



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2005)1688 final

Brussels, 9 February 2005

MINUTES
of the 1688th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 2 February 2005
(morning)

These minutes were approved by the Commission at its 1689th meeting, held in Brussels on 9 February 2005.

They contain 24 pages.

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Single sitting: Wednesday 2 February (morning)

The sitting opened at 0908 hours with Mr Barroso, President, in the chair.

Present:

Mr BARROSO President

Ms WALLSTRÖM Vice-President

Mr VERHEUGEN Vice-President

Mr BARROT Vice-President

Mr FRATTINI Vice-President

Ms REDING

Mr DIMAS

Mr ALMUNIA

Ms HÜBNER Items 11 to 13

Mr BORG

Ms GRYBAUSKAITĖ

Mr POTOČNIK

Mr FIGEL

Mr KYPRIANOU

Mr REHN

Mr MICHEL

Mr KOVÁCS

Ms KROES

Ms FISCHER BOEL

Ms FERRERO-WALDNER

Mr McCREEVY

Mr ŠPIDLA

Mr MANDELSON

Mr PIEBALGS

Absent:

Mr KALLAS Vice-President

The following sat in to represent absent Members of the Commission

Mr HOLOLEI Chef de cabinet to Mr Kallas

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr VALE DE ALMEIDA	Chef de cabinet to the President	
Ms LE BAIL	Commission Spokeswoman	
Mr DE OLIVEIRA E SOUSA	Director-General, Press and Communication	
Mr CABRAL	Adviser <i>hors classe</i> in the President's Office	
Mr CYMBRON	A member of the President's staff	Item 13
Ms DE COINCY	A member of Mr Verheugen's staff	Item 13
Mr LE BRET	Chef de cabinet to Mr Barrot	Item 8
Ms LAMELA	Chef de cabinet to Mr Almunia	
Mr KORTE	Chef de cabinet to Ms Hübner	Items 1 to 10
Mr DRÖLL	Chef de cabinet to Mr Potočník	Items 1 to 3
Mr BRAKELAND	A member of Mr Michel's staff	Item 13
Mr GAMBS	A member of Ms Ferrero-Waldner's staff	
Mr POWER	Chef de cabinet to Mr McCreevy	
Ms CORUGEDO STENEBOERG	Press and Communication DG	
Mr REICHENBACH	Director-General, Enterprise and Industry	Item 13
Mr MOAVERO MILANESI	Deputy Secretary-General	Item 8
Mr BISARRE	Secretariat-General	Item 13
Mr BAILLY	Secretariat-General	Item 13
Mr HERVAS	Secretariat-General	Item 13
Mr SANDLER	Secretariat-General	Item 13

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

1. AGENDAS AND QUARTERLY ROLLING PROGRAMME

(OJ(2005)1688/3; SEC(2005)112/2; SEC(2005)157)

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 9 February to 27 April.

2. WEEKLY MEETING OF CHEFS DE CABINET

(SEC(2005)1688)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 31 January.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1687th MEETING

(26 January)

(PV(2005)1687 to /3; PV(2005)1687, Part II)

The Commission approved the minutes of its 1687th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

STATE AID - SPECIFIC CASES

(SEC(2005)174)

The Commission adopted the decisions in SEC(2005)174.

5. WRITTEN PROCEDURES AND EMPOWERMENT

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2005)113 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 24 and 28 January.

5.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2005)114)

The Commission took note of written procedures initiated between 24 and 28 January for the adoption of decisions with political implications.

5.3. EMPOWERMENT

(SEC(2005)115 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 24 and 28 January.

5.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 24 and 28 January, as archived on the "Greffé 2000" (Registry) website.

6. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2005)116)

ADMINISTRATIVE MATTERS
(PERS(2005)16)

**6.1. DG ADMIN - AMENDMENT OF ORGANISATION CHARTS IN
CERTAIN DIRECTORATES-GENERAL IN THE CONTEXT OF THE
SECONDMENT IN THE INTEREST OF THE SERVICE OF SENIOR
MANAGEMENT STAFF TO MEMBERS' OFFICES**

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and the Commission Members concerned, the Commission decided, with effect from 21 November 2004:

- to create a function of Chief Adviser in the Education and Culture DG for the secondment of Mr Joao Pedro VALE DE ALMEIDA as Chef de Cabinet to the President;
- to create a function of Chief Adviser in the Economic and Financial Affairs DG for the secondment of Mr Alexander ITALIANER as Deputy Chef de cabinet to the President;
- to create a function of Adviser *hors classe* in the Economic and Financial Affairs DG for the secondment of Mr Antonio CABRAL as Adviser *hors classe* in the President's Office;
- to create a function of Chief Adviser in the Internal Market DG for the secondment of Mr Jean-Claude THEBAULT as Chief Adviser in the President's Office;

- to create a function of Chief Adviser in the Agriculture and Rural Development DG for the secondment of Mr Rudolf STROHMEIER as Chef de cabinet to Ms REDING.

