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SECRETARIAT-GENERAL

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Brussels, 14 July 2004

MINUTES
for the 1665th meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 7 July 2004
(morning)

These minutes were approved by the Commission at its 1666th meeting, held in Brussels on 14 July 2004.

They contain 30 pages.

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Single sitting: Wednesday 7 July (morning)

The sitting opened at 0920 hours with Mr Prodi, President, in the chair.

Present:

Mr PRODI President

Mr MONTI

Mr LIIKANEN

Mr BOLKESTEIN

Mr BUSQUIN

Mr VERHEUGEN

Mr PATTEN

Mr LAMY

Mr BYRNE

Ms REDING

Ms SCHREYER

M_S WALLSTRÖM

Mr VITORINO

Mr DIMAS

Mr BARROT

Mr ALMUNIA

Mr BALÁZS

Ms HÜBNER

Mr KALLAS

Mr BORG

Ms GRYBAUSKAITĖ

Mr FIGEL

Mr KYPRIANOU

Mr TELIČKA

Absent:

Mr KINNOCK	Vice-President
Ms de PALACIO	Vice-President
Mr FISCHLER	
Mr NIELSON	
Ms KALNIETE	
Mr POTOČNIK	

The following sat in to represent absent Members of the Commission

Mr KOOPMAN	Chef de cabinet to Mr Kinnock
Mr CALLEJA	Chef de cabinet to Ms de Palacio
Mr PIRZIO-BIROLI	Chef de cabinet to Mr Fischler
Mr CURTIS	A member of Mr Nielson's staff
Mr PIEBALGS	Chef de cabinet to Ms Kalniete
Mr SPORAR	A member of Mr Potočnik'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 PETRUCCI	Spokesman	Item 20
Mr THOMAS	Spokesman	
Mr ABOU	Chief Adviser in the President's Office	Items 11 to 15
Mr TEMPEL	Chef de cabinet to Mr Verheugen	Items 11 to 15
Mr ANNERBERG	Chef de cabinet to Ms Wallström	Item 17
Ms SCHELLEKENS	A member of Ms Wallström's staff	Item 17
Mr CAVACO	Chef de cabinet to Mr Vitorino	Items 18 and 20

Ms MARTINI	A member of Mr Vitorino's staff	Item 18
Ms CORUGEDO STENEGER	Press and Communication DG	
Mr MAURER	Enlargement DG	Items 11 to 15

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

**1. AGENDAS AND QUARTERLY ROLLING PROGRAMME
(OJ(2004)1665/3; SEC(2004)885/2; SEC(2004)907 and /2)**

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 14 July to 26 October.

**2. WEEKLY MEETING OF CHEFS DE CABINET
(SEC(2004)1665)**

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 5 July.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1664th MEETING
(30 June)
(PV(2004)1664; PV(2004)1664, Part II)**

The Commission approved the minutes of its 1664th meeting.

4. PERMANENT REPRESENTATIVES COMMITTEE

COUNCIL AFFAIRS GROUP (CAG)

(SI(2004)626 to /3)

The Commission took note of the record of the Council Affairs Group meeting held on Friday 2 July.

It paid particular attention to the following:

i) Latest developments at the COREPER meetings of 23 and 30 June and 1 July

(point 1 of the record)

The Commission took note of the discussions on various aspects of the Council's working methods (particularly on the procedure for adopting conclusions); it emphasised the need for departments to remain vigilant on this point.

ii) Non-papers on company taxation

(point 2 of the record)

The Commission took note of two non-papers (*A Common Consolidated EU Corporate Tax Base* and *Home State Taxation for Small and Medium-sized Enterprises* - SI(2004)626/3) and the fact that they had been sent to the Council for discussion at the informal Council meeting (Economic and Financial Affairs) on 10 and 11 September.

iii) **Discussions open to the public and public debates (Article 8(1)(a) of the Council's Rules of Procedure)**

(point 4 of the record)

The Commission took note of the draft list at Annex 3 to SI(2004)624 and asked its departments to inform the Council Presidency thereof.

5. MONITORING THE APPLICATION OF COMMUNITY LAW

5.1. STATE AID - SPECIFIC CASE

(SEC(2004)898; SEC(2004)899; SEC(2004)916; C(2004)2532/5)

C 58/2003 France

Aid measures for ALSTOM

The Commission adopted the decision set out in C(2004)2532/5 and SEC(2004)916.

