

Commission of the European Communities

**XXVIth General Report
on the Activities of
the European Communities
1992**

Brussels • Luxembourg • 1993

Cataloguing data can be found at the end of this publication

Luxembourg: Office for Official Publications of the European Communities, 1993

ISBN 92-826-5340-4

© ECSC-EEC-EAEC, Brussels • Luxembourg, 1993

Reproduction is authorized, except for commercial purposes, provided the source is acknowledged

Printed in Belgium

*The President and the Members of the Commission of the European Communities to
the President of the European Parliament*

Sir,

We have the honour to present the General Report on the Activities of the Communities, which the Commission is required to publish by Article 18 of the Treaty establishing a Single Council and a Single Commission of the European Communities.

This report, for 1992, is the twenty-sixth since the merger of the executives.

In accordance with the procedure described in the Declaration on the system for fixing Community farm prices contained in the Accession Documents of 22 January 1972, the Commission will shortly be sending Parliament the 1992 Report on the Agricultural Situation in the Community.

And, in accordance with an undertaking given to Parliament on 7 June 1971, the Commission is preparing its twenty-second annual Report on Competition Policy.

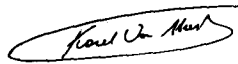
Please accept, Sir, the expression of our highest consideration.

Brussels, 9 February 1993

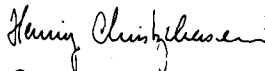
Jacques DELORS
President



Karel VAN MIERT



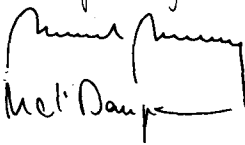
Henning CHRISTOPHERSEN



Hans VAN DEN BROEK



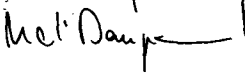
Manuel MARIN



João DE DEUS PINHEIRO



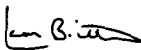
Martin BANGEMANN




Pádraig FLYNN



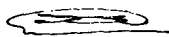
Leon BRITTAN



Antonio RUBERTI



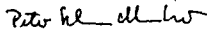
Abel MATUTES



René STEICHEN



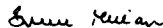
Peter M. SCHMIDHUBER



Yannis PALEOKRASSAS



Bruce MILLAN



Raniero VANNI D'ARCHIRAFI



NOTE

Starting this year, legislative instruments proposed by the Commission or adopted by the Council during the year under the cooperation or consultation procedures appear in the text with an asterisk (*) and with no footnotes. These instruments are listed in the table annexed to this General Report where references are given (Official Journal, COM documents, Bulletin and previous General Reports) for all the stages of the legislative procedure concerning each instrument.

As a rule, no references are given in the text for intermediate stages of procedures which started before 1 January 1992 and were not completed at 31 December 1992. These references also appear in the table annexed to this General Report.

The following currency abbreviations are being used in all language versions of the General Report and of the other reports published in conjunction with it.

BFR	=	Belgische frank/franc belge
DKR	=	Dansk krone
DM	=	Deutsche Mark
DR	=	Drachma
ESC	=	Escudo
FF	=	Franc français
HFL	=	Nederlandse gulden (Hollandse florijn)
IRL	=	Irish pound (punt)
LFR	=	Franc luxembourgeois
LIT	=	Lira italiana
PTA	=	Peseta
UKL	=	Pound sterling
USD	=	United States dollar

Summary

The Community in 1992	1
European union	9
Delors II package: structural and financial measures 1993-99	13
The single market and the Community economic and social area	17
External relations	243
Intergovernmental cooperation and human rights	349
Community institutions and financing	371
Community law	421
The year in brief	437
Annexes	449
Institutions and other bodies	509
List of abbreviations	511
Publications cited in this Report	519

Contents

THE COMMUNITY IN 1992	1
CHAPTER I: EUROPEAN UNION	9
CHAPTER II: DELORS II PACKAGE: STRUCTURAL AND FINANCIAL MEASURES 1993-99	13
CHAPTER III: THE SINGLE MARKET AND THE COMMUNITY ECONOMIC AND SOCIAL AREA	17
Section 1: Economic and monetary policy	17
<i>Priority activities and objectives</i>	17
<i>The economic situation</i>	18
<i>Economic and monetary union</i>	19
— Improved policy coordination in Stage I	19
— Thrust of economic policy in 1992 and 1993	20
— Medium-term economic development in the Community	21
— Operation of the EMS	21
— Wider use of the ecu	22
<i>The Community and international monetary and financial matters</i>	24
<i>Community initiatives and financial activities</i>	25
— Development of financing techniques	25
— Community borrowing and lending	25
— European Bank for Reconstruction and Development (EBRD)	26
— Medium-term financial assistance for the countries of Central and Eastern Europe and for other third countries	27
<i>European Investment Bank</i>	28

Section 2: Statistical area	31
<i>Priority activities and objectives</i>	31
<i>Statistical information linked to the Single Act</i>	32
<i>Statistical information to support other Community policies</i>	33
Section 3: Completing the internal market	35
<i>Priority activities and objectives</i>	35
Business environment	38
<i>Removal of physical frontiers</i>	38
— Checks on goods	38
• Movement of goods within the Community	38
• Simplification of checks and formalities in trade	38
• Coordinated development of computerized administrative procedures	39
• Mutual assistance, administrative cooperation and fraud control	39
• Customs union: the external dimension	40
• Harmonization of customs rules on trade with non-member countries	40
• Common Customs Tariff, Combined Nomenclature and Taric	41
• Economic tariff matters	42
• Customs procedures with economic impact	42
• Origin of goods	43
• General legislation	43
• Monitoring the implementation of Community customs law	43
• Abolition of intra-Community frontier posts	44
• Harmonization of animal health and plant health rules	44
• Plant health legislation	44
• Animal feed	45
• Veterinary and animal husbandry legislation	45
• Implementation of Article 115	46
— Checks on individuals	47
<i>Removal of technical and legal frontiers</i>	47
— Free movement of goods	47
• Removal of non-tariff barriers	47
• Prevention of further barriers	48
• Harmonization of laws	49
• Implementation of the new approach to technical harmonization and standardization	52
• Technical harmonization	52
• Standardization	52
— Government procurement	53
— Free movement of workers and of members of the professions	54

— Common market in services	55
• Financial services	55
• Banks and other financial institutions	55
• Payment systems	56
• Insurance	56
• Stock exchanges and transferable securities	57
• Treatment of financial institutions in third countries	57
— Creation of a financial area	58
• Liberalization of capital movements and removal of exchange controls	58
• Balance-of-payments support mechanism	59
— A propitious legal and tax environment for businesses	59
• Company law	59
• Intellectual and industrial property	59
• Pharmaceutical patents	59
• Copyright and neighbouring rights	60
• Company taxation	61
<i>Removal of tax frontiers</i>	61
— Indirect taxation	61
• Value-added tax (VAT)	61
• Excise duties and other indirect taxes	62
— Monitoring the application of Community provisions in the field of indirect taxation	63
<i>Trans-European networks</i>	64
A people's Europe	65
<i>External frontier controls</i>	65
<i>Removal of intra-Community physical frontiers</i>	65
— Protection of cultural objects	65
— Drugs — Horizontal aspects	65
<i>Free movement of persons</i>	66
— Right of entry and of residence	67
— Right of establishment	67
• Recognition of diplomas	67
• Access to activities carried out in a self-employed capacity	67
— Special rights	68
• Right of asylum and status of refugees	68
• Right of petition	68
• Right to vote in local elections	68
<i>Taxation</i>	68
<i>Health</i>	68
<i>Audiovisual policy</i>	70

<i>Culture</i>	70
<i>Protection of personal data</i>	72
<i>Aid to victims of natural disasters</i>	73
Section 4: Competition	74
<i>Priority activities and objectives</i>	74
<i>General rules applying to businesses</i>	75
<i>Application of the competition rules to businesses: specific cases</i>	77
— Prohibited horizontal agreements	77
— Permissible forms of cooperation	78
— Dominant positions	78
— Mergers	79
<i>Application of the competition rules to government intervention</i>	80
— State aid	80
• General schemes	80
• Industry schemes	80
• Regional schemes	81
— State monopolies	81
— Public enterprises and enterprises with special or exclusive rights	82
— International aspects	82
Section 5: Enterprise policy and services	84
<i>Priority activities and objectives</i>	84
<i>Promotion of enterprises and the business environment</i>	84
<i>Supply of business services — Improving the adaptability of firms to the internal market</i>	86
— Improving the flow of information	86
— Fostering cooperation	86
— Preparing small businesses for the single market	87
— Seed capital	87
— Other measures to assist small businesses	87
<i>Programme of work concerning cooperatives, mutual societies, associations and foundations</i>	88
<i>The distributive trades</i>	88
<i>Tourism</i>	88

Section 6: Industrial policy	90
<i>Priority activities and objectives</i>	90
<i>Individual sectors</i>	91
— Steel	91
— Transport	92
• Motor vehicles	92
— Shipbuilding	93
— Textiles and clothing	94
— Biotechnology	94
— Aerospace	95
• Aircraft	95
• Space	95
— Services	95
— Other activities	96
— Specific development programme for Portuguese industry (Pedip)	97
Section 7: Research and technology	98
<i>Priority activities and objectives</i>	98
<i>Community R&TD policy</i>	99
— Framework programme 1990 to 1994	99
— Joint Research Centre	100
<i>Information technologies and telecommunications</i>	101
<i>Industrial and materials technologies</i>	101
— Measurement and testing	101
<i>Environment</i>	102
— Marine science and technology	103
<i>Life sciences and technologies</i>	103
— Biotechnology	103
— Agricultural and agro-industrial research	104
— Biomedicine and health	105
— Life sciences and technologies for developing countries	106
<i>Energy</i>	106
— Non-nuclear energy	106
— Nuclear fission safety	106
— Controlled thermonuclear fusion	108