These decisions would take effect immediately.

6.2. *DG ADMIN - SECONDMENT OF AN A*15 CHIEF ADVISER IN THE INTEREST OF THE SERVICE*

On a proposal from Mr KALLAS, in agreement with the PRESIDENT, the Commission decided to approve the secondment in the interest of the service of Mr Daniel BYK, an A*15 official, currently Chief Adviser in the Personnel and Administration DG, to the Luxembourg Foreign Ministry, for a period of one year with effect from 3 February.

This decision would take effect immediately.

- 7. COMMISSION RECOMMENDATIONS FOR COUNCIL OPINIONS,
PURSUANT TO ARTICLE 5(3) OF REGULATION (EC) No 1466/97, ON
THE UPDATED STABILITY PROGRAMMES OF GERMANY, BELGIUM,
FINLAND, FRANCE, ITALY AND IRELAND AND, PURSUANT TO
ARTICLE 9(3) OF REGULATION (EC) No 1466/97, ON THE UPDATED
CONVERGENCE PROGRAMMES OF ESTONIA, DENMARK, POLAND,
SLOVAKIA AND MALTA**
- (SEC(2005)145 to /3; SEC(2005)143 and /2; SEC(2005)148 and /2;
SEC(2005)144 to /4; SEC(2005)150 to /3; SEC(2005)142; SEC(2005)149 and /2;
SEC(2005)141 and /2; SEC(2005)147 to /3; SEC(2005)146 to /3; SEC(2005)140
and /2; SEC(2005)151; SEC(2005)155)**

The Commission adopted the recommendations for Council opinions set out in SEC(2005)145/3, SEC(2005)143/2, SEC(2005)148/2, SEC(2005)144/4, SEC(2005)150/3, SEC(2005)142, SEC(2005)149/2, SEC(2005)141/2, SEC(2005)147/3, SEC(2005)146/3 and SEC(2005)140/2 for transmission to the Council, for consideration by the Economic and Financial Committee.

8. INTERINSTITUTIONAL RELATIONS

8.1. PARLIAMENT

- i) Part-session of 26 and 27 January*
(SP(2005)435)

The Commission took note of the information supplied relating to Parliament's part-session held on 26 and 27 January (SP(2005)435).

- ii) ***Action to be taken on Parliament's opinions***
(SP(2005)335)

The Commission took note of SP(2005)335.

8.2. COUNCIL MEETINGS

- iii) ***General Affairs and External Relations***
(Brussels, 31 January and 1 February)
(SI(2005)63; SI(2005)64)

The PRESIDENT reported on his presentation to the Council of the strategic objectives for 2005-09 and the Commission's work programme for 2005. The five-year programme had been well received by the Council, and the President of the Council had welcomed the convergence of priorities between the two institutions. The Commission proposals had also been well received by Parliament, and it was important from now on to work on drawing up a joint policy declaration by the three institutions on a common platform of Union action for the five years ahead.

Ms FERRERO-WALDNER referred to the Council's discussions in its external relations meeting. As regards the follow-up to the tsunami in south-east Asia and measures to be planned to improve the Union's ability to respond to such catastrophes in future, the Council had welcomed the Commission's contribution to the work in progress and had adopted the action plan put before it. The Council had also favourably received the ten proposals set out in the joint letter from Mr SOLANA and Ms FERRERO-WALDNER for stepping up the Union's relations with Ukraine and exploiting to the maximum the possibilities offered by the action plan for the neighbourhood policy

with that country. The Council had also welcomed the holding of the Palestinian presidential elections and the election of Mr Mahmoud ABBAS and had expressed support for a relaunch of the peace process between Israel and Palestine. Lastly, concerning the elections in Iraq, which it welcomed as a major step towards democracy and stability in that country, the Council welcomed the high turnout, showing the willingness of the Iraqi people to take their destiny in hand.

