



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2002)1586 final

Brussels, 30 October 2002

MINUTES
of the 1586th meeting of the Commission
held in Strasbourg
(Winston Churchill Building)
on Tuesday 22 October 2002
(afternoon)

These minutes were approved by the Commission at its 1587th meeting, held in Brussels on 30th October 2002.

They contain 16 pages.

CONTENTS

Attendance list	4-5
------------------------	------------

1. AGENDAS (OJ(2002)1586/3; SEC(2002)1098/2).....	6
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2002)1586).....	6
3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1585TH MEETING (16 OCTOBER) (PV(2002)1585; PV(2002)1585, PART II).....	6
4. PARLIAMENT	6
<i>PARLIAMENTARY AFFAIRS GROUP (SP(2002)3366)</i>	6
5. PERMANENT REPRESENTATIVES COMMITTEE	8
<i>COUNCIL AFFAIRS GROUP (CAG) (SI(2002)1213)</i>	8
6. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID AND INFRINGEMENTS (SEC(2002)979).....	9
<i>INFRINGEMENTS (SEC(2002)979)</i>	9
7. WRITTEN PROCEDURES AND EMPOWERMENT	9
7.1. <i>WRITTEN PROCEDURES APPROVED (SEC(2002)1099 to /5)</i>	9
7.2. <i>SENSITIVE WRITTEN PROCEDURES (SEC(2002)1100)</i>	9
7.3. <i>EMPOWERMENT (SEC(2002)1101 to /6)</i>	10
7.4. <i>DELEGATION AND SUBDELEGATION OF POWERS</i>	10
8. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2002)1102)	11
ADMINISTRATIVE MATTERS	11
<i>EMPOWERMENT OF MEMBER RESPONSIBLE FOR ADMINISTRATIVE REFORM TO AMEND, ADOPT AND PRESENT TO THE COUNCIL THE 2002 PROPOSAL</i>	

<i>ADJUSTING REMUNERATION AND PENSIONS OF OFFICIALS</i> <i>(SEC(2002)1122)</i>	11
9. SAPARD: 2002 ANNUAL FINANCIAL AGREEMENT (SEC(2002)1115 AND /2).....	11
10. PARLIAMENT (CONTINUED FROM ITEM 4)	12
11. WORK OF THE CONVENTION.....	13
12. COUNCIL MEETINGS (SI(2002)1201)	14
12.1. GENERAL AFFAIRS AND EXTERNAL RELATIONS (LUXEMBOURG, 21 AND 22 OCTOBER).....	14
12.2. ENVIRONMENT (LUXEMBOURG, 17 OCTOBER) (SEC(2002)1139 and /2).....	15

Single sitting: Tuesday 22 October (afternoon)

The sitting opened at 1520 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 NIELSON	
Mr VERHEUGEN	Except items 1 to 11
Mr PATTEN	Except items 1 to 9 and part of item 10
Mr LAMY	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	Except items 1 to 11
Ms WALLSTRÖM	
Mr VITORINO	
Ms DIAMANTOPOULOU	

The following sat in to represent absent Members of the Commission

Ms PROUT	A member of Mr Verheugen's staff	Items 1 to 11
Mr POWER	A member of Mr Patten's staff	Items 1 to 9 and part of item 10
Mr SPENCE	Deputy Chef de cabinet to Ms Schreyer	Items 1 to 11

The following also sat in

Mr MARENCO	Deputy Director-General, Legal Service
Mr MANSERVISI	Chef de cabinet to the President
Mr FAULL	Commission Spokesman
Mr DE LECEA	Adviser in the President's Office
Mr GUSETTI	A member of the President's staff
Mr SCHINAS	Deputy Chef de cabinet to Ms de Palacio
Mr CARDANI	Deputy Chef de cabinet to Mr Monti
Mr RICHTER	A member of Mr Bolkestein's staff
Mr PLANAS	Chef de cabinet to Mr Solbes

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

1. AGENDAS

(OJ(2002)1586/3; SEC(2002)1098/2)

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(2002)1586)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 21 October.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1585th MEETING
(16 October)**

(PV(2002)1585; PV(2002)1585, Part II)

The Commission approved the minutes of its 1585th meeting.

4. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP

(SP(2002)3366)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on Friday 18 October.

