



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

**PV(2002)1553 final**

Brussels, 31 January 2002

**MINUTES**  
**of the 1553rd meeting of the Commission**  
**held in Brussels**  
**(Breydel)**  
**on Wednesday 30 January 2002**  
**(morning)**

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These minutes have been adopted by the Commission at its 1554th meeting held in Strasbourg on 5<sup>th</sup> February 2002.

They comprise 31 pages.

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*VON WOGAU REPORT, LEGISLATION ON FINANCIAL SERVICES (SP(2002)225;*  
*(SI(2002)61)..... 30*

**Single sitting: Wednesday 30 January (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 SOLBES         |                |
| Mr VERHEUGEN      |                |
| Mr PATTEN         |                |
| Mr LAMY           |                |
| Mr BYRNE          |                |
| Mr BARNIER        |                |
| Ms REDING         |                |
| Ms SCHREYER       |                |
| Mr VITORINO       |                |
| Ms DIAMANTOPOULOU |                |

Absent:

Mr NIELSON  
Ms WALLSTRÖM

**The following sat in to represent absent Members of the Commission**

|               |                                        |
|---------------|----------------------------------------|
| Ms KAMINARA   | A member of Mr Nielson's staff         |
| Mr ANNERBERG  | Chef de cabinet to Ms Wallström        |
| Ms CARPARELLI | Deputy Chef de cabinet to Ms Wallström |

**The following also sat in**

|                  |                                   |                       |
|------------------|-----------------------------------|-----------------------|
| Mr PETITE        | Director-General, Legal Service   |                       |
| Mr MANSERVISI    | Chef de cabinet to the President  |                       |
| Mr FAULL         | Commission Spokesman              |                       |
| Mr DE LECEA      | A member of the President's staff |                       |
| Mr GUSSETTI      | A member of the President's staff |                       |
| Mr LOWE          | Chef de cabinet to Mr Kinnock     | Item 8                |
| Mr PIRZIO BIROLI | Chef de cabinet to Mr Fischler    | Items 14 to 16        |
| Mr NØRLUND       | Chef de cabinet to Mr Bolkestein  | Items 4, 6, 14 and 17 |
| Mr PLANAS        | Chef de cabinet to Mr Solbes      | Item 14               |
| Ms FLORES        | A member of Mr Solbes's staff     | Item 14               |
| Mr ITALIANER     | Chef de cabinet to Mr Verheugen   | Items 14 to 16        |
| Mr MINGASSON     | Director-General, Budget          | Items 15 and 16       |
| Mr LANDABURU     | Director-General, Enlargement     | Items 15 and 16       |
| Mr CARVOUNIS     | Acting Director, DG PRESS.A       |                       |
| Mr THOMAS        | Spokesman                         |                       |
| Mr HENIN         | Spokesman                         | Item 9                |
| Mr MORRIS        | Spokesman                         | Items 15 and 16       |
| Mr FILORI        | Assistant, DG PRESS               | Item 15               |

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

**1. AGENDAS**

**(OJ(2002)1553/3; SEC(2002)74/2)**

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

**2. WEEKLY MEETING OF CHEFS DE CABINET**

**(SEC(2002)1553)**

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 28 January.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1552nd MEETING (23 January)**

**(PV(2002)1552 and /2; PV(2001)1552, Part II and /2)**

The Commission approved the ordinary minutes of its 1552nd meeting and held over approval of the draft special minutes for one week.

**4. PARLIAMENT**

***PARLIAMENTARY AFFAIRS GROUP***

***(SP(2001) 232)***

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on Thursday 24 January.