<i>Human capital and mobility</i>	108
<i>Dissemination and utilization of R&TD results from Community programmes</i>	109
<i>Measures in support of the framework programme</i>	109
— Support for science and technology	109
— Support for Community policies	110
— International scientific and technical cooperation	111
<i>Other activities</i>	113
Section 8: Telecommunications, information industries and innovation	114
<i>Priority activities and objectives</i>	114
<i>Information technology</i>	115
<i>Communications technology</i>	115
<i>Telematic services of general interest</i>	116
— Administrations	116
— Transport	116
— Health care	117
— Flexible and distance learning	117
— Data communications systems for rural areas	117
— Linguistic research and engineering	117
— Libraries	118
<i>Telecommunications policy</i>	118
<i>Computerized communication of data, information and documents</i>	121
— Tedis	121
— Insis	121
— Caddia	121
— Telematics networks between administrations	122
<i>Standardization in IT and telecommunications</i>	122
<i>Dissemination and exploitation of the results of Community and national R&TD programmes</i>	123
<i>Promotion of innovation and technology transfer</i>	124
<i>Development of an information services market</i>	125
<i>International cooperation</i>	126

Section 9: Employment and social policy	128
<i>Priority activities and objectives</i>	128
<i>Employment</i>	129
— Dialogue with management and labour	129
— Employment and the labour market	130
— Freedom of movement and migration policy	131
<i>Structural operations</i>	132
— European Social Fund	132
<i>Social security</i>	132
— Social security and social action	132
— Social security for migrant workers	133
<i>Living and working conditions</i>	134
— Equal opportunities for men and women	134
— Social integration of the disabled	134
— Labour law and industrial relations	135
— European Foundation for the Improvement of Living and Working Conditions	136
<i>Health and safety</i>	136
— Health and safety at work	136
— Health and safety in the ECSC industries	138
Section 10: Education, training and youth	139
<i>Priority activities and objectives</i>	139
<i>Cooperation in education</i>	140
<i>Higher education</i>	140
<i>Initial training</i>	141
<i>Continuing training</i>	141
<i>Foreign language teaching</i>	142
<i>Open and distance learning</i>	143
<i>Youth</i>	143
<i>Cooperation with non-member countries on education, training and youth</i>	143
— Countries of Central and Eastern Europe and the independent States of the former Soviet Union	143

— EFTA	144
— Other countries	144
<i>European Centre for the Development of Vocational Training (Cedefop)</i>	145
<i>European University Institute in Florence</i>	145
Section 11: Economic and social cohesion	147
<i>Priority activities and objectives</i>	147
<i>Formulation, coordination and launching of policies and measures</i>	147
— Formulation of structural policies	147
— Implementation of the reform of the structural Funds	148
— Cohesion Fund	150
<i>Financial activities and assistance</i>	150
— Regions whose development is lagging behind	150
— Declining industrial areas	151
— Combating long-term unemployment and the occupational integration of young people	152
— Adaptation of agricultural structures	154
— Development of rural areas	155
— Fisheries structures	156
— Community initiatives	157
— Measures for ECSC industry workers	160
— Other financial assistance	161
<i>Other measures for the regions</i>	163
<i>Programme for the Greek islands in the Aegean</i>	163
Section 12: Measures for the most remote regions	164
<i>Priority activities and objectives</i>	164
<i>Agriculture</i>	165
<i>Fisheries</i>	165
<i>Customs, tariff and trade measures</i>	166
<i>Taxation</i>	166
<i>Energy and craft industries</i>	167

Section 13: Agriculture	168
<i>Priority activities and objectives</i>	168
<i>Content of the common agricultural policy</i>	169
— Reform of the common agricultural policy	169
— Agricultural prices for 1992/93	170
— Adjustment of the agricultural market organizations	171
— Rural development	171
— Forestry, environment and agriculture	171
— Quality of agricultural products	172
<i>Management of the common agricultural policy</i>	172
— Market organization	172
• Crop products	172
• Livestock products	177
— Other work	179
• Approximation of laws	179
• Agrimonetary measures	179
• Food aid for the needy	180
• Income aid	180
• State aid	180
• Farm accountancy data network (FADN)	181
• Advisory committees and relations with professional organizations	181
<i>Financing the common agricultural policy: the EAGGF</i>	183
— Guarantee Section	183
— Guidance Section	186
— International provisions	187
Section 14: Fisheries	188
<i>Priority activities and objectives</i>	188
<i>Assessment of and guidelines for the fisheries policy</i>	188
<i>Internal resources and policy on conservation and monitoring</i>	190
— Community measures	190
— National measures	191
— Monitoring	192
<i>External resources</i>	193
<i>Market organization</i>	195

<i>Structural policy</i>	196
<i>State aid</i>	196
Section 15: Environment	197
<i>Priority activities and objectives</i>	197
<i>General</i>	198
— Fifth Community action programme on the environment	198
— Application of Community law (legal and other aspects)	198
— Taking the environment into account in other policies	199
— Economic and fiscal instruments	199
— Financial instruments	200
— Public awareness, information and training	200
— International cooperation	200
<i>Industry and the environment, civil protection</i>	203
— Environmental control of products, industrial installations and biotechnology	203
— Emissions from industrial installations and products	203
— Waste management	204
— Civil protection	204
<i>Quality of the environment and natural resources</i>	205
— Protection of water, coastal areas, the environment and tourism	205
— Protection of nature, the environment and agriculture	206
— Urban environment, air quality, transport, noise	207
— Global environment, climate change, geosphere and biosphere	209
Section 16: Consumers	211
<i>Priority activities and objectives</i>	211
<i>Consumer representation</i>	211
<i>Consumer information and education</i>	212
<i>Health and physical safety of consumers</i>	212
<i>Economic and legal interests of consumers</i>	213

Section 17: Transport	215
<i>Priority activities and objectives</i>	215
<i>General strategy</i>	215
— The White Paper on the future development of the common transport policy	215
— Transport and the environment	216
— Research and technological development	217
— Observation of markets	217
<i>Infrastructure</i>	217
— Transport networks	217
— Financial support for projects of Community interest	218
<i>Multimodal transport</i>	218
— Development of combined transport	218
<i>Inland transport</i>	219
— Railways	219
— Road transport	219
• Admission to the occupation; market access	219
• Taxation	220
• Technical aspects	220
— Inland waterways	221
— Social conditions	221
<i>Sea transport</i>	222
— Implementation of the common policy	222
— Safety at sea	223
<i>Air transport</i>	223
— Implementation of the common policy	223
— Finalization of the common policy	223
— Air traffic management	224
— Technical aspects	224
<i>International cooperation</i>	224
— Transit through non-Community countries	224
— Air traffic rights	226
Section 18: Energy	227
<i>Priority activities and objectives</i>	227

<i>Community energy strategy</i>	228
— Promotion of energy technology (Thermie)	228
— Promotion of energy efficiency (SAVE)	228
— Energy and the environment	229
— Security of supply	229
<i>Internal energy market</i>	229
— Internal market in gas and electricity	229
— Oil and gas prospecting and extraction	230
— Standardization	230
— Economic and social cohesion and infrastructure	230
<i>Sectoral aspects</i>	231
— Oil and petroleum products	231
— Natural gas	231
— Solid fuels	232
— Electricity	232
— Nuclear energy	233
— New and renewable energy sources	233
<i>Relations with third countries producing or importing energy</i>	233
— European Energy Charter	233
— Technical assistance to the countries of Central Europe and the independent States of the former Soviet Union	234
<i>Euratom Supply Agency</i>	235
Section 19: Euratom safeguards	236
Section 20: Nuclear safety	239
<i>Priority activities and objectives</i>	239
<i>Radiation protection</i>	239
<i>Plant safety</i>	240
<i>Radioactive waste</i>	241
<i>Transport of radioactive materials</i>	241
<i>International action</i>	241

CHAPTER IV: EXTERNAL RELATIONS	243
Section 1: Priority activities and objectives	243
Section 2: Enlargement of the Community	249
Section 3: Central European countries and independent States of the former Soviet Union	252
<i>Central European countries</i>	252
— General survey	252
• Europe Agreements and other Agreements	252
• Trade arrangements	253
• Coordination of the Group of 24	255
• Operation Phare	255
— Particular aspects	257
• Albania	257
• Bulgaria	258
• Hungary, Poland and the Czech and Slovak Federal Republic (Visegrad countries)	258
• Romania	259
• Baltic States (Estonia, Latvia and Lithuania)	260
<i>Independent States of the former Soviet Union</i>	260
— Aid	260
• Conference on aid	261
• Technical assistance	261
• Food and medical aid	262
— Bilateral relations	264
— Trade arrangements	266
Section 4: European Free Trade Association	267
<i>Relations with EFTA</i>	267
<i>Bilateral relations with the EFTA countries</i>	268
Section 5: Relations with the United States, Japan and other industrialized countries	271
<i>Western Economic Summit</i>	271
<i>United States</i>	272
<i>Japan</i>	275

<i>Other industrialized countries</i>	276
— Canada	276
— Australia	277
— New Zealand	278
— South Africa	279
Section 6: Relations with Mediterranean and Middle East countries	281
<i>Mediterranean countries</i>	281
— Turkey	281
— Cyprus	282
— Malta	283
— Former Yugoslavia	283
— San Marino	285
— Maghreb (Algeria, Morocco, Tunisia), Mashreq (Egypt, Jordan, Lebanon and Syria), Israel, West Bank and Gaza Strip ('Occupied Territories')	286
<i>Middle East countries</i>	288
<i>Euro-Arab Dialogue</i>	290
Section 7: Relations with the countries of Asia and Latin America	291
<i>Asia</i>	291
— South Asia	291
— Association of South-East Asian Nations	292
— China	293
— Korea	293
— Other Asian countries	294
— Trade arrangements for Asian State-trading countries	295
<i>Latin America</i>	295
— Relations with regional bodies	295
— Bilateral relations	296
<i>Cooperation with the countries of Asia and Latin America</i>	298
Section 8: Relations with the African, Caribbean and Pacific countries and the overseas countries and territories	300
<i>Implementation of the fourth Lomé Convention</i>	300
<i>Trade cooperation</i>	301