It paid particular attention to the following:

a) **Interinstitutional relations** (point 1 of the record)

Codecision procedure - Article 251 EC

Public access to environmental information, 00/0169 (COD)

The Commission adopted the line set out in SP(2002)3329 for the conciliation committee meeting on 5 November.

b) **Preparations for October II and November I part-sessions**

(point 2 of the record)

Specific points to consider: October II

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:

2nd reading

- GOEBBELS report, Insider trading and market manipulation,
COM(2001)281 - 01/0118 (COD)

The Commission adopted the line set out in SP(2002)3365.

Empowerment

Under Article 13 of its Rules of Procedure the Commission empowered Mr BOLKESTEIN, 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 SP(2002)3365, 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:

- GOEBBELS report, Insider trading and market manipulation, COM(2001)281 - 01/0118 (COD)

1st reading and simple consultation

- VAN HULTEN report, Draft Commission Regulation laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget, 02/0901 (CNS)

The Commission adopted the line set out in SP(2002)3257/2 and /3.

c) Action taken on Parliament's opinions and resolutions

(point 5 of the record)

The Commission adopted SP(2002)3290/2 on the action taken on Parliament's opinions and resolutions adopted at its September I and II part-sessions.

5. PERMANENT REPRESENTATIVES COMMITTEE

COUNCIL AFFAIRS GROUP (CAG)

(SI(2002)1213)

The Commission took note of the record of the meeting of the Council Affairs Group held on Friday 18 October.

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

(SEC(2002)979)

INFRINGEMENTS

(SEC(2002)979)

The Commission adopted the decisions in SEC(2002)979.

7. WRITTEN PROCEDURES AND EMPOWERMENT

7.1. WRITTEN PROCEDURES APPROVED

(SEC(2002)1099 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 14 and 18 October.

7.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2002)1100)

The Commission took note of the following written procedures initiated between 14 and 18 October for the adoption of decisions with political implications:

Time limit: 22.10.2002

E/2002/1993 - C(2002)3907

DG RTD

Commission decision concerning Community accession to the International Energy Agency (IEA) cooperation programme on ocean energy conversion systems and its continued participation in other agreements relating to cooperation in the field of energy research and development.

Time limit: 24.10.2002

E/2002/2026 - C(2002)4023

DG ECHO

Commission decision on the financing of humanitarian aid for Pakistani and Afghan populations affected by years of conflict and drought.

7.3. EMPOWERMENT

(SEC(2002)1101 to /6)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 14 and 18 October.

7.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 14 and 18 October, as archived on the "Grefte 2000" (Registry) website.

8. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2002)1102)

ADMINISTRATIVE MATTERS

***EMPOWERMENT OF MEMBER RESPONSIBLE FOR ADMINISTRATIVE
REFORM TO AMEND, ADOPT AND PRESENT TO THE COUNCIL THE
2002 PROPOSAL ADJUSTING REMUNERATION AND PENSIONS OF
OFFICIALS***
(SEC(2002)1122)

The Commission agreed in principle to the proposal set out in SEC(2002)1122 and empowered Mr KINNOCK to adopt the definitive text, amending the proposal if necessary to take account of any corrections by Eurostat, for transmission to the Council.

9. SAPARD: 2002 ANNUAL FINANCIAL AGREEMENT
(SEC(2002)1115 and /2)

The Commission:

- adopted the model for the annual financing agreements 2002 annexed to SEC(2002)1115;
- authorised Mr FISCHLER, or in his absence any other Member, to sign on behalf of the Commission the annual agreement for 2002 with each of the ten beneficiary applicant countries, incorporating the relevant optional provisions. This authorisation covered the global budgetary commitment for the amounts in respect of the allocations for the ten countries as indicated in the table in SEC(2002)1115. The corresponding individual legal commitments (signing of each annual financing agreement) must be effected by 31 December 2003 in

compliance with Article 36(2) of the Financial Regulation of 21 December 1997 applicable to the general budget of the European Communities;

- authorised Mr FISCHLER, or in his absence any other Member, to sign on behalf of the Commission the annual agreement for 2001 with the Czech Republic and/or Slovakia as approved by the Commission on 28 November 2001, but including also the optional provisions relating to exceptional natural disasters, and for these amendments not to be included in AFA 2002, should either of these countries so request;
- decided to allow all the necessary legal, linguistic or technical amendments to the draft conventions in question, subject to prior agreement by the PRESIDENT and Mr VERHEUGEN.