It paid particular attention to the following:

**a) Preparations for February I to May 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:

**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 and transmit to the Council, in accordance with Article 251(2)(c) of the Treaty, once Parliament had given its view, its opinion on the amendments, together with any amended proposals, on the basis of the line set out in SP(2001)4250 for the following:

Recommendation without debate,

Type-approval of two- or three-wheel motor vehicles,  
COM(1999)276 - 1999/0117 (COD)

**1st reading and simple consultation**

GLANTE Report, GALILEO Joint Undertaking,  
COM(2001)336 - 2001/0136 (CNS)

The Commission adopted the line set out in SP(2002)216/2, on the understanding that the President and Ms de PALACIO would consider by common agreement

the possibility of improving the wording of the passages concerning the rejection of amendments 12 and 19.

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

(point 5 of the record)

The Commission adopted SP(2002)141 on the action taken on Parliament's opinions and resolutions adopted at its November I and II part-sessions.

**c) Other matters**

(point 8 of the record)

**Topical political issues between Parliament and the Commission**

2000 discharge

The Commission took note of the arrangements made for the transmission of information to Parliament for the discharge procedure for 2000, and noted that, at its 1554th meeting (5 February), Ms SCHREYER, in agreement with Mr FISCHLER, Mr BARNIER and Ms DIAMANTOPOULOU, would be tabling a draft reply to a specific request from the Committee on Budgetary Control concerning access to certain documents (export refunds, Structural Funds, lists of irregularities discovered).

Letter from Ms FONTAINE of 18.12.2001 concerning the transmission to Parliament of documents concerning enlargement

The Commission adopted the line suggested in the draft letter annexed to SP(2002)244.

Arrangements for presenting the Commission's work programme to Parliament

The Commission noted that Ms de PALACIO would inform the Commission in due course of the results of her contacts with Parliament.

**5. PERMANENT REPRESENTATIVES COMMITTEE**  
**(SI(2002)66)**

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

**6. MONITORING THE APPLICATION OF COMMUNITY LAW**

**6.1. STATE AID**  
**(SEC(2002)64 to /6)**

The Commission adopted the decisions in SEC(2002)64/6, subject to the following clarifications:

**C 24/2001 (ex NN 56/2000) ITALY**

**Measures to assist road haulage companies following the rise in oil prices in summer-autumn 2000**

(C(2002)312/2)

Decision: Held over for one week.

**C 25/2001 (ex NN 112/2000) FRANCE**

**Measures to assist road transport companies following the rise in oil prices in summer-autumn 2000**

(C(2002)313/2)

Decision: Held over for one week.

**C 26/2001 (ex NN 115/2000) NETHERLANDS**

**Measures to assist road haulage and passenger transport companies  
following the rise in oil prices in summer-autumn 2000**

(C(2002)314/2)

Decision: Held over for one week.

**6.2. INFRINGEMENTS**

**(SEC(2002)104; SEC(2002)86; SEC(2002)87; SEC(2002)88)**

**6.2.1. URGENT CASE**

(SEC(2002)104)

The Commission adopted the decision in SEC(2002)104.

**6.2.2. URGENT OR DEFERRED CASES**

(SEC(2002)86)

The Commission adopted the decisions in SEC(2002)86.

**6.2.3. DEFERRED CASE**

(SEC(2002)87)

The Commission adopted the following decision in SEC(2002)87:

**1994/0673 FRANCE**

**Nature: transposal of the habitats Directive**

Decision: terminated

**6.2.4. DOSSIER DEFERRED FOR UNAVAILABILITY OF TEXT -  
REGULARISATION**

(SEC(2002)88)

The Commission adopted the decision in SEC(2002)88.

**6.3. PROPOSAL FOR A COUNCIL DECISION ON EXTENSION OF THE  
ADVANTAGES CONFERRED ON THE JOINT UNDERTAKING  
HOCHTEMPERATUR-KERNKRAFTWERK (HKG)  
(COM(2002)768/4 and /5)**

The Commission approved the proposal for a Council Decision in  
COM(2002)768/4 and /5, for transmission to the Council.

See also item 6.4.

