	Item 9
Mr VAN NUFFEL	Secretariat-General	Item 9
Mr SERVOZ	Secretariat-General	Item 12

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

1. ENTRY INTO SERVICE OF TEN NEW COMMISSION MEMBERS

The PRESIDENT welcomed the ten new Commission Members, whose presence bore tangible witness to Europe's historic process of enlargement and unification. He was delighted to be able to share with them the spirit of constructive cooperation and collective responsibility in the service of Europe which lay at the heart of the Commission's work.

After briefly mentioning the main items on the Commission's agenda up to the end of its term of office, the PRESIDENT reminded the meeting of the Commission's working rules and the importance of discipline on everyone's part if its meetings were to run smoothly.

Following the PRESIDENT's observations, the Commission took note that, pending their swearing the oath of office before the Court of Justice, the ten new Commission Members undertook to comply with the obligations arising from their appointment.

2. AGENDAS AND QUARTERLY ROLLING PROGRAMME (OJ(2004)1656/3; SEC(2004)526/2; SEC(2004)546)

The Commission took note of that day's agenda, the tentative agendas for future meetings, and the quarterly rolling programme of items to be entered on the agenda from 12 May to 20 July.

3. WEEKLY MEETING OF CHEFS DE CABINET
(SEC(2004)1656)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 3 May.

4. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1655th MEETING
(28 April)
(PV(2004)1655; PV(2004)1655, Part II)

The Commission approved the minutes of its 1655th meeting.

5. MONITORING THE APPLICATION OF COMMUNITY LAW

5.1. STATE AID
(SEC(2004)477; SEC(2004)478/2)

The Commission adopted the decisions in SEC(2004)478/2.

5.2. INFRINGEMENTS
(SEC(2004)522/2)

The Commission adopted the decisions in SEC(2004)522/2.

6. WRITTEN PROCEDURES AND EMPOWERMENT

6.1. *WRITTEN PROCEDURES APPROVED*

(SEC(2004)527 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 26 and 30 April.

6.2. *EMPOWERMENT*

(SEC(2004)529 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 26 and 30 April.

6.3. *DELEGATION AND SUBDELEGATION OF POWERS*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 26 and 30 April, as archived on the "Greffé 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2004)530/4)

ADMINISTRATIVE MATTERS

(PERS(2004)79)

7.1. *DG RELEX - APPLICATION OF THE ARTICLE 50 PROCEDURE (SECOND STAGE) WITH RESPECT TO AN A2 OFFICIAL*

The Commission continued its discussions on this matter, begun on 7 April (PV(2004)1653).

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr PATTEN, the Commission adopted the decision in PERS(2004)68 applying the second stage of the procedure laid down in Article 50 of the Staff Regulations with respect to Mr Alberto NAVARRO GONZALEZ, an A*15 official attached to the External Relations DG as Head of the Commission Delegation in Brasilia.

This decision would take effect on 16 May.

7.2. *DG DIGIT - TEMPORARY APPOINTMENT DE DIRECTOR-GENERAL*

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, decided under Article 7(2) of the Staff Regulations that Mr Francisco GARCIA MORAN, an A*15 official, currently Director of Directorate A in the Informatics DG, should occupy the post of Director-General, Informatics, from 1 May until the new Director-General took up his duties, subject to a maximum of twelve months.

This decision would take effect on 1 May.

8. PARLIAMENT

8.1. *PARLIAMENTARY AFFAIRS GROUP* *(SP(2004)1820)*

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on 29 April (SP(2004)1820).

It paid particular attention to the following:

Action taken on Parliament's opinions and resolutions

(point 5 of the record)

The Commission adopted SP(2004)1798/2 on the action taken on Parliament's opinions and resolutions adopted at its March I and II part-sessions, for transmission to Parliament.

The Commission adopted the replies to non-legislative and own-initiative resolutions adopted by Parliament to which the Commission had undertaken to respond (SP(2004)1799/2), for transmission to Parliament.

8.2. MAY PART-SESSION

(SP(2004)1825)

The Commission took note of the information supplied relating to Parliament's part-session held in Strasbourg from 3 to 5 May.

Ms de PALACIO referred to the results of the votes on the motion of censure against the Commission and on approval of the enlarged Commission. On the latter point, the final wording of Parliament's decision provided the Commission with a sound basis for continuing its activities in a number of important areas over the coming months.