5.2. COMMUNITY GUIDELINES ON STATE AID FOR RESCUING AND RESTRUCTURING FIRMS IN DIFFICULTY

(SEC(2004)855 to /5; SEC(2004)898)

The Commission:

- approved in principle the guidelines in SEC(2004)855/5;
- empowered the Commission Member responsible for competition to adopt the guidelines definitively in all the official languages, for publication in the Official Journal.

**5.3. *INFRINGEMENTS - REPORT A1/2004 ON SUSPECTED
INFRINGEMENTS***

***(SEC(2004)507; SEC(2004)508; SEC(2004)509; SEC(2004)510;
SEC(2004)513)***

The Commission adopted the decisions in SEC(2004)513.

6. *WRITTEN PROCEDURES AND EMPOWERMENT*

6.1. *WRITTEN PROCEDURES APPROVED*

(SEC(2004)886 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 28 June and 2 July.

6.2. *SENSITIVE WRITTEN PROCEDURES*

(SEC(2004)887)

The Commission took note of written procedures initiated between 28 June and 2 July for the adoption of decisions with political implications.

6.3. *EMPOWERMENT*

(SEC(2004)888 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 28 June and 2 July.

6.4. GENERAL EMPOWERMENT IN THE FIELD OF THE STRUCTURAL FUNDS

(SEC(2004)890/2)

The Commission empowered the Members responsible for the Structural Funds to adopt decisions to amend the Community support frameworks and single programming documents following the mid-term review provided for in Article 42 of Regulation (EC) No 1260/1999, along the lines set out in SEC(2004)890/2.

6.5. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 28 June and 2 July, as archived on the "Greffé 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2004)889/2)

ADMINISTRATIVE MATTERS

(PERS(2004)119/2)

7.1. DG ADMIN - ARRANGEMENTS FOR FILLING HEAD OF REPRESENTATION POSTS

(C(2004)2662)

The Commission adopted the decision in C(2004)2662 with immediate effect.

**7.2. DG ADMIN - AMENDMENT OF DECISION CONCERNING THE
EXERCISE OF THE POWERS CONFERRED BY THE STAFF
REGULATIONS ON THE APPOINTING AUTHORITY AND BY THE
CONDITIONS OF EMPLOYMENT OF OTHER SERVANTS ON THE
AUTHORITY RESPONSIBLE FOR CONCLUDING CONTRACTS OF
EMPLOYMENT
(C(2004)2286/3)**

The Commission adopted, with immediate effect, the decision in C(2004)2286/3 amending its decision of 28 April and repealing its decision of 30 June as regards the exercise of the powers of the appointing authority and the authority responsible for concluding contracts of employment.

**7.3. DG ADMIN - ARRANGEMENTS FOR EMPLOYING TEMPORARY
STAFF UNDER ARTICLES 2(B) AND (C) OF THE CONDITIONS OF
EMPLOYMENT OF OTHER SERVANTS
(SEC(2004)913)**

The Commission:

- approved at first reading the draft decision in SEC(2004)913;
- authorised Mr KINNOCK to start consultations with the staff representatives and to consult the staff committee;
- asked Mr KINNOCK to table the draft decision again in the light of the above consultations, for final adoption.

7.4. EXTERNAL RELATIONS DG - REDEPLOYMENT IN THE INTEREST OF THE SERVICE OF AN A*16 OFFICIAL TO THE POST OF HEAD OF DELEGATION AT THE OECD

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, Mr PATTEN and Mr ALMUNIA, the Commission decided to fill the post of Head of the Commission Delegation to the OECD, when it fell vacant, by redeploying, in the interest of the service and with his post, Mr Michel VANDEN ABEELE, an A*16 official, currently Director-General, Eurostat.

This decision would take effect on a date to be fixed later.

The Commission emphasised Mr VANDEN ABEELE's qualities and thanked him for his excellent work in very difficult conditions as Director-General, Eurostat.

7.5. DG IAS/B - TEMPORARY OCCUPATION OF A DIRECTOR POST

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, decided under Article 7(2) of the Staff Regulations that Mr Americo CAVALHEIRO, an A*14 official, currently Head of Unit DG IAS/B.AS01, should be deemed to have been temporarily occupying the post of Director, Directorate B (Audit process) in the Internal Audit Service from 18 November 2003 to 31 July 2004.