**6.4. PROPOSAL FOR A COUNCIL DECISION ON EXTENSION OF THE  
JOINT UNDERTAKING STATUS OF  
HOCHTEMPERATUR-KERNKRAFTWERK GmbH (HKG)  
(COM(2002)769/4 and /5)**

The Commission approved the proposal for a Council Decision in  
COM(2002)769/4 and /5, for transmission to the Council.

The Commission noted that the decisions mentioned at items 6.3 and 6.4 were  
without prejudice to the possible application of the EC Treaty to the nuclear sector.

**7. WRITTEN PROCEDURES AND EMPOWERMENT**

**7.1. WRITTEN PROCEDURES APPROVED  
(SEC(2002)75 to /5)**

The Commission took note of the Secretariat-General's memoranda recording  
decisions adopted by written procedure between 21 and 25 January.

## **7.2. SENSITIVE WRITTEN PROCEDURES**

**(SEC(2002)76)**

The Commission took note of written procedures initiated between 21 and 25 January for the adoption of decisions with political implications.

## **7.3. EMPOWERMENT**

**(SEC(2002)7) 77 to /6)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 21 and 25 January.

## **7.4. DELEGATION OF POWERS**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 21 and 25 January, as archived on the "Greffé 2000" (Registry) website.

# **8. ADMINISTRATIVE AND BUDGETARY MATTERS**

**(SEC(2002)78/3)**

## **ADMINISTRATIVE MATTERS**

**(PERS(2002)18/2)**

### **8.1. APPOINTMENTS**

DG ENV - A1 post of Director-General

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A1 post of Director-General for Environment (PERS(2001)200/4).

The Commission took note of the opinions of the Consultative Committee on Appointments of 25 September and 12 October 2001 (PERS(2001)200/5 and /6).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Ms WALLSTRÖM, it then decided to appoint Ms Catherine DAY to the post.

This decision would take effect from a date to be determined later.

Secretariat-General - A1 post of Deputy Secretary-General

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A1 post of Deputy Secretary-General (PERS(2001)306 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 16 and 24 January (PERS(2001)306/3 to /5).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, it then decided to appoint Mr Enzo MOAVERO-MILANESI Deputy Secretary-General in the Secretariat-General.

This decision would take effect from a date to be determined later.

DG RELEX.B - 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 External Relations DG (PERS(2001)248 to /3).

The Commission took note of the opinions of the Consultative Committee on Appointments of 5 and 25 October 2001 (PERS(2001)248/4 and /5).

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 PATTEN, it then decided to appoint Ms Danièle SMADJA to the post of Director of Directorate B (Multilateral relations and human rights) in the External Relations DG.

This decision would take effect from a date to be determined later.

DG RELEX.F - 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 External Relations DG (PERS(2001)224 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 24 July and 18 October 2001 (PERS(2001)244/3 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 PATTEN, it then decided to appoint Mr Christian LEFFLER to the post of Director of Directorate F (Middle East, South Mediterranean) in the External Relations DG.

This decision would take effect from a date to be determined later.

DG RELEX.I - 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 External Relations DG (PERS(2001)217, /2, /3 and /6).

The Commission took note of the opinions of the Consultative Committee on Appointments of 5 and 25 October 2001 (PERS(2001)217/4 and /5).

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 PATTEN, it then decided to appoint Mr David LIPMAN to the post of Director of Directorate I (Headquarters resources, information, interinstitutional relations) in the External Relations DG.

This decision would take effect from a date to be determined later.

**8.2. REDEPLOYMENT OF AN A2 OFFICIAL**

DG RELEX.K - 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 External Relations DG (PERS(2001)294).

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr PATTEN, decided to terminate the procedure for publication of the post of Director in Directorate K (External Service) and to fill the post by the redeployment, with his post and in the interest of the service, of Mr Christian FALKOWSKI, A2 official, currently Director of

Directorate C (Horn of Africa, eastern and southern Africa, Indian Ocean and Pacific) in the Development DG.