9. INTERGOVERNMENTAL CONFERENCE

(SEC(2004)545/2; SEC(2004)582)

Mr VITORINO took stock of the resumption of the Intergovernmental Conference's discussions following the "focal points" meeting in Dublin on Tuesday 4 May. Based on the classification into four groups laid down by the Presidency, he enumerated the questions open for discussion and drew attention to various

problems arising. The situation remained unchanged as far as the first group of the most sensitive questions was concerned (definition of qualified majority; composition of the Commission; minimum number of seats in Parliament; reference to Christian heritage), these being reserved for the European Council on 17 and 18 June. However, on the other questions that the Presidency wished to settle at ministerial level, some of the proposals on the table were worrying from various points of view and in some cases represented a backward step in comparison with the text of the Convention, or even with the existing body of Community law and practice. As to the working method at this final stage of the negotiations, Mr VITORINO warned of the danger of a case-by-case approach culminating in an accumulation of individual concessions and pre-empting the possibility of a comprehensive negotiation. Lastly, faced with a scenario in which a significant number of Member States would be using referenda in their ratification procedures, the question of the conditions for entry into force of the Constitution was likely to be reactivated.

The Commission held an in-depth exchange of views on the questions raised by Mr VITORINO and laid particular emphasis on the following points:

- There was a need to remain vigilant on the issue of the operation of the Foreign Minister and the status of the External Service. Questions were raised over the feasibility and the technical, but also political, implications for the ratification process of an anticipated implementation of the provisions concerning the Foreign Minister and his or her departments. It was agreed that the Commission Members responsible for external relations would give further thought to this question with a view to defining a Commission position.
- In view of the negative effects for the overall balance of the system and for the cohesion policy, the Commission must maintain its opposition to any initiative to add aid for the economic development of the outermost regions to the list of

types of aid that could be regarded as compatible with the internal market under Article III-56(3) of the draft Constitution.

- In the field of trade policy, the proposed extended use of unanimity would be a retrograde step in comparison with the present situation, and this initiative must be firmly opposed. It would be useful to have available a solid briefing paper to dispel certain misunderstandings and defend the Commission's position.
- Mention was made of the scope of the change introduced in Article I-14 of the draft Constitution, calling into question the compromise on the respective roles of the Union and the Member States in economic policy coordination.
- The budgetary implications of the various amendments planned were discussed.
- The limits and, to a certain extent, the inadequacy of the proposed solution for the Presidency of the Council bodies were noted, having regard to the objectives originally sought.
- The Commission was maintaining its position as regards its own composition.

Following this exchange of views, the PRESIDENT noted that there was a consensus among Commission Members on the need to avoid any backward step in comparison with the *acquis* of the draft Constitution, since the text that had emerged from the Convention constituted a minimum, and the risk of a negative vote in a referendum could not in itself justify diluting the Constitution. It was important that the Commission mobilise collectively and individually in defence of its position. To this end, and without prejudice to a more wide-ranging document setting out the Commission's position on the whole dossier, Mr VITORINO would make a briefing paper available to colleagues covering the various controversial points together with the positions to be defended by the Commission.

10. TRENDS IN THE MEMBER STATES

(SEC(2004)555)

Mr VITORINO referred to SEC(2004)555, which reported on the main events capturing the media's attention and the trends in public opinion in recent weeks. In response to several requests, the document for the first time included the results of opinion polls other than those of Eurobarometer. As for Eurobarometer, Mr VITORINO commented in particular on the results of its polls concerning respectively support for enlargement on the eve of 1 May, the main topics of concern to citizens, and voting intentions at the European elections.

Having noted that future Eurobarometer opinion polls would cover the Europe of 25 and would no longer distinguish between the 15 and the 10, the Commission held a brief exchange of views on the information provided by Mr VITORINO. It stressed once again the need for and the importance of an effective communication strategy, a problem on which it would shortly be holding an in-depth discussion on the basis of preparatory work by the relevant group of Commission Members.

11. RELATIONS WITH NON-MEMBER COUNTRIES

11.1. VISIT BY MS WALLSTRÖM TO THE UNITED STATES (25-29 APRIL)

(SEC(2004)590)

The Commission took note of the information note distributed by Ms WALLSTRÖM.