This decision would take effect immediately.

**7.6. DG COMP/I - STATE AID TASK FORCE - POST OF DIRECTOR
(PERS(2004)104 to /4)**

The Commission had before it applications under Article 29(1)(a) (i) and (iii) of the Staff Regulations for the post of Director, Directorate COMP/I (State aid task force) in the Competition DG (PERS(2004)104/2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 21 and 23 June (PERS(2004)104/3 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 MONTI, it then decided to appoint Mr Marc VAN HOOFF to the post.

This decision would take effect on a date to be fixed later.

**7.7. DG EMPL.H - POST OF DIRECTOR
(PERS(2004)89 to /3)**

The Commission had before it applications under Article 29(1)(a) (i) and (iii) of the Staff Regulations for the post of Director, Directorate EMPL/H (National employment and social integration monitoring and ESF operations III) in the Employment and Social Affairs DG (PERS(2004)89).

The Commission took note of the opinions of the Consultative Committee on Appointments of 21 and 23 June (PERS(2004)89/2 and /3).

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

PRESIDENT and Mr DIMAS, it then decided to appoint Mr Xavier PRATS MONNE to the post.

This decision would take effect on 16 July.

7.8. *LEGAL SERVICE - POST OF CHIEF ADVISER*
(PERS(2004)19 to /4)

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations (as in force at the time of publication) for the post of Chief Adviser in the Legal Service (PERS(2004)19).

The Commission took note of the opinions of the Consultative Committee on Appointments of 30 April and 10 June (PERS(2004)19/2 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, it then decided to appoint Mr Thomas VAN RIJN to the post.

This decision would take effect on a date to be fixed later.

7.9. *PROCEDURE FOR APPOINTMENT OF DIRECTORS OF CEDEFOP*
(THESSALONIKI) AND EUROFOUND (DUBLIN)
(PERS(2004)86 and /2; PERS(2004)96 and /2)

Having noted the observations in PERS(2004)119/2, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, Ms REDING and Mr DIMAS, the Commission decided:

- not to appoint the Director of CEDEFOP (Thessaloniki) or the Director of the European Foundation for the Improvement of Living and Working Conditions (Dublin);

- to inform the Agencies concerned that the Commission felt it would be desirable to be able to draw on a wider range of applicants with the qualities required for these posts;
- to ask Ms REDING and Mr DIMAS to communicate this Decision to the Management Boards of these two Agencies.

These decisions would take effect immediately.

**7.10. APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS
(SECOND STAGE) WITH RESPECT TO AN A*16 OFFICIAL
(PERS(2004)120)**

The Commission continued its discussions on this matter, begun on 24 June (PV(2004)1663).

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BUSQUIN, adopted the decision in PERS(2004)120 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations in respect of Mr Finbarr McSWEENEY, an A*16 official, currently Director-General, Joint Research Centre.

This decision would take effect on 1 September.

**7.11. DG INFO.S.F - POST OF DIRECTOR
(PERS(2003)37 to /4; PERS(2003)163 to /5)**

The Commission had before it applications under Article 29(1)(a) and (2) of the Staff Regulations (as in force at the time of publication) for the post of Director, Directorate F (Emerging technologies and infrastructures, Applications) in the Information Society DG (PERS(2003)37 and /2; PERS(2003)163 to /3).

The Commission took note of the opinions of the Consultative Committee on Appointments of 30 June and 17 July 2003 (PERS(2003)37/3 and /4) and 25 May and 3 June 2004 (PERS(2003)163/4 and /5).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr LIIKANEN, it then decided to appoint Mr João SCHWARZ DA SILVA to the post.

This decision would take effect on a date to be fixed later.

8. PROVISIONS ON ELECTRONIC AND DIGITISED DOCUMENTS (C(2004)2470 and /2)

The Commission:

- approved the communication concerning electronic and digitised documents set out in C(2004)2470;
- adopted the decision in C(2004)2470 amending the Commission's Rules of Procedure so as to annex thereto the provisions annexed to the decision;
- instructed the Secretary-General to adopt and regularly update the detailed rules for application of the new provisions, as drawn up in cooperation with the Directorates-General and equivalent departments, in agreement with the Director-General responsible for information technology in the Commission;
- confirmed the responsibility of each Directorate-General and equivalent department for the implementation of the new provisions and particularly for bringing the documents, procedures and electronic systems for which it was responsible into line with those provisions and the arrangements in force.