This decision would take effect from a date to be determined later.

**8.3. *EXTENSION OF LEAVE ON PERSONAL GROUNDS FOR AN A2 OFFICIAL***

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr FISCHLER, the Commission decided to grant an extension of leave on personal grounds requested by Mr Alain LAUREC, A2 official, from 1 March 2002 to 28 February 2003.

This decision would take effect immediately.

**8.4. *INITIAL COMMUNICATION UNDER ARTICLE 50 OF THE STAFF REGULATIONS***

The Commission's discussions on this item are recorded in the special minutes.

**8.5. *APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS (SECOND STAGE)***

**DG INFSO**

The Commission continued its discussions on this matter, begun on 17 October (PV(2001)1539).

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, adopted the decision in PERS(2002)20 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations with respect to Mr Vicente PARAJON COLLADA, A1 official and Deputy Director-General in the Information Society DG.

This decision would take effect from 1 June.

#### DG ADMIN

The Commission continued its discussions on this matter, begun on 21 November (PV(2001)1545).

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, adopted the decision in PERS(2002)21 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations with respect to Mr Ubaldo ZITO, A1 official and Deputy Director-General in the Personnel and Administration DG.

This decision would take effect from 1 June.

#### **8.6. AMENDMENT OF THE ORGANISATION CHARTS OF THE SECRETARIAT-GENERAL AND THE PERSONNEL AND ADMINISTRATION DG AND REDEPLOYMENT OF AN A2 OFFICIAL**

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, the Commission decided:

- to create a post of Director in the Secretariat-General responsible for the Protocol Service, attached to the Deputy Secretary-General responsible for Directorates A, B and G, and to fill the vacancy by transferring Mr Jacques DE BAENST, A2 official and currently Director of Directorate ADMIN/SPS (Protocol and Security Service), with his post and in the interest of the service;
- to integrate the SPS into the Personnel and Administration DG as the Security Directorate and to change the title of the Deputy Head of this service to "Adviser responsible for security coordination".

Mr Franck ASBECK was confirmed in the post of Adviser responsible for

security coordination. The vacant post of Director would be filled according to the procedures in force;

- to approve the organisation chart of the Personnel and Administration DG as thus amended.

This decision would take effect from 1 March.

The Commission thanked Mr DE BAENST for having assumed with great commitment and professionalism the double responsibility of the Protocol Service and the Security Office.

**8.7. ADMINISTRATIVE STRUCTURE FOR THE WORK OF THE  
CONVENTION ON THE FUTURE OF THE UNION AND THE  
COMMISSION'S CONTRIBUTION  
(PERS(2002)19 and /2)**

The Commission:

- decided to set up a task-force on the future of the European Union and institutional affairs;
- to this end, adopted the decision annexed to PERS(2002)19/2/2;
- noted that this instrument would be likely to develop in the light of requirements.

**8.8 REPLIES TO REQUESTS UNDER ARTICLE 90(2) OF THE STAFF  
REGULATIONS  
(PERS(2002)18 and /2)**

The Commission took note of the procedure for approving replies to requests under Article 90(2) of the Staff Regulations when the decision to make objections had been taken either by the Member responsible for

Personnel and Administration or by the Commission itself, as set out in PERS(2002)18.

**9. FIRST PROGRESS REPORT ON ECONOMIC AND SOCIAL COHESION  
(COM(2002)46 to /5; SEC(2002)92)**

Mr BARNIER, in agreement with Mr FISCHLER and Ms DIAMANTOPOULOU, tabled the first progress report on economic and social cohesion.

The Commission adopted an amendment to the section "Conclusions and next steps", Chapter III, "Next steps and other considerations". Under the heading "Timing", the second paragraph was amended as follows:

"The Commission intends to present its proposals to Parliament and the Council in sufficient time **for the adoption of Regulations on the Structural Funds so that the effective implementation** of the new generation of programmes can commence at the beginning of the new programming period. This will also have to be taken into account in the timing of the publication of the Commission's Third Cohesion Report."