<i>Stabex</i>	302
<i>Sysmin</i>	304
<i>Sugar Protocol</i>	305
<i>Industrial cooperation</i>	305
<i>Financial and technical development</i>	305
<i>Regional cooperation</i>	307
<i>Institutional relations</i>	308
<i>Overseas countries and territories</i>	308
Section 9: General development cooperation	311
<i>Overview</i>	311
<i>Cooperation through the United Nations</i>	312
— United Nations Conference on Trade and Development	312
— United Nations Industrial Development Organization	312
— World Food Programme	313
— World Food Council	313
— United Nations Food and Agriculture Organization	313
<i>Generalized tariff preferences</i>	314
<i>Commodities and world agreements</i>	315
<i>EC International Investment Partners</i>	316
<i>Protecting the environment</i>	316
<i>Drug abuse control</i>	317
<i>AIDS</i>	318
<i>Food aid</i>	318
— Standard food aid	319
— Emergency food aid	320
— Special programme for Africa	321
<i>Emergency aid</i>	322
<i>Cooperation through non-governmental organizations</i>	322
<i>Human rights and development</i>	323
Section 10: Emergency humanitarian aid	324

Section 11: Multilateral trade negotiations — Uruguay Round	326
Section 12: Commercial policy	328
<i>Implementing the common commercial policy</i>	<i>328</i>
— Commercial policy instruments and import and export arrangements	328
— Treaties, trade agreements and mutual recognition agreements	332
— Export credits	332
— Export promotion	333
<i>Individual sectors</i>	<i>334</i>
— Steel	334
• External element of the steel plan	334
• Multilateral steel consensus in the context of GATT	334
• Autonomous arrangements	335
• Relations with the USA	335
— Shipbuilding	335
— Textiles	336
• Extending the MFA	336
• Bilateral Agreements with non-member countries	336
• Arrangements with preferential countries	337
• Single market in the textile sector	338
— Automobiles	338
— Other products	339
• Aircraft	339
Section 13: International organizations and conferences	340
<i>United Nations</i>	<i>340</i>
— General Assembly	340
— Economic and Social Council	340
— Convention on the Law of the Sea	341
— United Nations Environment Programme	341
— International Monetary Fund and the World Bank	342
<i>General Agreement on Tariffs and Trade</i>	<i>342</i>
<i>Organization for Economic Cooperation and Development</i>	<i>343</i>
<i>Conference on Security and Cooperation in Europe</i>	<i>343</i>
<i>Council of Europe</i>	<i>346</i>
<i>European Bank for Reconstruction and Development</i>	<i>347</i>

CHAPTER V: INTERGOVERNMENTAL COOPERATION AND HUMAN RIGHTS	349
Section 1: European political cooperation	349
<i>Europe</i>	349
<i>Middle East and Maghreb</i>	354
<i>Asia</i>	355
<i>Africa</i>	357
<i>Central and South America</i>	361
<i>Emergency assistance</i>	362
<i>Preventive diplomacy</i>	362
<i>Common foreign and security policy</i>	362
<i>Human rights</i>	362
Section 2: Other intergovernmental cooperation	363
Section 3: Human rights and fundamental freedoms	366
<i>Inside the Community</i>	366
<i>Outside the Community</i>	367
CHAPTER VI: COMMUNITY INSTITUTIONS AND FINANCING	371
Section 1: Institutions and other bodies	371
<i>Relations between the institutions</i>	371
— Commission programme	371
— Voting in the Council	372
— Inclusion of Parliament in the decision-making process	372
— Implementing powers conferred on the Commission	373
<i>Composition and functioning of the institutions</i>	374
— Parliament	374
— Council	378
— Commission	379
— Court of Justice and Court of First Instance	380
— Court of Auditors	381

— Economic and Social Committee	382
— ECSC Consultative Committee	384
<i>Administration and management of the institutions</i>	385
— Staff policy and Staff Regulations	385
• Staff policy	385
• Rights and obligations	386
• Joint Sickness Insurance Scheme	386
• Transfer of pension rights	386
• Buildings	387
— Data processing	387
— Language services	388
Section 2: Information for the general public	390
<i>Information activities</i>	390
<i>Press, radio and television</i>	392
<i>Office for Official Publications</i>	392
<i>Historical archives</i>	393
Section 3: Financing Community activities	395
<i>Priority activities and objectives</i>	395
<i>Budgets</i>	396
— General budget	396
• Financial perspective	396
• Budget procedure	400
• 1992 financial year	400
• Supplementary and amending budgets	400
• Implementation of the 1992 budget	401
• 1993 financial year	402
• Budget procedure for 1993	402
• Own resources	411
• 1992 financial year	411
• 1993 financial year	411
• Discharge procedure	412
• 1990 financial year	412
• 1991 financial year	413
— ECSC budget	413
— Changes to Financial Regulations	413
<i>Financial Control</i>	414
<i>Action to combat fraud</i>	415

<i>Borrowing and lending operations</i>	416
— Operations concerning the New Community Instrument	417
• New Community Instrument	417
— EEC — Balance of payments	417
— EEC — Medium-term financial assistance	417
— Financing ECSC activities	417
— Financing Euratom activities	418
— European Investment Bank	419
<i>General budget guarantee for borrowing and lending operations</i>	419
 CHAPTER VII: COMMUNITY LAW	 421
Section 1: General matters	421
<i>General principles of Community law</i>	421
<i>Judicial review and fulfilment by the Member States of their obligations</i>	424
Section 2: Interpretation and application of the substantive rules of Community law	426
<i>Free movement of goods and customs union</i>	426
<i>Competition</i>	429
<i>Free movement of persons and social provisions</i>	431
<i>Taxation</i>	433
<i>Institutional and budgetary matters</i>	434
Section 3: Computerization of Community law	435
 THE YEAR IN BRIEF	 437
 ANNEXES	 449
— Progress of legislation	451
— to Chapter VII:	
Activities of the Court of Justice, in figures	506
Activities of the Court of First Instance, in figures	508
 INSTITUTIONS AND OTHER BODIES	 509
 LIST OF ABBREVIATIONS	 511
 PUBLICATIONS CITED IN THIS REPORT	 519

The Community in 1992

By signing the Treaty on European Union in Maastricht on 7 February, the Heads of State or Government began a new stage in the building of Europe which will enable the Community to provide stability in a continent undergoing rapid change and to profit from the successes it has achieved so far. In the course of the year 10 Member States completed the procedures for ratifying the Treaty, whilst the citizens of Denmark voted against such ratification when consulted by means of a referendum. Taking due note of this result and anxious to press ahead by settling certain problems peculiar to Denmark, the Edinburgh European Council agreed on 11 and 12 December that Denmark would not participate either in the single currency or in the drafting and implementation of decisions and measures relating to defence, without prejudice to the development of closer cooperation between Member States in this area. This agreement will enable Denmark to hold another referendum in the near future. The United Kingdom, for its part, has decided to defer ratification of the Treaty until after the Danish referendum.

The discussions held within the Member States during the ratification process indicated that the citizens of Europe wanted a more democratic and transparent Community. In response the Community institutions have endeavoured to define a framework and detailed rules for implementing Article 3b of the Treaty, the purpose of which is to ensure, with due regard for the national identity and powers of the Member States, that decisions are taken at the level closest to the ordinary citizen. In a communication on the application of the subsidiarity principle the Commission defined the three legal concepts underlying Article 3b, namely that the Community may act only in areas which fall within its competence, that, in areas not falling within its exclusive competence, it should act only if an objective can be better achieved at Community level than at national level and that the means employed must be proportional to the objectives pursued. The Commission also proposed a number of measures to ensure the transparency of the decision-making process in the spirit of the declaration on the right of access to information (annexed to the Treaty on European Union) and the declaration entitled 'A Community close to its citizens'

which was adopted by the Birmingham European Council in October. It was mainly on this basis that the Edinburgh European Council defined an overall approach to the application of the subsidiarity principle and guidelines for implementing the Birmingham declaration within the framework of an inter-institutional agreement.

Despite the difficulties caused at national level by financial and monetary tensions and by the poor economic outlook, the European Council gave fresh impetus to the Community by agreeing on a second package of structural and financial measures, thus translating into terms of expenditure the new objectives and priorities defined in the Treaty on European Union and contributing towards economic expansion and closer convergence. Just as it had released the resources needed for the implementation of the Single Act in 1988, the European Council provided for the allocation of funds to the Community budget over the next seven years (1993-99) and decided how these funds should be shared out among the main categories of expenditure. In particular it made provision for the financing of the common agricultural policy and agreed to set up a Cohesion Fund for the financing of environmental and infrastructural projects in those Member States (Greece, Ireland, Portugal and Spain) where GNP is less than 90% of the Community average. Together with the increase in the resources allocated to Objective 1 regions, this will virtually double the funds set aside for these countries and will mean both closer convergence and greater cohesion.

Bearing in mind that the aims underlying the economic policies of the Member States should be an open market economy with free competition, lasting growth with due respect for the environment, stable prices with healthy public finances, sound currencies and a stable balance of payments, the European Council decided, on the basis of a Commission initiative, to support Member States' endeavours to promote economic recovery in Europe by adopting a new initiative on growth, including a loan mechanism for early implementation of the infrastructural networks provided for in the Maastricht Treaty and a European Investment Fund which, acting in conjunction with the European Investment Bank, will guarantee both public and private investments in the Member States and provide special loan facilities for small businesses.

At the same time as this new stage in the construction of Europe began, another period came to an end with the completion of the programme set out in the White Paper on the establishment of the single market. The single market, a frontier-free area for goods and services, was completed in accordance with the scheduled programme. By 31 December the Council had adopted almost all (nearly 95%) of the scheduled proposals, thus reaching a historical milestone

in the implementation of the Single Act. An important step was taken towards ending frontier checks on goods, to which a whole series of measures have been leading up since 1985, with the adoption of new VAT and excise arrangements dispensing with frontier controls. Substantial progress was also made on veterinary matters, medicines, motor vehicles, foodstuffs, public procurement, the freedom to provide services and intellectual property. Attention has increasingly been directed towards the smooth operation of the single market after 1992 and in December the Commission adopted a communication on the action to be taken following the report from the Sutherland Group, which had been given the task of drawing up recommendations on the monitoring and strengthening of the internal market and which had stressed the need to improve the transparency of the Community rules and their implementation and to strengthen both the partnership with the Member States and the control arrangements.

Despite the stance taken by the Commission on the scope of Article 8a of the Treaty, not all internal frontier controls on individuals will be removed with effect from 1 January 1993. Although some progress has been made, the Community has still to conclude the Convention on the crossing of external borders and to complete the negotiations on the Convention on the European information system. However, in the course of 1993 the Member States which have signed the Schengen Agreement are expected to complete the practical arrangements necessary for eliminating controls of individuals at internal frontiers in such places as airports.