10. PARLIAMENT (continued from item 4)

COMMISSION DECLARATION ON THE STABILITY AND GROWTH PACT (SP(2002)3377)

Following the PRESIDENT's statements to the press on Thursday 17 October on the stability and growth pact as an economic policy coordination instrument, and the debate in Parliament on this subject with the participation of the PRESIDENT and Mr SOLBES on Monday 21 October, the Commission assessed the situation.

This in-depth exchange of views covered various questions relating to the rules of the stability and growth pact, and their application.

While recognising the need to open such a debate on economic governance in the Union and, in that context, on the instruments available (including the pact) and those that would be needed in future (to be proposed to the Convention), the

Commission confirmed that, given the prospect of continuing budgetary imbalances in certain Member States, the current rules of the pact would be applied.

Following this discussion, Mr SOLBES informed the Commission that when he came to present the autumn economic forecasts, scheduled for the meeting on 13 November, he might table proposals in the light of the most recent forecasts on the budgetary position of certain Member States.

Moreover, on the same date and according to arrangements to be agreed, the Commission decided to take stock of progress on drafting the communication on strengthening economic policy coordination, in accordance with the remit from the Barcelona European Council.

11. WORK OF THE CONVENTION

The PRESIDENT noted that Mr GISCARD D'ESTAING, President of the Convention, had announced that the structure of a draft constitutional text would be presented at a special meeting of the Praesidium on 25 October, and that he would be taking part in a meeting with the Commission on 6 November.

Given that the Commission's contribution on the future institutional architecture of the Union should be available to the Convention before its plenary meeting on 5 and 6 December, the Commission decided:

- to hold a general discussion on this subject at its meeting on 30 October;
- to finalise its contribution to the Convention at a special Commission meeting on Monday 18 November (morning from 0800 hours) in the light of the exchange of views of 6 November with Mr GISCARD D'ESTAING;

- to present this contribution to Parliament and to the Praesidium of the Convention once it was adopted.

12. COUNCIL MEETINGS

(SI(2002)1201)

12.1. GENERAL AFFAIRS AND EXTERNAL RELATIONS

(LUXEMBOURG, 21 AND 22 OCTOBER)

The PRESIDENT and Mr VERHEUGEN reported on the Council's discussions on enlargement.

The Council was prepared to follow the Commission's recommendations on several points (number of countries likely to meet the conditions for accession; proposals on monitoring and safeguard clauses; specific plans for Romania, Bulgaria, Turkey, etc.), but negotiations would be difficult on the budgetary and financial aspects (level of direct payments under the CAP; financial allocations for the Structural Funds and the Cohesion Fund; agreement on the principle that the new Member States should not be put in the position of net contributors, but differences of view on the method of calculating this net contribution).

One Member State had asked that the European Council consider the question of the correction in favour of the United Kingdom.

The PRESIDENT reminded the meeting of the elements of the compromise that could enable agreement to be concluded with Russia on transit conditions through Lithuania/Poland to and from Kaliningrad.

The Commission took note of this information.

12.2. ENVIRONMENT

(LUXEMBOURG, 17 OCTOBER)

(SEC(2002)1139 and /2)

Mr LAMY referred to the information note distributed by Ms WALLSTRÖM (SEC(2002)1139/2) on the Council's discussions, and in particular on the guidelines laid down on the proposal for a Regulation on transboundary movements of genetically modified organisms (transposal into Community law of the provisions of the Cartagena Protocol).

This item was closely linked to the traceability and labelling of GMOs and, therefore, to the prospects of lifting the moratorium on the authorisation process for the marketing of GMOs. The Council had concluded that products containing mixtures of GMOs and intended to be processed into animal feed would be subject to the requirements of Directive 2001/18/EC and to the future Community legislation on the traceability, labelling and identification of GMOs once it came into force (debate scheduled for the Council meeting (Environment) on 9 and 10 December).

Mr LAMY noted that developments in this area did not augur well for the Member States' intentions as regards the speedy lifting of the moratorium, and drew the Commission's attention to the risk of actions being brought against the Community in the WTO if it did not very soon announce a definite date for the lifting of the moratorium.

The Commission decided to continue its consideration of this matter on the basis of a detailed note from Ms WALLSTRÖM and Mr BYRNE, without waiting for the next Council meeting (Environment) on 9 and 10 December.

*

* *

The meeting closed at 1830 hours.