Subject to this amendment, the Commission approved the communication in COM(2002)46, /3 and /5 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

**10. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 8(4) OF  
COUNCIL REGULATION (EEC) No 4064/89 (CASE COMP/M.2416 -  
TETRA LAVAL/SIDEL)  
(C(2002)359 and /2)**

The Commission:

- took note of the opinion of the Advisory Committee on Concentrations of 22 January in the case concerning Tetra Laval/Sidel, as set out in C(2002)359;
- took note of the final report of the Hearing Officer in C(2002)359;
- adopted, in the authentic language (English), the decision in C(2002)359/2 requiring Tetra Laval to separate from Sidel;
- empowered the Commission Member responsible for competition policy to take all necessary measures for the implementation of this separation in accordance with the arrangements set out in the Annex to the decision.

The decision would be published in the Official Journal with business secrets removed.

**11. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 8(4) OF  
COUNCIL REGULATION (EEC) No 4064/89 (CASE COMP/M.2283 -  
SCHNEIDER/LEGRAND)  
(C(2002)360 to /4; SEC(2002)101)**

The Commission:

- took note of the opinion of the Advisory Committee on Concentrations of 22 January in the case concerning Schneider/Legrand, as set out in C(2002)360/3;
- took note of the final report of the Hearing Officer in C(2002)360/3;
- adopted, in the authentic language (French), the decision in C(2002)360/4 requiring Schneider Electric to separate from the Legrand group;
- empowered the Commission Member responsible for competition policy to take all necessary measures for the implementation of this separation under Article 1 of the decision.

The decision would be published in the Official Journal with business secrets removed.

**12. AMENDED PROPOSALS FOR COUNCIL DECISIONS ADOPTING  
SPECIFIC PROGRAMMES IMPLEMENTING THE SIXTH FRAMEWORK  
PROGRAMMES 2002-06:**

- **OF THE EUROPEAN COMMUNITY, FOR RESEARCH,  
TECHNOLOGICAL DEVELOPMENT AND DEMONSTRATION;**
- **OF EURATOM, FOR RESEARCH AND TRAINING ON NUCLEAR  
ENERGY**  
**(COM(2002)43 to /6; SEC(2002)93)**

The Commission approved the communication including five proposals for Council decisions (COM(2002)43/4 and /6), for transmission to Parliament, the Council and the Economic and Social Committee.

**13. REFORM OF COMMUNITY AID - PLAN FOR THE IMPLEMENTATION  
AND FINANCING OF DEVOLUTION**

**(SEC(2002)85 to /3)**

The Commission approved the financing and implementation plan for devolution in SEC(2002)85/2 and /3.

**14. COMMISSION RECOMMENDATIONS FOR A COUNCIL OPINION ON  
UPDATED STABILITY PROGRAMMES (FRANCE, GERMANY, GREECE,  
IRELAND, ITALY, PORTUGAL, SPAIN) AND CONVERGENCE  
PROGRAMMES (UNITED KINGDOM) (2ND SERIES)**

**(SEC(2002)109 and /2; SEC(2002)110; SEC(2002)111 and /2; SEC(2002)112  
and /2; SEC(2002)113; SEC(2002)114; SEC(2002)115; SEC(2002)116 and /2;  
SEC(2002)120);**

**RECOMMENDATIONS FOR COUNCIL RECOMMENDATIONS WITH A  
VIEW TO GIVING EARLY WARNING TO GERMANY AND PORTUGAL  
IN ORDER TO PREVENT THE OCCURRENCE OF AN EXCESSIVE  
DEFICIT;**

**PROPOSALS FOR COUNCIL DECISIONS MAKING PUBLIC THE  
RECOMMENDATIONS WITH A VIEW TO GIVING EARLY WARNING  
TO GERMANY AND PORTUGAL IN ORDER TO PREVENT THE  
OCCURRENCE OF AN EXCESSIVE DEFICIT**

**(SEC(2002)127 and /2 and SEC(2002)128 and /2)**

The PRESIDENT reminded the meeting that the Commission had had before it at its meeting of 15 January a first series of updated stability or convergence programmes for certain Member States (PV(2002)1551), and it now had to decide on a second series. He emphasised that the Commission should exercise its

responsibilities and apply the stability and growth pact's rules and procedures with all rigour and fairness to all the Member States.