Continuing its efforts to enable firms to take advantage of the new opportunities arising from the single market and to promote their involvement in the economic process, the Commission drew up a programme of priority measures to help firms adjust during a period of economic uncertainty. On the industrial front the framework for action was the communication on industrial policy in an open and competitive environment and the main steps taken were the adoption and initial implementation of the Commission's communications on certain industries facing problems of industrial adjustment such as the motor vehicle, aeronautics and telecommunications industries.

Aware of the need to improve the competitiveness of European industries in advanced technologies and of various shortcomings in European science and technology in the area of industrial research, the Commission proposed, in its communication entitled 'Research after Maastricht: an assessment, a strategy', new guidelines not only for traditional research and development but also for the concentration of efforts on certain 'enabling technologies' which have a wide impact on several industrial sectors. At the same time it suggested an increase in the funds allocated to research and development policy under the

second package of structural and financial measures and proposed a new framework programme for 1994-98 covering all Community research and technological development, in line with the abovementioned communication and the provisions of the Maastricht Treaty.

On the social front the Treaty on European Union provides for the consolidation of workers' basic rights. Although the Commission has now submitted proposals for almost all the measures covered by the programme for implementing the Social Charter, some progress has still to be made before these measures are finally adopted. In 1992 a Directive was adopted on the safety and health at work of women who are pregnant or have recently given birth or are breastfeeding. This Directive should improve the position in certain Member States whilst ensuring that there is no deterioration of acquired rights in other Member States. The Commission has also taken steps to help combat social exclusion.

The reform of the common agricultural policy, which was intended to restore balance to the markets and to improve the internal and external competitiveness of Community agriculture whilst stabilizing farm incomes, was adopted during the year in the form of new instruments designed to resolve the problems of farm surpluses, the rise in budgetary expenditure, the deterioration in farm incomes and environmental damage.

Given the excessive capacity of the European fishing fleet and the serious depletion of the stocks fished by Community vessels, the Commission proposed and the Council approved a far-reaching reform of the common fisheries policy. The aim is to restore the balance between available and accessible stocks, on the one hand, and fishing capacity, on the other, by introducing a set of measures relating to the regulation and allocation of permissible catches, the management and monitoring of fishing activities, and the resources and procedures needed to ensure the effectiveness of such measures.

In view of the need for greater protection and enhancement of the environment whilst ensuring that the latter is not jeopardized by economic expansion, the Commission proposed to the Council a new programme to serve as a basis for Community action until the end of the century, with special emphasis on 'sustainable development' and the encouragement of behavioural changes through partnership arrangements and shared responsibility. This approach is fully consistent with the objectives on which an international consensus was reached at the United Nations Conference on Environment and Development. The Rio Conference laid a solid foundation for further international cooperation, even if its outcome did not entirely live up to the Community's expect-

tations. Further progress was made in the legislative field, in particular as regards cross-frontier movement of waste, air pollution by ozone, and the creation of a financial instrument for the environment (LIFE). The Commission adopted proposals on the introduction of an eco-label, a system for the re-use of packaging waste and an energy/CO₂ tax to encourage consumers to use energy more rationally and to favour less-polluting sources of energy. The introduction of this tax is part of a wider strategy designed to limit carbon dioxide emissions and to promote the use of renewable energy sources.

The common transport policy underwent important developments in 1992. A sustained effort was made to finalize the basis for the single market in this sector. Rules on coastal shipping were adopted and the implementation of the common air-transport policy was completed. A difficult obstacle was overcome with the opening of national markets to non-residents. The Commission, noting the imbalance between the volume of transport and Community investment, put forward overall plans for trans-European road networks, European inland waterway networks and a European combined-transport network. In addition to a Green Paper on the impact of transport on the environment, it adopted a White Paper on the future development of transport policy, in which it proposed an overall strategy to combat the negative consequences of the growing demand for transport in Europe.

Pressing forward with the construction of Europe, the Community did not shun the challenge presented by further enlargements to include those countries which met the essential conditions for membership (European identity, democratic status and respect for human rights) and which were politically and economically ready to accept the Community rules. The Commission, which had already adopted a favourable opinion on Austrian accession in 1991, reacted favourably to the applications from Sweden and Finland and began drafting its opinions on the applications from Cyprus, Malta, Norway and Switzerland. The Edinburgh European Council agreed that accession negotiations could begin with Austria, Sweden and Finland early in 1993 and those with Norway as soon as the Commission had delivered its opinion, although negotiations could not be concluded until the Treaty on European Union had been ratified by all the Member States. On 2 May the Agreement establishing a European Economic Area was signed in Oporto and can enter into force once the amendments necessitated by the outcome of the Swiss referendum have been finalized and after the ratification procedures have been completed. The EEA will initiate a new phase in relations between the Community and the EFTA countries and will be a cornerstone of the new European edifice.

At the same time the Community continued to provide assistance for the new democracies in Eastern Europe which are looking for structures capable of

supporting their fragile institutions, guaranteeing their security and contributing to the reconstruction of their economies. Opening up the prospect of accession at some future date, the Europe Agreements concluded in 1991 with Poland, Hungary and the Czech and Slovak Federal Republic and those negotiated in 1992 with Bulgaria and Romania define the overall framework for closer cooperation, subject to further political and economic reforms in numerous areas. The Edinburgh European Council welcomed the Commission report entitled 'Towards a new association of the countries of Central and Eastern Europe' in which, at the request of the Lisbon European Council¹ and in response to the joint declaration by the Visegrad countries,² the Commission suggested what measures could be taken to develop a closer association with these countries and thus prepare them for fuller participation in the process of European integration. The establishment of a political dialogue is also a main feature of the trade and cooperation agreements concluded in 1992 with Albania and the Baltic countries and of the partnership and cooperation agreements which the Council has authorized the Commission to negotiate with the independent States of the former Soviet Union. At the same time the Community has continued the implementation of the Phare programme, which was extended this year to Slovenia, and the Tacis programme which, by providing technical assistance in several key sectors, is designed to prepare the ground for establishing a market economy and a democratic society.

In 1992 the conflict in former Yugoslavia again proved to be a source of constant concern to the Community which, in accordance with the resolutions of the United Nations Security Council, adopted economic sanctions against Serbia and Montenegro, the countries considered to be chiefly responsible for the conflict, and took part in the tireless deliberations of the Geneva Conference which have, however, failed to bring the hostilities to an end. The Community has also continued to provide assistance to the victims of the crisis, allocating a substantial proportion of its humanitarian aid budget to this region and sending in a European task force to help out the relief workers already on the spot.

Being linked to the Mediterranean countries by close historical and geographical ties and bearing a special responsibility for these countries, which are now facing problems of political instability, rapid population growth and high unemployment, the Community has given them its special attention, adopting a consistent approach reflected in the initial implementation of the new Mediter-

¹ Bull. EC 6-1992, point 1.4.

² Bull. EC 10-1992, point 1.4.6.

ranean policy, the conclusion of the fourth-generation financial protocols and the development of a new strategy for deeper and more meaningful relations with North Africa in the form of EC-Maghreb agreements.

The Community has also extended its network of third-generation bilateral agreements with Latin American countries such as Paraguay, Brazil and Uruguay and has expanded the political dialogue with regional groupings such as the Rio Group and the San José Group. As part of its strategy for strengthening the Community's links with Latin America, agreements have been negotiated or concluded with the countries signatory to the Cartagena Agreement and with the countries of the Central American Isthmus. The new development aid arrangements adopted in 1992 cover the traditional areas but also set new priorities whereby consideration must be given to the human aspects of development, human rights and the environment.

The dialogue with the industrialized countries continued within the institutional framework set up by the joint EEC-Japan declarations and the Transatlantic Declarations on relations with Canada and the United States. Although the political dialogue with the latter has resulted in agreement on a wide range of subjects, trade discussions have been overshadowed by the difficulties encountered in the course of the Uruguay Round and by certain bilateral problems relating to agriculture and the steel industry. In November a draft bilateral agreement was reached in Washington concerning the agricultural aspects of the Uruguay Round and the oilseed question. This should help to resolve the remaining problems and should enable all the parties concerned to reach a balanced overall agreement at the multilateral negotiations in Geneva.

Although 1992 entered into history with the implementation of the Single Act and marked the beginning of a new era, namely that of European union, it also proved to be full of pitfalls, especially during the second half of the year. However, despite the conflicts in neighbouring countries and despite economic and monetary difficulties, the Community was able to forge ahead. By resolving the problems raised by the Danish 'no' and by giving itself the means to achieve its ambitions, the Community proved that solidarity, cooperation and democracy were and would remain its guiding principles.

Chapter I

European union

1. The Treaty on European Union signed in Maastricht on 7 February by the Foreign and Finance Ministers of the Member States¹ at a ceremony attended, amongst others, by Mr Jacques Delors, President of the Commission, and Mr Egon Klepsch, President of the European Parliament, was subjected to the ratification procedures in force in the Member States. On 7 April Parliament adopted a resolution on the results of the intergovernmental conferences.² It urged national Parliaments to ratify the Maastricht Treaty, but drew their attention to what it perceived to be the Treaty's shortcomings and impressed on them the necessity of the next intergovernmental conferences in order to deal with democratic accountability and adapt the Community's decision-making procedures.

2. Denmark held a referendum on ratification of the Treaty in June. Although there was a parliamentary majority in favour (130 votes), the five-sixths majority (150 votes) needed to allow ratification by Parliament itself could not be mustered. The referendum held on 2 June resulted in rejection of the Treaty by 50.7 % of Danes. At an extraordinary meeting in Oslo on 4 June, the Council considered that the ratification procedure should continue on the basis of the existing text and in accordance with the agreed timetable.³

3. The Lisbon European Council on 26 and 27 June affirmed its determination to promote the European venture and adhere to the timetable for ratification of the Treaty.⁴ A consensus emerged on the approach defined by the Commission in its report entitled 'Europe and the challenge of enlargement'⁵ and it was agreed that negotiations with the EFTA countries seeking membership

¹ OJ C 125, 18.5.1992; Bull. EC 1/2-1992, point 1.1.1.