**9. DEVELOPING COUNTRIES, INTERNATIONAL TRADE AND
SUSTAINABLE DEVELOPMENT: THE FUNCTION OF THE
COMMUNITY'S GENERALISED SYSTEM OF PREFERENCES (GSP) FOR
THE TEN-YEAR PERIOD FROM 2006 TO 2015
(COM(2004)461 to /4; SEC(2004)906)**

The Commission approved the communication in COM(2004)461/4 for transmission to Parliament, the Council and the Economic and Social Committee.

**10. COMMISSION DECISION UNDER ARTICLE 14 OF COUNCIL
REGULATION (EEC) No 4064/89
(CASE No COMP/M.3255 - TETRA LAVAL / SIDEL)
(C(2004)2500 to /6)**

The Commission:

- took note of the opinion of the Advisory Committee on Concentrations of 26 March (C (2004)2500/2);
- took note of the final report of the Hearing Officer in C(2004)2500/4;
- adopted, in the authentic language (English), the decision in C(2004)2500/5 and /6, noting that Tetra Laval had on two occasions communicated incorrect or misleading information to the Commission, and imposing on it a fine of €90 000;

- decided that the most important parts of the decision would be published in all the official languages in the L series of the Official Journal (with business secrets removed). The decision would be also made available on the internet.

- 11. PRELIMINARY DRAFT AMENDING BUDGET NO 9/2004: TURKISH CYPRIOT COMMUNITY**
(SEC(2004)910; SEC(2004)912)
- 12. PROPOSAL FOR A COUNCIL REGULATION ESTABLISHING AN INSTRUMENT OF FINANCIAL SUPPORT FOR ENCOURAGING THE ECONOMIC DEVELOPMENT OF THE TURKISH CYPRIOT COMMUNITY**
(COM(2004)465 to /4; SEC(2004)912)
- 13. PROPOSAL FOR A COUNCIL REGULATION ON SPECIAL CONDITIONS FOR TRADE WITH THOSE AREAS OF THE REPUBLIC OF CYPRUS IN WHICH THE GOVERNMENT OF THE REPUBLIC OF CYPRUS DOES NOT EXERCISE EFFECTIVE CONTROL**
(COM(2004)466 to /5; SEC(2004)912)
- 14. COMMISSION DECISION ON THE AUTHORISATION OF THE TURKISH CYPRIOT CHAMBER OF COMMERCE ACCORDING TO ARTICLE 4(5) OF COUNCIL REGULATION (EC) NO 866/2004**
(C(2004)2583 to /3; SEC(2004)912)

**15. COMMISSION REGULATION LAYING DOWN SPECIFIC RULES
CONCERNING GOODS ARRIVING FROM THE AREAS NOT UNDER
THE EFFECTIVE CONTROL OF THE GOVERNMENT OF CYPRUS IN
THE AREAS IN WHICH THE GOVERNMENT EXERCISES EFFECTIVE
CONTROL
(C(2004)2584 and /2; SEC(2004)912)**

Endorsing the observations made by the PRESIDENT in his introduction, Mr VERHEUGEN outlined the political backdrop to the five documents before the Commission. He reminded the meeting of the request by the UN Secretary-General to bring an end to the isolation of the Turkish community in Cyprus and of the Council's invitation to the Commission to bring forward proposals to this end, placing special emphasis on the economic integration of the island and on improving relations between the two communities. The proposed measures were aimed, through their supplementary financial and commercial aspects, at facilitating the economic development of the Turkish Cypriot community and, in due course, the reunification of Cyprus, without implying any recognition of or political legitimacy for the Turkish Cypriot community as a State. Mr VERHEUGEN highlighted the firm positive signal represented by these proposals, which should help facilitate dialogue between the island's two communities and, in due course, a political solution to their dispute.

The Commission considered the various aspects to be taken into account, particularly:

- the political advisability of proposing adoption of the Regulation in COM(2004)466/5, given the existing Regulation ("*Green Line Council Regulation*") governing trade between the two communities and considering the scope of the conclusions of the Council meeting (General Affairs) of 26 April;

- the choice of Article 133 of the EC Treaty as the only valid legal basis for adopting the measures envisaged in the proposal for a Regulation in COM(2004)466/5, considering the Union's powers as regards external trade;
- the prospects for improvements in relations between the two communities that might be brought about by the proposed measures and their potential impact on the political situation in the island, including the effects on the pro-European and moderate forces;
- the mechanism for managing the financial assistance envisaged in the proposal for a Regulation in COM(2004)465/4 and its practical relationship with the reality on the ground.