Mr SOLBES presented two series of proposals:

- recommendations for Council opinions on the updated stability programmes of seven Member States (France, Germany, Greece, Ireland, Italy, Portugal, Spain) and on the updated convergence programme of one Member State (United Kingdom);
- proposals for Council recommendations with a view to giving early warning to Germany and Portugal to prevent the occurrence of an excessive deficit (early warning procedure) and for Council decisions to make these recommendations public.

He outlined the main characteristics of the situation of each Member State, identifying:

- cases in which the programmes presented were in line with requirements of the stability and growth pact;
- those in which the strategy to achieve a balanced budgetary position should be strengthened;
- and, among the latter, those for which divergences from the budgetary plans were particularly significant.

On the basis of this diagnosis, he proposed initiating the early warning procedure for two Member States (Germany and Portugal). The stability and growth pact laid down a series of measures to remedy situations in which the public deficit exceeded the threshold of 3% of GDP, and the fundamental objective of implementing the pact was to prevent such situations. The early warning procedure was thus part of

the pact's prevention mechanisms and formed an essential part of the budgetary surveillance process.

The Commission held an in-depth discussion on the justification for and implications of initiating the early warning procedure, and on the content of the Commission recommendations concerning Germany and Portugal.

Following this discussion, the Commission adopted:

- the recommendations for a Council opinion in relation to the updated stability programmes of France, Germany, Greece, Ireland, Italy, Portugal and Spain, and the updated convergence programme of the United Kingdom, as set out in SEC(2002)109/2, SEC(2002)110, SEC(2002)111/2, SEC(2002)112/2, SEC(2002)113, SEC(2002)114, SEC(2002)115 and SEC(2002)116/2;
- the recommendations for Council recommendations for sending early warnings to Germany and Portugal to prevent the occurrence of an excessive deficit, and the corresponding proposals for Council decisions making the warning public, as set out in SEC(2002)127 and /2 and 128 and /2.

It decided to transmit the recommendations and proposals for decisions to the Council.

**15. ACCESSION NEGOTIATIONS - COMMON FINANCIAL FRAMEWORK:  
AGRICULTURE, STRUCTURAL FUNDS AND BUDGETS  
(SEC(2002)102 to /3)**

**16. COMMON AGRICULTURAL POLICY - ISSUES PAPER  
(SEC(2002)95 to /7; SEC(2002)118)**

The Commission had simultaneously before it:

- a communication from Mr VERHEUGEN and Ms SCHREYER, in agreement with Mr FISCHLER, Mr BARNIER and Ms DIAMANTOPOULOU, relating to the accession negotiations and laying down a common financial framework for agriculture, the Structural Funds and the budget;
- a communication from Mr FISCHLER, in agreement with Mr VERHEUGEN, on the negotiations relating to Chapter 7 (common agricultural policy).

Mr VERHEUGEN presented the overall approach he was proposing the Commission should adopt in its draft common positions on the budgetary aspects of agriculture and structural operations.

He reminded the meeting that, while the financial framework approved in Berlin had provided for annual amounts under enlargement for the period 2002-06 on the assumption of six new Member States in 2002, and the amounts thus provided for the years 2002 and 2003 would no longer be available, it would be necessary to comply with the expenditure ceilings approved in Berlin for each of the years 2004, 2005 and 2006.