² Bull. EC 4-1992, point 1.1.1.

³ Bull. EC 6-1992, point 1.1.3.

⁴ Bull. EC 6-1992, points 1.1 to 1.34.

⁵ Supplement 3/92 — Bull. EC; point 737 of this Report.

could begin as soon as the Maastricht Treaty was ratified and agreement reached on the second package of structural and financial measures. The European Council also stressed the importance of the principle of subsidiarity enshrined in the new Treaty and invited the Commission and the Council to look into the procedural and practical steps needed to implement the principle as a matter of urgency.

4. On 8 July Parliament adopted a resolution analysing the results of the Lisbon European Council.¹ It stressed that application of the principle of subsidiarity could not be allowed to interfere with the powers of the different institutions or with implementation of the common policies.

5. An extraordinary meeting of the European Council held in Birmingham on 16 October reviewed progress on ratification of the Treaty and agreed that the Community must develop together as Twelve on the basis of the Maastricht Treaty while respecting the identity and diversity of Member States.² It took note of the Danish White Paper on possible solutions to the problem created by the Danish 'No' vote in the 2 June referendum. The Birmingham European Council also adopted a declaration on 'a Community close to its citizens' in which it stressed the importance of the principles of transparency and subsidiarity and of the role of parliaments, national and European, in the democratic life of the Community. On 14 October, in advance of the Birmingham European Council,³ the European Parliament had adopted a resolution calling for increased transparency and more democracy in the Community, demanding in particular that Council deliberations in its legislative capacity be open to the public, that committee procedures be simplified and that Community legislation be codified.

6. On 27 October the Commission approved a communication on the subsidiarity principle⁴ in which subsidiarity is defined as a way of regulating exercise of the Community's powers, the application of which should help to ensure that decisions are taken as close to ordinary Europeans as possible, without compromising the advantages of joint action at Community level or upsetting the institutional balance.

7. Furthermore, in a communication dated 2 December,⁵ the Commission declared its intention to launch a debate on the contribution it can make

¹ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.1.1.

² Bull. EC 10-1992, points I.1 to I.10.

³ OJ C 305, 23.11.1992; Bull. EC 10-1992, point 1.1.2.

⁴ Bull. EC 10-1992, points 1.1.4 and 2.2.1.

⁵ Bull. EC 12-1992.

towards making the Community more open and more transparent in accordance with the declaration on the right to information annexed to the Treaty on European Union and the Birmingham Declaration.

8. On 28 October¹ Parliament adopted a resolution on the Birmingham European Council reiterating its support for greater transparency in the way the institutions operate. It also reaffirmed its determination to work more closely with national parliaments, notably by organizing a new interparliamentary conference.

9. Transparency and subsidiarity were the topics of two interinstitutional conferences held on 10 and 26 November respectively² as well as of a Parliamentary resolution adopted on 18 November.³ On 18 December, Parliament also gave its views on the foreign policy of the Community and adopted resolutions on parliamentary committees of enquiry, the conciliation procedure and the European Ombudsman.⁴

10. In the matter of subsidiarity, the European Council meeting in Edinburgh on 11 and 12 December decided on a comprehensive approach to this principle, which it saw as a dynamic concept to be applied in the light of the objectives set out in the Treaty.⁵ The European Council welcomed the draft interinstitutional agreement presented by Parliament and drew out guidelines enabling all the institutions to put the principle into practice without disrupting the existing balance between them. It also took note of the results of the Commission's review of previous Community legislation and of the proposals under way. The European Council also reiterated the importance it attached to a more open and more transparent Community. It welcomed the measures which the Commission had decided to take, i.e. presentation of the work programme in October, conduct of wider consultations before presenting proposals, greater use of Green Papers and priority for the codification of legislation. It issued guidelines for the implementation of the Birmingham Declaration within the Council, more particularly as regards access to the work of the Council, information on the role of the Council and the decisions it takes and simplification of and easier access to Community legislation.

11. The efforts made within the institutions and in Denmark to solve the problem posed by the Danish people's refusal to ratify the Treaty led the

¹ OJ C 305, 23.11.1992; Bull. EC 10-1992, point 1.1.3.

² Bull. EC 11-1992, points 1.1.2 and 1.1.4.

³ OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.1.3.

⁴ OJ C 21, 25.1.1993; Bull. EC 12-1992.

⁵ Bull. EC 12-1992.

European Council to adopt a decision and a declaration enabling the Community to move forward with all its Member States on the basis of the Treaty on European Union whilst respecting their identities and diversity. More precisely, the Council noted that, in view of the problems raised by the Danish Government in the memorandum entitled 'Denmark within Europe', Denmark would not take part either in the single currency or in the implementation of any decisions or measures having implications for defence. It would however take part in cooperation in the fields of justice and home affairs within the limits allowed by the Danish constitution. As a complement to the decision and declaration of the European Council, which are fully compatible with the Treaty and apply solely to Denmark, to the exclusion of any other present or future Member State, Denmark made declarations on citizenship of the Union and on the arrangements for its participation in cooperation in the fields of justice and home affairs.

12. At 31 December 1992, 10 Member States¹ had completed the procedures for the ratification of the Treaty on European Union, the United Kingdom having decided to defer ratification until the new Danish referendum to be held some months later on the arrangements agreed at the European Council of Edinburgh was over.

¹ Bull. EC 6-1992, point 1.1.5; Bull. EC 7/8-1992, points 1.1.2 and 1.1.4; Bull. EC 9-1992, point 1.1.1; Bull. EC 10-1992, point 1.1.5; Bull. EC 11-1992, points 1.1.5 and 1.1.7; Bull. EC 12-1992.

*Chapter II***Delors II package: structural and financial measures 1993-99**

13. With its decision on the future financing of the Community for 1993-99 the Edinburgh European Council on 11 and 12 December released the resources which will enable the Community to finance its own policies, both internal and external, and to contribute to economic development and convergence within the Community.

14. On 11 February the Commission adopted a communication entitled 'From the Single Act to Maastricht and beyond: the means to match our ambitions'.¹ Its aim was to give shape to the policies arising from the European Council's Maastricht agreements,² either by adjusting existing policies or developing new ones. These measures, which are expected to have the same sort of dynamic effect as the Delors I package,³ a milestone in the success and revitalization of European integration, concentrate on three main areas: external action, economic and social cohesion and creating a favourable environment for European competitiveness. The Commission proposed that the financial resources allocated to external action should be doubled between 1992 and 1997, with a view to developing balanced economic and political relations with the rest of the world and assisting people faced with exceptional situations. Because a Community based on economic and social cohesion forms the essential basis for political union, the Commission proposed concentrating on regions whose development is lagging behind by increasing the resources allocated to them under the structural Funds by two thirds. The resources allocated to other objectives would be increased by 50% and the Cohesion Fund given the go-ahead at Maastricht would be set up. The Commission also proposed to make the competitiveness of European industry a Community priority, based

¹ COM(92) 2000, Bull. EC 1/2-1992, point 1.2.1; Supplement 1/92 — Bull. EC.

² Twenty-fifth General Report, points 1 to 44.

³ Twenty-first General Report, points 66 to 71.

on clear principles such as placing responsibility and initiative first and foremost with companies, Community action being directed more towards anticipating and cushioning change. Before this ambitious programme can be put into effect the necessary resources need to be found. This is why the Commission proposed raising the Community's own resources ceiling from 1.20 to 1.37% of Community GNP between 1992 and 1997, which represents annual growth in the budget of some 5% in real terms.

15. Once the main guidelines for Community policies were defined, the Commission went on to adopt four supporting documents translating them into detailed financial and budgetary proposals. In the first, on the Community's finances between now and 1977,¹ based on a report on implementation of the 1988 Interinstitutional Agreement,² the Commission proposed the signing of a new Interinstitutional Agreement and the adoption of a new financial framework to support the second stage of economic and monetary union and to translate into budget terms the extension of the powers devolving upon the Community under European union.

The Commission also adopted a report on the Community's own resources system³ based on Decision 88/376/EEC,⁴ in which it proposed a number of improvements and considered the possibility of a fifth own resource. This document was supplemented by the Commission's report on the United Kingdom's abatement.⁵

In a new communication on Community structural policies,⁶ welcomed by the Economic and Social Committee on 27 November,⁷ the Commission presented a mid-term review of the reform of structural Fund operations, developed the key ideas presented in its 11 February communication, and proposed a series of adjustments designed to increase the effectiveness of structural policies by means of simplified procedures, improved integration between instruments, more programming, increased partnership and better financial channels between the Community and recipients.

16. Discussion on this set of documents continued throughout the year within the institutions. In an opinion adopted on 30 April,⁸ the Economic and Social

¹ COM(92) 2001; Bull. EC 3-1992, point 1.1.2.

² COM(92) 82; Bull. EC 3-1992, point 1.1.4.

³ COM(92) 81; Bull. EC 3-1992, point 1.1.3.

⁴ OJ L 185, 15.7.1988; Twenty-second General Report, point 81.

⁵ Bull. EC 7/8-1992, point 1.2.2.

⁶ COM(92) 84; Bull. EC 3-1992, point 1.1.5.

⁷ OJ C 19, 25.1.1992; Bull. EC 11-1992, point 1.2.2.

⁸ OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.2.1.

Committee approved the guidelines which it saw as marking the first step in a gradual process in which the Community would be required to shoulder greater budgetary responsibility. Parliament approved the Commission approach on 10 June,¹ although it considered the rise in own resources to be inadequate.

17. At its meeting in Lisbon on 26 and 27 June,² the European Council reacted positively to the proposals and agreed on guidelines for final adoption at the Edinburgh European Council. In particular it decided that the Cohesion Fund for Spain, Ireland, Portugal and Greece would be put in place early in 1993. On 31 July the Commission adopted a proposal for a Regulation* setting up the Cohesion Fund. This will benefit Member States where GNP is less than 90% of the Community average and which have drawn up a programme for meeting the convergence criteria laid down in the provisions of the Maastricht Treaty on budget deficits. The Fund will make it possible to finance schemes contributing to the achievement of Community objectives related to the environment and transport infrastructure. On 19 October³ the Council adopted conclusions on the budgetary treatment of guarantees for Community loans to non-member countries and decided to create a guarantee fund financed by a reserve entered in the budget and the financial perspective.