**11.2. DEVELOPMENT OF NEGOTIATIONS ON THE DOHA
DEVELOPMENT AGENDA**

Mr LAMY and Mr FISCHLER reported on their contacts and on the initiatives they were putting forward in support of the relaunch of the Doha negotiations after the failure of the Cancun conference in September 2003. It was important to press ahead with all speed, the objective being to achieve by July the results originally hoped for at Cancun.

After a brief exchange of views on certain aspects of the dossier, particularly the prospects of success for new efforts by the Union and the Commission's ability to develop a genuine communication strategy on a par with the other interested parties in the negotiations, in particular the NGOs, the Commission expressed support for the approach presented by Mr LAMY and Mr FISCHLER. It noted that it would be kept informed of developments.

**12. GUIDELINE DEBATE ON WORK CONNECTED WITH THE FINANCIAL
PERSPECTIVE
(SEC(2004)556 to /5)**

Introducing the debate, the PRESIDENT reminded the meeting of the backdrop to the Commission's work on the next financial perspective. Following the communication of 10 February in which the Commission had presented the key aspects of the Union's policy plans, the dossier had moved forward both internally and at institutional level. For the preparation of a detailed legislative package by the summer, it was therefore important to take stock of progress within the Commission and to ensure that this work was in line with the political priorities and principles of governance set out in the February communication. To this end, each proposal would have to explain convincingly the added value of the Union's action in

comparison with intervention at national level. Similarly, the principle of simplification (one instrument per policy) should be the rule rather than the exception, and it would be desirable in each individual case to assess the most appropriate management method (internal management, shared or by outsourcing). The overall amounts mentioned in the February communication could not be amended at this stage, since the exact amounts would depend on work still in progress. Any figures that might be supplied informally to the Council were therefore purely illustrative. The PRESIDENT observed finally that it was necessary to give fresh impetus to the drawing-up of the road map. On working methods, it was also important that the Commission should agree on the best way to pilot the preparation of proposals to be transmitted to Parliament and the Council.

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

- the consistency between various aspects of the 10 February document and the document currently under examination;
- the nature of the data set forth at Annex 1 to the document;
- the advisability of transmitting the Annex to the Council, as it stood or with amendments;
- the implications of the principle of simplification, and particularly the difficulty of implementing it, since several different legal bases could be involved in one policy area;
- whether or not it would be wise to propose a mid-term review and an expenditure margin;
- the vital importance of demonstrating the European value added by all the proposals to be made;

- the tasks and the composition of the Peer Group of Commission Members, and the need for a means of political arbitration;
- the importance of having strong instruments available to support the Lisbon strategy;
- the breakdown of administrative appropriations.

Following this debate, the PRESIDENT noted that there was a consensus in the Commission on the need to demonstrate the value added by Union action. From an operational point of view, he drew the following conclusions:

- the Secretariat-General would prepare framework communications heading by heading, so as to make sure the individual proposals were followed up and to ensure their coherence with the principles enshrined in the 10 February communication;
- the Peer Group of Commission Members would supervise this work;
- it would be assisted by a group, chaired jointly by the Secretary-General and the Chef de cabinet to the PRESIDENT, and including the Director-General, Budgets, and the Chef de cabinet to Ms SCHREYER; this group's mandate would be to review the proposals and verify their coherence from the point of view of:
 - value added as regards the political objectives;
 - the principles of simplification and governance;
 - the instruments within headings as well as across headings.

The six working groups which had prepared the 10 February communication could be asked to carry out checks or to undertake additional work. The group

would also receive submissions from the Members' Offices and departments concerned, since its composition should remain limited for reasons of efficiency;

- it being duly agreed and clarified that these figures were purely indicative, the table at Annex 1 to SEC(2004)556 /4, amended as agreed during the meeting, would be transmitted informally to the Council. To it would be added a footnote explaining that it had been prepared by Commission departments for purely illustrative purposes and that the Commission reserved the right to adjust the figures at a later stage. While leaving the amounts unchanged, it was agreed that the explicit reference to a margin of 3% be deleted at this stage and that further thought be given to it;
- lastly, since it could not be dissociated from the work of implementing the 10 February communication to be considered by the Peer Group, the preparation of the road map should be given a boost so that it might be ready at the same time as the July package.

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The meeting closed at 1310 hours.