The Commission took note of this information and held a wide-ranging debate, especially on: the question of Croatia's cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY), concerning particularly the arrest of General Gotovina; the Council decision to suspend temporarily the diplomatic sanctions adopted in June 2003 towards Cuba, the situation to be reviewed in July in the light of developments as regards democratic pluralism and respect for human rights; the situation in Darfur and the conditions for a gradual resumption of cooperation with Sudan.

In closing, the PRESIDENT reminded the meeting of the conclusions of the Brussels European Council (16 and 17 December 2004) concerning Croatia, which made the opening of accession negotiations conditional on full cooperation by Croatia with the ICTY. While the decision was ultimately one for the Council and without prejudice to the Commission's wish to deploy all the efforts necessary, the Commission could not ignore this prior condition and the need for Croatia to cooperate with the ICTY. As regards Ukraine, in accordance with the decision taken by the Commission on partnership and in the light of the positions of the Member States in the Council over Ukraine's European vocation, the appropriate framework for relations with the Union was the neighbourhood policy. Lastly, the PRESIDENT reported that he had

had a telephone conversation the previous day with President BUSH, on the latter's initiative, in which Mr BUSH had expressed satisfaction at the assistance provided by the Union and the Commission to the electoral process in Iraq and had confirmed his wish to cooperate with the Union.

9. TRENDS IN THE MEMBER STATES

(SEC(2005)190)

Ms WALLSTRÖM presented her monthly information note, pointing out that there had been efforts to make this tool more user-friendly and useful and to make sure it reflected in a structured manner the situation as regards the three priorities of prosperity, solidarity and security. She commented on the results of the November 2004 Eurobarometer opinion poll on a number of questions relating to the Lisbon Strategy. Citizens' perceptions were positive on aspects such as their quality of life or their financial situation, in contrast to their negative assessment of the employment situation and the state of the economy in the Union and in their own countries.

Echoing the positive comments made during the meeting, the PRESIDENT emphasised the usefulness of the monthly information notes and opinion polls on trends in the Member States; these tools showed the Commission's willingness to pay attention to public opinion, particularly in subject areas relating to the Lisbon Strategy. The public's assessment as to the probable development of the European economy in the next five years was positive, and he felt that the Commission should capitalise and build on the optimistic messages expressed.

During the meeting, Ms WALLSTRÖM distributed a brochure about the free telephone number for information on Europe (00 800 6 7 8 9 10 11), which was already a big success with the public.

10. RELATIONS WITH NON-MEMBER COUNTRIES

10.1. VISIT BY Mr REHN TO THE BALKANS

(PRISTINA AND BELGRADE, 24 AND 25 JANUARY)

(SEC(2005)191)

Following his visit to Pristina and Belgrade, Mr REHN reported on the most sensitive questions in Kosovo and in Serbia and Montenegro. He emphasised Kosovo's economic weakness, and commented in particular on: the effects of a possible indictment of Prime Minister Haradinaj by the International Criminal Court in The Hague (ICTY); the need for the Kosovo Government to speed up reforms, particularly concerning minority rights, to enable serious discussions to take place on the definitive status of Kosovo; the efforts made by the EU to support a negotiating process for a solution and the contribution that the Commission should make to this work. Mr REHN also referred to his numerous contacts with the political authorities in Serbia and Montenegro, both at federal level and with its constituent entities. The object of these meetings had been to confirm the Commission's commitment as to the European prospects of Serbia and Montenegro, while insisting on the need to make significant, non-minimalist progress on full cooperation with the ICTY, as a prior condition for any development in this direction. On the latter point, Mr REHN saw as an encouraging signal the intention expressed by the Serbian General Lazarevic to appear voluntarily before the ICTY. The coming

decision on Croatia would be decisive for the credibility of the conditionality of cooperation with the ICTY vis-à-vis Serbia and the whole region.

The Commission took note of this information and held a brief exchange of views on:

- the importance of the region for the European Union, and the need for the EU to make its presence felt and to intervene as a catalyst in support of a political solution;
- the need to make progress in the decentralisation process and to decide on the status of Kosovo;
- the Union's commitment to multiethnicity and the protection of minorities;
- the role of Russia in the Balkans.

The Commission took note of the information note distributed by Mr REHN and of his intention in due course to table a communication on the Commission's contribution to the discussions and to the decision on the future status of Kosovo, particularly concerning pillar IV of UNMIK and financial assistance by the Union. Ms FERRERO-WALDNER would be consulted on this communication.