18. The Edinburgh European Council⁴ agreed to the increase in resources to be allocated to the Community budget over the period 1993-99, thus covering two years more than had been proposed by the Commission, and their allocation to the main categories of expenditure. One of the key aspects of the agreement is that the own resources ceiling will gradually rise from 1.20 % of Community GNP in 1993 to 1.27% in 1999; although this increase is less than the Commission proposed, it should nevertheless provide a sufficiently sound financial basis to promote dynamic development in Europe. Payment appropriations will rise from ECU 65.9 billion in 1993 to ECU 80.1 billion in 1999. As regards internal policies, the proportion of these amounts devoted to developing regions (Objective 1) will increase by 72%. A further ECU 15.15 billion is allocated to the Cohesion Fund. Commitments for the four countries for which the Fund is intended — Greece, Spain, Ireland and Portugal — will be almost double those allocated to date. On the other hand, while expenditure for external action will rise from ECU 3.9 billion in 1993 to ECU 5.6 billion in 1999, expenditure for internal policies will increase only slightly (ECU 3.94 billion in 1993 and ECU

¹ OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.2.2.

² Bull. EC 6-1992, point 1.5.

³ Bull. EC 10-1992, point 1.2.1.

⁴ Bull. EC 12-1992.

5.1 billion in 1999) despite the Commission's wish to have adequate financial resources to cover the cost of priorities, such as research and trans-European networks.

19. On 23 December the Commission took note of the conclusions of the European Council and adopted a revised proposal for a Regulation on the Cohesion Fund and a proposal based on Article 235 of the EEC Treaty relating to a temporary instrument to give financial assistance to Ireland, Greece, Portugal and Spain in the areas eligible for assistance from the Cohesion Fund.

Chapter III

The single market and the Community economic and social area

Section 1

Economic and monetary policy

Priority activities and objectives

20. *Once ratified, the Treaty on European Union will make the process towards the creation of an economic and monetary union (EMU) within the European Community irreversible, with the ecu becoming the single currency of the EMU, itself scheduled to be in place by 1999 at the latest. Against this background, the principal objective of Stage I of EMU, which began on 1 July 1990, is the attainment of a greater degree of convergence of economic policies and performances in the Community, through a strengthening of economic and monetary coordination. The process of multilateral surveillance established by Council Decision 90/141/EEC on convergence¹ has been reinforced by the agreement of the Member States on the presentation and implementation of convergence programmes² centred primarily on the causes of inflationary strains and on budget deficits.*

Concerned by the deterioration in the economic outlook, the Commission also proposed to the European Council meeting in Edinburgh a growth initiative involving measures by the individual Member States and by the Community. The European Council welcomed this proposal which includes the establishment of a new temporary lending facility of ECU 5 billion within the EIB and of a European Investment Fund with a capital of ECU 2 billion.

¹ OJ L 78, 24.3.1990; Twenty-fourth General Report, point 32.

² Point 25 of this Report.

In addition, with a view to facilitating the transition to a single currency, the Commission adopted on 23 December a White Paper on the legal obstacles to the use of the ecu,¹ in which it suggests means of removing those obstacles in each Member State.

The economic situation

21. In 1992 the economic situation in the Community was characterized by slow growth, modest progress on inflation, a pause in job creation and a worrying increase in unemployment. In the Community, as in all the major industrialized countries, economic conditions were relatively weak. At 1.0%, the growth rate was slightly lower than in 1991,² and significantly below the average for the three preceding years (almost 3.5%). Although the United Kingdom economy was still in recession, the disparities between the growth rates of Member States, which were very wide in 1990-91, narrowed appreciably because of the end of the exceptional boost to German growth from unification.

The Community's external environment showed little or no improvement in 1992. The economic recovery in the United States proved limited because of ongoing fiscal imbalances and financial problems in the private sector. The Japanese economy slowed down after several years of rapid growth characterized by inflationary pressures and an asset price boom. Nor has the situation been very encouraging elsewhere. Throughout the year, the external balance made a negative contribution to the growth of Community gross domestic product.

All the growth generated in the Community in 1992 came from final domestic demand, despite the continued poor performance of investment. Capital spending was held back by uncertainty surrounding domestic and export demand, the recent deterioration in the return on capital and the high level of interest rates, due to the widening of budget deficits and to cost pressures. The growth of private consumption fell from 1.8% in 1991 to 1.3% in 1992, as a result of the slowdown in the growth of real disposable income.

22. Inflationary strains eased in several Member States, although the turmoil on the foreign exchange markets during the second half of the year fed through to inflation in certain Member States. The average inflation rate in the

¹ Bull. EC 12-1992.

² Twenty-fifth General Report, point 47.

Community fell from 5¼% in 1991 to 4½%, reflecting wage moderation and cyclically induced increases in labour productivity. With growth low and certain Member States pursuing a tight monetary policy, progress could nevertheless have been greater.

23. The modest scale of the upturn in 1992 exacerbated the difficulties on the labour market. For the first time since the beginning of the 1980s, the numbers employed diminished. This is in stark contrast with the situation from 1987 to 1990, when employment grew by an average of 1.5%. The contraction in employment and the steady increase in the number of new entrants to the Community labour market led to a pronounced rise in unemployment from 8.8% of the civilian labour force in 1991 to 9.5% in 1992.

24. Nominal convergence did not improve greatly. While the divergence between the inflation performances of individual Member States may have improved, the average rate of inflation was still unsatisfactory in terms of the Community's stability objective. The situation on the budgets front was even more disappointing. General government net borrowing increased by about one percentage point, from 4.6% of GDP in 1991 to 5½%. Though fully attributable to the slowdown of economic activity which was more protracted than envisaged, this performance is disappointing, given the extent of the adjustment which still needs to be carried out in many countries.

Economic and monetary union

Improved policy coordination in Stage I

25. A major step forward in economic cooperation within the Community was taken by the Member States in presenting convergence programmes specifically aimed at addressing the principal difficulties posed by convergence in terms of bringing down inflation and reducing budget deficits. These programmes share a common objective: achieving sufficient and lasting nominal convergence which will permit smooth transition to the final stages of EMU. Ireland,¹ Germany,² Spain, the Netherlands³ and Belgium⁴ adopted convergence programmes in 1992.

¹ Bull. EC 1/2-1992, point 1.3.2.

² Bull. EC 5-1992, point 1.1.2.

³ Bull. EC 7/8-1992, point 1.3.2.

⁴ Bull. EC 11-1992, point 1.3.1.

26. In accordance with Decision 90/141/EEC,¹ the Council carried out, on 10 February² and 13 July,³ the half-yearly multilateral surveillance exercises, the purpose of which is to induce self-enforced coordination of economic policies in the Community.

27. The currency turmoil in the second half of 1992 put the whole of the EMS exchange-rate mechanism under pressure and, in particular, forced the lira and sterling out of the system. Events reflected both political and economic factors and were probably triggered by the uncertainties surrounding the process of ratifying the Treaty on European Union. The turmoil illustrated the need to press ahead with EMU, to strengthen the convergence process and, in general, to make better use of the instruments available in the present situation.

28. Adoption of the 1992-93 Annual Economic Report was deferred until the beginning of 1993, to enable a better assessment to be made of the consequences of the recent turmoil on the foreign exchange markets and account to be taken of the changes in economic policy stance in a number of Member States.

29. The 1991-92 Economic Report, which was approved by the Commission in December 1991,⁴ was formally adopted by the Council on 25 February.⁵

Thrust of economic policy in 1992 and 1993

30. During the period of transition to EMU, the economic policy of the Community and the Member States must remain centred on two specific priorities: first, maintaining price stability and promoting the nominal convergence necessary to ensure exchange-rate stability in the run-up to and during EMU; second, protecting and strengthening the underlying determinants of growth in order to promote the catching-up process in the Community and to forcefully tackle the problem of unemployment.

Although the current economic situation is one of low growth and a faltering convergence process, the underlying position of the Community's economy remains robust. The present short-term difficulties must not therefore be

¹ OJ L 78, 24.3.1990; Twenty-fourth General Report, point 32.

² Bull. EC 1/2-1992, point 1.3.3.

³ Bull. EC 7/8-1992, point 1.3.1.

⁴ Twenty-fifth General Report, point 52.

⁵ Bull. EC 1/2-1992, point 1.3.1.

allowed to result in a fundamental shift in the Community's economic policy framework.

Medium-term economic development in the Community

31. The framework set in place in the second half of the 1980s provided the basis for a vigorous recovery of the Community's economic fundamentals during the period concerned. Adherence to this framework at the present time is essential if the economic outlook for the Community is to become favourable again in the medium term. It is therefore necessary to step up cooperation between Member States so that the current economic slowdown does not lead them to take measures which could jeopardize medium-term growth prospects by rekindling inflationary expectations.

A low inflation rate and a sustainable budget situation are crucial to the emergence of sound and lasting medium-term growth. Together with the completion of the internal market, EMU will produce substantial medium-term benefits for the Community's economy by promoting price stability and convergence and improving economic efficiency and potential growth.

Operation of the EMS

32. The zone of monetary stability created by the European Monetary System (EMS) has expanded, as a result of the escudo's entry into the exchange-rate mechanism (ERM) on 4 April:¹ the escudo is permitted to move within a fluctuation margin of 6% either side of its ecu central rate.

33. Following severe strains within the EMS, the bilateral parity grid was modified three times between September and November.² The first realignment took place on 13 September, when the lira was devalued by 3.5% and all the other ERM currencies were revalued by 3.5%, resulting in a 6.76% effective devaluation of the lira. Bilateral parities remained unchanged for all the ERM currencies other than the lira. In terms of new ecu central rates, the realignment meant a 6.01% devaluation of the lira and a 0.81% revaluation of the other currencies. This realignment was nevertheless insufficient to ease the strains within the ERM. Market pressure on the lira, sterling and the peseta required

¹ Bull. EC 4-1992, point 1.3.1.