Mr VERHEUGEN replied to various comments made during the meeting. On the financial Regulation (COM(2004)465/4), he outlined various options for implementing financial assistance for the northern part of Cyprus and confirmed that, whatever instruments might be chosen, the Commission would in any event not recognise the Turkish Cypriot community as a State.

Endorsing the clarifications provided by Mr VERHEUGEN the Commission:

- approved preliminary draft amending budget No 9/2004 as set out in SEC(2004)910, for transmission to Parliament and the Council.
- adopted the proposal for a Council Regulation in COM(2004)465/4 for transmission to Parliament and the Council;
- adopted the proposal for a Council Regulation in SEC(2004)466/5 for transmission to the Council;
- adopted, in the authentic language, the decision in C(2004)2583/3;

- approved in principle the Commission Regulation in C(2004)2584 and empowered Mr VERHEUGEN to adopt it definitively in all the official languages.

16. DEPARTURE OF Mr LIIKANEN

The Commission was informed that Mr LIIKANEN, following his appointment as Governor of the Bank of Finland, had tendered to the PRESIDENT his resignation from the Commission with effect from 11 July. The Finnish Government had proposed that Mr Olli REHN be appointed Commission Member to replace Mr LIIKANEN, and the PRESIDENT would ask the Council to formalise the appointment in accordance with the procedures laid down in the Treaty, and would so inform Parliament.

The PRESIDENT, on behalf of the Commission, warmly thanked Mr LIIKANEN for his commitment to European integration and his work within the Commission during the present and previous terms of office. Mr LIIKANEN had made an excellent contribution, characterised by his political and technical know-how, which had secured noteworthy advances in the areas of industrial policy, telecommunications and the information society under his portfolio. On behalf of all Commission Members he offered his best wishes for success in his future posts.

Mr LIIKANEN thanked the PRESIDENT and his colleagues for their cooperation and support. Having followed the development of European integration in various posts for more than a decade, he felt that considerable progress had been achieved and it had been an honour to serve as a Commission Member.

17. COMMISSION DECISIONS CONCERNING NATIONAL ALLOCATION PLANS FOR GREENHOUSE GAS EMISSION ALLOWANCES NOTIFIED BY AUSTRIA, DENMARK, GERMANY, IRELAND, THE NETHERLANDS, SLOVENIA, SWEDEN AND THE UNITED KINGDOM IN ACCORDANCE WITH PARLIAMENT AND COUNCIL DIRECTIVE 2003/87/EC (C(2004)2515 to /27; SEC(2004)905; SEC(2004)933; COM(2004)500)

Ms WALLSTRÖM tabled the results of the examination of the national plans for the allocation of greenhouse gas emission allowances, as presented by eight Member States, and the draft decisions arising therefrom. This was the first package of plans of this kind, which sought to put in place a market mechanism (an innovation in the environmental field) and to enable Member States to fulfil their obligations under the Kyoto protocol in a cost-effective manner. The approach taken in assessing these plans would determine that for the future packages, in the interests of equitable treatment for all Member States. Ms WALLSTRÖM reported on the situation concerning the national plans of the other 17 Member States and on the contacts in progress with the competent authorities of certain Member States. The plans featuring in the present decisions (which included no over-allocations) would constitute a solid basis for the future work of the Union in the field of climate change, which should be pursued on three fronts, viz.: further efforts with a view to the entry into force of the Kyoto protocol; implementation of the European programme for climate change; and full use of the market mechanisms laid down in the Kyoto protocol.

Having taken note of this information, the Commission:

- approved the communication in COM(2004)500 for transmission to Parliament and the Council;
- adopted, in the authentic language in each case, the decisions on the allocation plans of eight Member States, as set out in C(2004)2515/20 to /27.