He explained the conditions under which these ceilings could be complied with, reviewing the various sectors of expenditure:

- agricultural policy: transitional arrangements for direct payments to be introduced in two steps;
- structural operations: increase in the Cohesion Fund's share of expenditure to one third of total structural expenditure, in order to facilitate the absorption of structural expenditure in the new Member States;
- internal policies: adjustments for nuclear safety and for the continuation of certain institution-building actions up to 2006;
- Cyprus: adaptation of the Berlin financial framework to take account of the requirements of the northern part of the island.

Ms SCHREYER reminded the meeting of the guideline set by the Commission concerning compliance with the overall financial framework agreed in Berlin, and pointed out that the proposals before the Commission took account of the margins for manoeuvre resulting from the slippage in the enlargement timetable.

Mr FISCHLER took stock of the strategy for the common agricultural policy to ensure rapid and smooth integration of the new Member States' agricultural sectors into the single market and the CAP, while maintaining the principle of the application of the existing body of Community law and practice as at the date of accession.

He described:

- the arrangements for gradually introducing direct payments;
- the principles agreed for determining the instruments for managing the supply of agricultural products (statistics of recent historical reference periods);
- the possibilities of optimising the use of available Community financing for rural development.

Mr BARNIER pointed to the scale of the amounts proposed for structural operations, which represented on average 2.5% of the GDP of the applicant countries, and the growth in the share of Cohesion Fund interventions as a proportion of all structural operations.

The Commission discussed:

- the connection between the conclusion of the negotiations on the basis of the existing body of Community law and practice, on the one hand, and the consideration to be given to the reform process in agriculture (mid-term review), on the other;
- the additional resources to be provided in the field of nuclear safety (decommissioning of nuclear power stations).

Following this exchange of views, the Commission adopted two amendments to the third paragraph of the chapter on nuclear safety in SEC(2002)102/2, the last two sentences of which would read as follows:

" ... rendering necessary additional support for its [Lithuania's] decommissioning efforts, **which would have to extend over several decades**. The additional amounts are based on current estimates, which **would** need to be revised ... ".

In this connection, the Commission decided to mandate the interdepartmental nuclear coordination group, in which nuclear safety specialists from various Commission departments took part (ECFIN, TREN, ELARG, RELEX and AIDCO), to contribute to the preparations for the work of the joint EC-Lithuania Energy Working Group.

Subject to these amendments and clarifications, the Commission adopted the communications in SEC(2002)102/2 and /3 and SEC(2002)95/4, /6 and /7, for transmission to the Council.

The Commission warmly thanked all the departments and Members' Offices which, under the authority of the PRESIDENT, Mr VERHEUGEN, Ms SCHREYER, Mr FISCHLER, Mr BARNIER and Ms DIAMANTOPOULOU, had taken part in the preparation of these high-quality documents.

**17. PARLIAMENT (continued from item 4)**

***VON WOGAU REPORT, LEGISLATION ON FINANCIAL SERVICES  
(SP(2002)225; (SI(2002)61)***

Mr BOLKESTEIN reported on progress in implementing the recommendations of the committee of wise men on the regulation of European markets in transferable securities (Lamfalussy committee) and in particular on the changes requested by Parliament on the decision-making process for the adoption by the Commission of implementing measures after consultation of the Securities Committee.

He referred to the report by Mr VON WOGAU, who, on behalf of the Committee on Constitutional Affairs, had asked the Commission to make a number of commitments:

- to ensure transparency and public consultation;
- to take the greatest possible account of any Parliament resolutions as regards implementing measures;
- to give Parliament three months in which to consider and give a view on the draft implementing measures;
- in the event of disagreement between the institutions about an implementing measure, to convene an informal triologue meeting (Parliament/Council/Commission).

The Commission was required to give a view on these commitments for Parliament's part-session from 4 to 8 February.

The Commission took note of this information.

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

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The meeting closed at 1200 hours.