² Bull. EC 9-1992, points 1.2.1 and 1.2.2; Bull. EC 11-1992, point 1.3.2.

a new realignment on 17 September. The peseta was devalued by 5% against the other ERM currencies. In terms of new ecu central rates, this realignment resulted in a 4.75% devaluation of the peseta and a 0.25% revaluation of the other currencies. In these circumstances, the United Kingdom authorities decided to suspend sterling's membership of the ERM and the Italian authorities decided to refrain temporarily from intervening on the foreign exchanges to support the lira inside its fluctuation margin. On 23 November the peseta was again devalued, this time by 6%, as was the escudo, also by 6%. Consequently, only Greece, the United Kingdom and Italy do not at present participate fully in the EMS exchange-rate mechanism. The peseta and the escudo operate within the wider fluctuation margin of 6% either side of their bilateral central rates, while the other currencies remain within the narrow band of 2.25%.

Wider use of the ecu

34. The Treaty on European Union provides that Stage III of EMU will begin in 1999 at the latest; at that date, the ecu will become a currency in its own right, and rapidly afterwards, the single currency. This prospect, or the achievement of EMU even before that date, caused ecu-denominated activity to surge on international financial markets between 1990 and June 1992. Use of the ecu in commercial transactions at present still lags behind that in financial operations. This disparity between the different uses of the ecu prompted the Commission to adopt a White Paper identifying the legal obstacles to its use in the various Member States.

35. On the international bond markets, the ecu became the third major trading currency during 1991 (at the end of 1991, issues on the primary market totalled ECU 33 814 million). At the beginning of 1992 the momentum created by the Maastricht European Council¹ produced a sharp upsurge on the primary and secondary ecu bond markets. The markets were expected to outperform 1991 results and 1992 to be the 'year of the ecu'. Developments in the first half of the year kept pace with those of 1991, though not outperforming them as had been expected.

36. However, since the negative result of the Danish referendum on ratification of the Treaty on European Union, ecu markets have seen several waves of speculation. As a first reaction, issuing activity on the primary ecu bond market

¹ Twenty-fifth General Report, points 14 to 21.

slowed down (the volume of new issues from June to July was only some ECU 1 350 million, which included a very successful ECU 550 million issue by the EIB), and then came to a halt. The decision taken by the Bundesbank in mid-July to raise its key interest rates triggered selling on the secondary ecu bond market, followed by suspension of quotations between market-makers on 24 July, and again on 28 August. Nevertheless, the market between market-makers and clients did not close at any time. The crisis did not interrupt activity on the ecu markets altogether. In particular, the Bank of England continued its monthly programme of issues of Treasury bills and three-year notes.

The turmoil in the exchange-rate mechanism between the end of August and the end of September temporarily resulted in an increased spread between the theoretical and market value of the ecu exchange rate. However, this spread quickly narrowed and returned to normal by mid-October. The crisis in the summer highlighted the weaknesses of the ecu markets. The number of real market-makers and the number of genuinely liquid securities at the height of the crisis remained relatively limited. In addition, the market operated on the basis of rumours rather than facts. The confidence of market operators, particularly from outside Europe, was shaken. The narrow 'yes' vote in the French referendum was not enough to restore confidence immediately. Subsequently, however, operators were again able to appreciate the ecu's financial qualities, and behaviour gradually returned to normal on the secondary securities market. At the beginning of 1993, primary bond issues should take off again.

37. Where the Commission is concerned, spending in ecus by its departments in the 1991 financial year accounted for 33% of the total budget (as against 22% in 1990). Two proposals for encouraging wider use of the ecu are also currently being examined. The first, concerning the use of the ecu for paying Community staff, is being studied within the institutions. The second, on the use of the ecu not only as the unit of account of the Community budget but also as a means of payment, has been incorporated by the Commission into its proposal for amending the Financial Regulation.¹ Moreover, in a White Paper adopted on 23 December,² the Commission identifies, for each Member State, the legal obstacles to the use of the ecu, be they linked to the nature of the ecu and national currency rules or to the existence of laws, regulations, rules, court decisions or national practices in non-monetary fields. It also suggests the

¹ Point 1190 of this Report.

² Bull. EC 12-1992.

measures which might be implemented by the Member States to remove those obstacles.

The Community and international monetary and financial matters

38. At its 38th meeting, held in Washington in April,¹ the Interim Committee of the International Monetary Fund (IMF) recommended the industrialized countries, in the light of the low growth expected for 1992, to implement economic policies that supported recovery and, at the same time, to pursue in a firm and concerted fashion the objectives of the medium-term strategy so as to strengthen private-sector confidence. It stressed the importance of adopting appropriate monetary and fiscal policies and of redoubling efforts to cut public-sector deficits in order to help bring about a lasting reduction in long-term real interest rates. The Committee welcomed the adjustment and reform programmes being implemented by developing countries and the resulting signs of a strengthening of economic performance in 1991-92, while at the same time expressing its concern about the severe drought affecting southern Africa.

39. The Interim Committee's 39th meeting was held in Washington on 20 September on the occasion of the annual meetings of the IMF and the World Bank. The Community was represented by Mr N. Lamont, President of the Council, and by Mr H. Christophersen, Commission Vice-President. Discussion focused on the monetary and financial problems, the economic situation and the progress of reforms in the republics of the former Soviet Union and the responses of the international financial community to developments in those republics and in Central European countries. The Committee reaffirmed the importance of policies designed to support recovery within the framework of a medium-term strategy. It declared that the recent strains on foreign-exchange markets demonstrated the need for economic-policy cooperation to be reinforced. The Committee welcomed the progress towards reform made by the countries of Central Europe with the support of the IMF, emphasizing the importance of reinforcing fiscal and monetary discipline, speeding up structural reforms and encouraging investment. It also approved the first arrangements negotiated by the IMF with the Russian Federation and the Baltic States.

40. At their annual summit meeting,² the Heads of State or Government of the seven leading industrialized countries and the representatives of the

¹ Bull. EC 4-1992, point 1.3.2.

² Point 799 of this Report.

Community stressed in particular the need for continued pursuit of the medium-term strategy which had been formulated at previous summits and which was designed to create the conditions for lasting growth. However, they recognized that the differing economic situations in their countries had to be taken into account in defining appropriate monetary and economic policies. They reaffirmed their support for the political and economic reforms in Russia and the other new independent States created from the former Soviet Union and for the USD 24 billion programme of financial assistance for Russia announced by the IMF in April.

Community initiatives and financial activities

Development of financing techniques

41. The Commission continued to implement the pilot schemes¹ 'Seed capital', 'Venture consort' and 'Eurotech capital' — instruments specifically designed to make venture capital more accessible to small and medium-sized firms. The Eurotech capital and Seed capital networks were extended and consolidated in 1992, particularly through the development of expertise and information services. In addition, under the Venture consort programme, new operational rules were introduced with a view to increasing the effectiveness of the measures and the quality of the projects financed. There was also a sharp expansion of the Joint venture Phare programme (JOPP),² the aim of which is to encourage, in the countries benefiting from the Phare programme, the setting-up of joint ventures; 44 institutions now belong to the network of financial institutions, and 120 projects were approved in 1992.

Community borrowing and lending

42. In May³ the Council adopted guidelines extending the operations of the European Investment Bank (EIB) to the countries of Latin America and Asia with which the Community had concluded cooperation agreements, subject to a ceiling of ECU 750 million over three years.

¹ Twenty-fifth General Report, point 68.

² Twenty-fifth General Report, point 69.

³ Point 56 of this Report.

43. On 30 July the Commission adopted the annual report on the Community's borrowing and lending activities, covering 1991.¹ According to the report, borrowing by the institutions in 1991 totalled ECU 16.9 billion, while loans granted amounted to ECU 17.5 billion.

European Bank for Reconstruction and Development (EBRD)

44. Since it was set up in 1991² on the initiative of the Member States, the European Bank for Reconstruction and Development (EBRD) has welcomed a number of new shareholders: at the end of 1991 Albania and the Baltic States, and in April the independent States resulting from the break-up of the Soviet Union. The statutory restrictions limiting operations in those countries have also been lifted, subject to a ceiling of 40% of the Bank's total committed funds. A decision on the successors to the former Yugoslavia has had to be deferred owing to the situation in that region.

45. The Bank's annual general meeting was held in Budapest in April.³ The many governors present supported the commitment of the countries in receipt of EBRD funding to proceed with reforms aimed at establishing market economies and stressed the importance of the privatization of public enterprises in this process.

46. The EBRD expanded its lending and investment activities in 1992. The loans approved by the Board of Directors totalled almost ECU 1.23 billion and its equity investments ECU 110 million. The Bank, 30% of whose authorized capital stock of ECU 10 billion is in the process of being paid in, is obtaining the remaining 70% on the capital markets. It has become a major issuer of ecu-denominated bonds.

47. The Commission and the EBRD cooperate closely. In 1992 a total of ECU 40 million was made available from the Phare and Tacis budgets for the EBRD's technical assistance programmes. In addition, many projects rely on finance provided jointly by the Commission and the Bank.

¹ Bull. EC 7/8-1992, point 1.6.6.

² Twenty-fifth General Report, point 72.

³ Bull. EC 4-1992, point 1.4.53.

***Medium-term financial assistance for the countries
of Central and Eastern Europe and for other third countries***

48. In 1992 the Commission paid out ECU 515 million in respect of the second tranches of the loans granted in 1991 to Bulgaria, Romania and Czechoslovakia.¹ In April the Group of 24 (G24) confirmed the additional support it is to provide for the economic reconstruction of the countries of Central Europe. Noting with satisfaction the improvement in the external situation of Czechoslovakia and Hungary, which had no need of further exceptional funding in 1992, the G24 expressed its readiness to provide additional financial aid for Bulgaria and Romania (albeit a lesser amount than in 1991) and new financial assistance for Albania and the Baltic States.

In this context the Council adopted Decision 92/482/EEC* on the granting of financial assistance of ECU 70 million to Albania, Decision 92/511/EEC* on aid of ECU 110 million for Bulgaria, Decision 92/551/EEC* on assistance of ECU 80 million to Romania and Decision 92/542/EEC* on aid for the Baltic States (Estonia: ECU 40 million; Latvia: ECU 80 million; Lithuania: ECU 100 million). As in the past, this financial assistance was granted in the form of loans for a maximum period of six or seven years (except for Albania where it took the form of a grant) and was to be paid in two tranches (in a single tranche in the case of the loan to Romania).