**18. PROPOSAL FOR A COUNCIL REGULATION AMENDING REGULATION
(EC) NO 539/2001 AS REGARDS THE RECIPROCITY MECHANISM
(COM(2004)437 to /3; SEC(2004)837)**

Mr VITORINO tabled a proposal to amend Council Regulation No 539/2001 in order to improve the reciprocity mechanism for visas. The proposed amendment should be seen in the light of two factors: on the one hand, the present reciprocity mechanism had never been invoked because of its rigidity and its wide-ranging consequences; on the other hand, the question had become particularly urgent in the wake of enlargement, since all the new Member States were to varying degrees faced with situations of non-reciprocity. Bearing this in mind and following a request from the Council, the Commission proposal was aimed at introducing a more flexible and realistic operating mechanism, based on Community solidarity and offering a real and effective negotiating instrument. Mr VITORINO reported on the prospects for the removal by the main non-member countries concerned of discriminatory situations affecting the nationals of several Member States, and pointed to the efforts pursued to this end by the Commission in its contacts with the countries in question.

The Commission held a brief exchange of views, particularly on the political advisability of the proposal, some weeks after enlargement and taking into account the sensitivity of this matter in public opinion in the new Member States. It was important that there should be effective solidarity between the various institutions in the implementation of the reciprocity mechanism. It was necessary to continue a suitable negotiating strategy with the non-member countries concerned and to secure the widest possible support for bringing to an end the continuing discriminatory situations in respect of a number of Member States.

Subject to these observations, the Commission approved the communication from Mr VITORINO in COM(2004)437/3, for transmission to the Council and Parliament.

**19. PROPOSALS FOR COUNCIL DECISIONS IN THE FIELD OF THE
IMPORT REGIME WITH RESPECT TO RICE
(COM(2004)484 and /2; COM(2004)485 and /2)**

The Commission adopted the proposals for decisions in COM(2004)484/2 and COM(2004)485/2, for transmission to the Council.

**20. TRENDS IN THE MEMBER STATES
(SEC(2004)908)**

Further to his information note SEC(2004)908, Mr VITORINO commented on the results of the survey carried out by Eurobarometer Flash following the European elections, aimed at determining people's reasons for not voting. Without wishing to minimise the specific nature of these elections, it seemed that, according to these results, abstention was not associated spontaneously with a rejection of Europe or a lack of information, but represented citizens' disaffection with politics in its widest sense. Consequently, solutions to the problem of citizens' lack of interest in Europe would be effective only if at the same time they addressed the question of the perception of politics more generally.

The Commission took note of this information and agreed that these data should be studied in greater detail, particularly concerning the impact of national events on the

European scene, by means of a comparison with the situation as regards regional or local elections.

21. COUNCIL MEETINGS

(SI(2004)627)

21.1. ECONOMIC AND FINANCIAL AFFAIRS

(BRUSSELS, 5 JULY)

(SI(2004)632)

Mr ALMUNIA reported on Monday's Council meeting and on the Eurogroup meeting that had preceded it. Among the items discussed by the ministers, he mentioned: the question of a stable Presidency of the Eurogroup in anticipation of the Constitution; an initial exchange of views on the Commission report on the public finances of the Union pending a future Commission communication on improving economic governance; the timetable and working method laid down by the Dutch Presidency concerning the future financial perspective; the budgetary situation in the Member States; the future of the stability and growth pact and its relationship to the broad economic policy guidelines and the Lisbon objectives. As regards the implementation of the stability and growth pact, Mr ALMUNIA drew attention to the Council decision not to trigger the early warning mechanism in respect of Italy, in view of the measures presented by Italy aimed at reducing its budget deficit below the 3% threshold.

21.2. INFORMAL MEETING OF TRANSPORT MINISTERS

(AMSTERDAM, 9 AND 10 JULY)

(SEC(2004)932)

The Commission took note of the information note distributed by
Ms de PALACIO.

22. OTHER BUSINESS

**22.1. FOLLOW-UP TO THE EUROPE, LES JEUNES IMAGINENT TON
DROIT INITIATIVE (PROPOSALS BY YOUNG LEGAL
PROFESSIONALS)**

(SEC(2004)909)

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

**22.2. ERASMUS PROGRAMME GRANTED THE PRINCE OF ASTURIAS
AWARD FOR INTERNATIONAL COOPERATION**

Ms REDING drew attention to the forthcoming presentation on Wednesday of
the Prince of Asturias International Cooperation Award to the Erasmus
programme. This was an important recognition of the quality of the Erasmus
programme, and encouraged its future development with the launch of
Erasmus Mundus and the goal of reaching 3 million Erasmus students by the
end of the decade.

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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 1140 hours.