10.2. VISIT BY Mr MICHEL TO WASHINGTON

(27 AND 28 JANUARY)

(SEC(2005)182)

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

11. OTHER MATTERS

11.1. CASE OF BSE IN FRANCE

Mr KYPRIANOU reported on the case of BSE found in a goat slaughtered in France in 2002, announced on 28 October 2004 by the Community and French authorities and confirmed on 28 January by a scientific panel appointed by the Commission. The Commission had reacted immediately as soon as it knew of the suspicions, and Mr KYPRIANOU thanked the Commission's Spokesman's Service for its communication work on this item. The Commission was going to strengthen the surveillance programme for scrapie in goats and intensify the testing of BSE in goats over a period of at least six months in order to determine the scale of the problem. In the interests of checking effectively whether it was an isolated case, the dossier would be monitored very closely and there would be a re-examination, within six months at the latest, on the basis of the results of these tests and of scientific opinions.

The Commission took note of this information. It pointed to the importance of ensuring the protection of consumer health and the need to act in complete transparency.

11.2. PUBLICISING AIR PASSENGER RIGHTS (SEC(2005)183)

The Commission took note of the information note distributed by Mr BARROT and Ms WALLSTRÖM on the measures taken to inform the European public about the improved rights they would enjoy with effect from 17 February when they travelled by air.

12. INTERINSTITUTIONAL RELATIONS (continued from item 8)

COUNCIL MEETINGS

General Affairs and External Relations (Brussels, 31 January and 1 February) ***(SI(2005)63; SI(2005)64)***

Ms GRYBAUSKAITĖ and Ms HÜBNER reported on the discussions in the Council (General affairs) on the cohesion policy aspect of the financial perspective 2007-13. They reported on the nature and scope of the differences of view expressed by the delegations, marked by the debate on setting a ceiling for the Union's budget at 1% of GNI, the divide between old and new Member States, and taking specific national situations into account. These discussions, which would continue in February, would enter a crucial phase of negotiations from March, given the objective of arriving at an agreement at the June European Council. Ms HÜBNER pointed to the importance of the latest statistical data on regional prosperity and their impact in terms of eligibility for the various objectives and funds proposed. These updated statistics would have a considerable effect on the allocation of appropriations for 2007-13.

The Commission took note of this information and held a brief exchange of views, particularly as regards the deleterious effects for certain Community policies of any delay in this matter.

The PRESIDENT concluded by emphasising the need to continue the dialogue with the Member States and to work in close cooperation with Parliament and the Luxembourg Presidency, with a view to reaching agreement on the stability and growth pact, the Lisbon strategy and the financial perspective before the end of June. These were complex matters, and it would be difficult to reach an overall agreement within a very short deadline. It would be a good idea to consider whether

and how to take the initiative to bring home to the Council the effects of any lack of agreement on the financial perspective in June.

**13. COMMUNICATION TO THE SPRING 2005 EUROPEAN COUNCIL.
WORKING TOGETHER FOR GROWTH AND JOBS – A NEW START
FOR THE LISBON STRATEGY
(COM(2005)24 to /3; SEC(2005)138; SEC(2005)160; SEC(2005)192;
SEC(2005)193)**

The PRESIDENT introduced the communication he was tabling in agreement with Mr VERHEUGEN. Having reminded the meeting that the review of the Lisbon Strategy was one of the first priorities of the present Commission and had given rise to a process of intense work and many discussions, particularly in the Lisbon and competitiveness groups of Commission Members, he thanked all Commission Members for their active and constructive contributions to this work as well as their staff and the services concerned. He presented the dossier by summarising the policy content of the report proper (COM(2005)24/3), to which was added a concrete action programme for the Union and its Member States (SEC(2005)192) and a document on the new integrated cycle for the coordination of the economy and employment (SEC(2005)193). As to the substance, the new strategy took as its starting-point the fact that, to preserve the future of the Community model of sustainable development, the Union's competitiveness must be strengthened and its economy galvanised. In support of this economic renewal, it was proposed to concentrate the Union's efforts on growth and job creation and to create a genuine partnership involving all the European and national players, identifying their respective responsibilities and based on simplified implementing mechanisms. In conclusion, the PRESIDENT said he would be presenting this major policy

initiative that afternoon to Parliament and then to the press, and he encouraged Commission Members to make a similar effort at communication.

Mr VERHEUGEN thanked the PRESIDENT, Commission Members and all departments concerned for their cooperation in this matter. He emphasised the decisive importance of the proposed guidelines and the impact to be expected on the economy. These enabled the action to be concentrated on clearly identified priorities, the allocation of responsibilities between the Union and the Member States to be clarified, and the necessary instruments of governance to be put in place. This renewed strategy should meet with wide acceptance and should encourage appropriation by all the players concerned, but it would be necessary to work to mobilise all available goodwill to ensure its implementation.

Following these remarks, the Commission held an in-depth discussion, in which it discussed the following questions in particular:

- the need and the means for working with a view to appropriation of the renewed Lisbon strategy by the Member States, national governments, parliaments, companies, social partners and the public;
- the importance of the partnership approach and the need to secure firm commitments and wide support from the Member States;
- the importance of making clear distinctions as regards the respective areas of responsibility of the Member States and the Commission;
- the test of credibility presented by the definition of the new strategy and the importance of ensuring its effective implementation;
- the effort at a balance underlying the chosen approach, the objectives identified taking part in the achievement of the overall objective of sustainable development by means of focusing on growth and job creation;

- the links between the proposed strategy, the reform of the Stability and Growth Pact and the next financial perspective;
- the proposed measures in certain individual policy areas, particularly services, health, consumer protection, information technologies, research, education, and taxation, and the best way to present the strategy on these specific issues;
- the approach to take in the communication vis-à-vis the outside world and the need to deliver a positive message.

In the light of the debate, the Commission decided to make the following amendments in COM(2005)24/3:

- on page 5, third paragraph, the first sentence of the third line to read "*But not achieving 'Lisbon' does have a cost.*";
- on page 6, the following sentence to be added at the beginning of the first paragraph: "*Sound macroeconomic conditions are essential to underpin a credible effort to increase potential growth and create jobs.*";
- on page 10, the first sentence of the third indent to begin as follows: "*Europe needs more and better investment in education and training.*";
- on page 10, the fourth indent to read: "*Europe also needs a more mobile workforce. Mobility within the Union will also be helped by the early adoption... The Commission will make proposals during 2006 to simplify the mutual recognition of qualifications....*";
- on page 13, the following sentence to be added to the end of the second paragraph: "*The changes proposed to the European Union's stability and growth pact - the rules at EU level that govern national budgetary policies - should further stabilise our economy, while ensuring that Member States can play a full role in creating conditions for long-term growth.*";

- on page 16, a second sentence to be added to the first paragraph of item 3.2.1 as follows: *“Providing high-quality services of general interest to all citizens at affordable prices is necessary.”*;
- on page 17, the second paragraph of the box to read: *"In order to build consensus on the services Directive and to ensure the smooth discussion of this important proposal, the Commission will work constructively with the European Parliament....We will focus particularly on concerns raised in areas such as"*;
- on page 17, the last paragraph of the box to read: *“In order to overcome the obstaclesthe Commission is taking work forward to try to achieve an agreement ... countries. This will reduce a significant ..., while leaving Member States free to set the corporate tax rate. ”*;
- on page 19, the first indent of the third paragraph of the box to read: *"Better assessing the effect of new legislative/policy proposals on competitiveness, also through its impact assessment instrument.”*;
- on page 22, the third sentence of the third paragraph of the box to read: *“In order to reinforce ..., the Commission proposes the creation of a 'European Institute of Technology' to act as a pole of attraction ...around the world.”*;
- on page 26, the following sentence to be added at the end of the first paragraph after the box: *“Increasing healthy life years will be a crucial factor in achieving this objective”*;
- on page 27, a paragraph on lifelong learning to be added to item 3.4.3.

The Commission also agreed to correct the "road map" in connection with action on the establishment in 2006 of lifelong learning strategies. This amendment would

be made as part of the work of finalising the document containing the action programme (SEC(2005)192).

Subject to these amendments, the Commission:

- approved the communication to the spring European Council in COM(2005)24/3 for transmission, accompanied by the staff paper in SEC(2005)160, to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions;
- approved in principle the Lisbon action programme (SEC(2005)192) and mandated the PRESIDENT, in agreement with Mr VERHEUGEN, to finalise it on the basis of the amendments communicated bilaterally, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions;
- approved the communication on the new round of coordination in SEC(2005)193 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

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The meeting closed at 1305 hours.