49. Within the framework of this financial assistance, the Commission paid out in 1992 ECU 35 million to Albania. All in all, the funds mobilized by the Commission in 1992 for medium-term financial assistance for the countries of Central Europe, including disbursement of the outstanding balance of the loans granted in 1991, amounted to ECU 550 million.

50. Following the Council Decision² granting a medium-term loan of a maximum of ECU 1 250 million to the former Soviet Union and/or its republics for a period of three years, loan contracts were signed in July and September with Armenia (ECU 38 million), Georgia (ECU 70 million), Kyrgyzstan (ECU 32 million), Turkmenistan (ECU 45 million), Moldova (ECU 27 million), Ukraine (ECU 130 million), Belarus (ECU 102 million), Tadjikistan (ECU 55 million) and Russia (first tranche of ECU 150 million designed to cover medical needs and granted to the Vneshekonombank).

¹ Twenty-fifth General Report, point 74.

² OJ L 362, 31.12.1991; Twenty-Fifth General Report, point 844.

51. In the context of Community aid for those Middle Eastern and Mediterranean countries adversely affected by the Gulf conflict, the operation involving the medium-term loan to Israel¹ was carried out in March and a bridging loan was made in December 1991 in respect of the first tranche of the ECU 250 million medium-term loan to Algeria² pending receipt of the proceeds of the corresponding borrowing transaction effected in January. The second tranche has not yet been disbursed.

European Investment Bank

52. As a Community financial institution, the European Investment Bank (EIB) has the task of contributing to the balanced development of the Community and to the implementation of its policies.³ To that end, it granted loans totalling ECU 17 033 million in 1992, including ECU 893 million within the framework of Community cooperation with third countries, compared with ECU 15 339 million in 1991.

The Treaty on European Union⁴ reaffirms the EIB's task of channelling the savings it borrows on the financial markets first and foremost to investment projects contributing to the development of the less-favoured regions. It also calls for the implementation of common policies in those fields in which the EIB is active and has long experience: establishment of trans-European communications and energy networks, reinforcement of industrial competitiveness, environmental protection and cooperation in the development of third countries.

53. Loans granted for projects in the Community totalled ECU 16 140 million in 1992, compared with ECU 14 423 million in 1991 and 12 680.5 million in 1990. This increase, coming as it does at a time of continuing economic difficulty, bears witness to the EIB's steadfast commitment to the completion of the single market.

Loans for investment contributing to regional development accounted for almost 70% of loans in the Community, the bulk of them in areas covered by activities under the structural Funds.

¹ OJ L 227, 15.8.1991; Twenty-fifth General Report, point 77.

² OJ L 272, 28.9.1991; Twenty-fifth General Report, point 77.

³ Copies of the EIB's annual report and of other publications relating to the Bank's work and its operations can be obtained from the main office (100 boulevard Konrad Adenauer, L-2950 Luxembourg, tel. 43791) or from its external offices.

⁴ Point 1 of this Report.

TABLE 1

Contracts signed in 1992 and from 1988 to 1992

(million ECU)

	1992		1988-92	
	Amount	%	Amount	%
Belgium	396.6	2.3	821.3	1.2
Denmark	690.8	4.1	2 834.1	4.1
Germany	1 663.9	9.8	5 287.1	7.7
Greece	377.5	2.2	1 378.6	2.0
Spain	3 020.6	17.7	9 865.2	14.5
France	1 895.1	11.1	8 289.6	12.2
Ireland	303.5	1.8	1 099.7	1.6
Italy	3 796.9	22.3	18 748.2	27.5
Luxembourg	42.8	0.3	83.1	0.1
Netherlands	154.4	0.9	1 155.2	1.7
Portugal	1 230.4	7.2	4 343.3	6.4
United Kingdom	2 407.2	14.1	9 172.2	13.5
Other ¹	159.2	0.9	1 135.7	1.7
Community total ²	16 139.7	94.7	64 213.3	94.2
ACP-OCTs	252.0	1.5	1 462.7	2.2
Mediterranean	320.8	1.9	1 645.6	2.4
Central and Eastern Europe	320.0	1.9	820.0	1.2
Non-Community total ³	892.8	5.3	3 928.3	5.8
Overall total	17 032.5	100	68 141.6	100

¹ Projects of Community interest located outside the territory of the Member States.

² Includes guarantees amounting to ECU 74 million in 1992 and to ECU 311 million from 1988 to 1992.

³ Includes risk capital from budgetary resources:

(i) ACP-OCTs: ECU 122 million in 1992 and ECU 661 million from 1988 to 1992;

(ii) Mediterranean: ECU 7 million in 1992 and ECU 48.5 million from 1988 to 1992.

Loans for transport and telecommunications infrastructures (ECU 6 543 million) rose further and those for environmental protection (ECU 4 542 million) picked up sharply. Financings for the energy supply sector remained at a high level (ECU 3 132 million).

In the industrial and service sectors, financing amounted to ECU 4 582 million, the same as in 1991, including ECU 2 133 million for some 7 200 investment projects undertaken by small and medium-sized firms and provided in the form of global loans to a large number of partner banks.

54. In December the European Council meeting in Edinburgh¹ assigned to the EIB, as part of the decisions to promote economic recovery, the management of the new, temporary lending facility of ECU 5 billion, the purpose of which will be to accelerate the financing of capital infrastructure projects; it also called upon the EIB, the Commission and other financial institutions to establish a European Investment Fund with ECU 2 billion of capital as quickly as possible in order to help to finance trans-European networks and to improve access to the financial markets for SMEs.

55. The Agreement on the European Economic Area signed on 2 May between the Community and the EFTA countries provides for a financial mechanism that is to be administered by the EIB. Once the Agreement has been ratified, this mechanism will make it possible to step up support for the development of the least-favoured regions.

56. Operations outside the Community totalled ECU 893 million (as against ECU 916 million in 1991), ECU 129 million of which came from budgetary resources. In the ACP and OCT countries, financings amounted to ECU 252 million, including ECU 122 million of risk capital, and those in Mediterranean countries totalled ECU 321 million. In Central and Eastern Europe, where loans totalled ECU 320 million, the EIB was active for the first time in Bulgaria and in the Czech and Slovak Federal Republic.

The EIB was invited by the Council to extend its lending activities to the Latin American and Asian countries that had concluded cooperation agreements with the Community, subject to a ceiling of ECU 250 million per year over a three-year period.

On 23 December² the Commission also proposed to the Council that a decision be adopted extending the activities of the EIB to Albania and the Baltic States.

57. The EIB obtained the funds required for its lending activities by borrowing a total of ECU 12 974 million on the capital markets. The bulk of this amount was raised in Community currencies and in ecus in the form of public issues and private placings.

¹ Bull. EC 12-1992.

² COM(92) 598; Bull. EC 12-1992.

Section 2

Statistical area

Priority activities and objectives

58. Eurostat's work this year concentrated on completing the Community's 1989-92 statistical programme¹ and on preparing the proposal for the forthcoming 1993-97 statistical framework programme,* which was adopted by the Commission on 18 September. The proposed framework programme, based on a preparatory Commission communication of 30 January,² aims to use a system of standards, methods and organizational structures which is capable of producing comparable, reliable and relevant statistics throughout the Community. It will also provide the European institutions and the Member States with the information they need to implement, monitor and evaluate Community policies and allow statistical information to be disseminated to the general public, to businesses and to all concerned with economic and social matters. This programme also aims to improve the statistical systems in the Member States and to support the development of statistical systems in the developing countries and countries which are changing over to a market economy. Prior to the adoption of this proposal, two new committees were consulted for the first time: the European Advisory Committee on Statistical Information in the Economic and Social Spheres (CEIES) and the Steering Committee for Statistical Information (SCSI).

Eurostat and the EFTA countries have also been cooperating closely to prepare for the coming into force of the Agreement on the European Economic Area, particularly by drawing up the statistical programme for the EEA for 1993-97. As part of the Phare programme, the statistical programmes developed jointly with Poland, Hungary, Czechoslovakia and Romania have been launched to set up a statistical system geared to a market economy. The programme for Bulgaria and the one for the Baltic countries, in which EFTA will play a part, are also in preparation. Under the Tacis programme³ for assistance to the countries of the former Soviet Union, two major statistical cooperation programmes have been launched. They involve technical assistance in the field of

¹ OJ C 161, 28.6.1989; Twenty-fifth General Report, point 65.

² COM(92) 20; Bull. EC 1/2-1992, point 1.3.4.

³ Points 773 to 775 of this Report.

statistics and vocational training for statisticians and economists totalling ECU 8 million.

On 3 April the Commission granted ECU 11 million towards a statistical action plan for Greece.

Since the collection, processing and dissemination of statistical data rely increasingly on information technology, the Commission has begun a feasibility study on a distributed statistical information system (DSIS), with the aim of specifying the conditions for introducing distributed statistical services between the national statistical organizations and Eurostat and evaluating their cost.

Statistical information linked to the Single Act

59. On 31 March, the Commission adopted a proposal for a Regulation* on transit statistics and storage statistics, which supplements Regulation (EEC) No 3330/91 on statistics relating to the trading of goods between Member States (Intrastat),¹ and adopted three Regulations implementing the latter: on statistical thresholds,² on statistical information media³ and laying down certain implementing provisions.⁴ On 23 July* it transmitted to the Council a proposal for a Regulation establishing a statistical classification of products by activity (CPA) in the Community.

60. On 31 March, the Commission adopted the report on the application of Directive 89/130/EEC, Euratom on the harmonization of the compilation of gross national product (GNP) at market prices.⁵ On 14 September* it also adopted a proposal for a Regulation on statistical units for observation and analysis of the production system.

61. In view of the importance attached in the Single Act to problems of education and training, and pursuant to the Council Decision instituting the Force programme,⁶ the Commission conducted a survey on continuing vocational training at a sample of companies, thus establishing the statistical and technical framework for the field survey to be launched in late 1993.

¹ OJ L 316, 16.11.1991; Twenty-fifth General Report, point 1232.

² OJ L 219; 4.8.1992.

³ OJ L 364, 12.12.1992.

⁴ OJ L 307, 23.10.1992.

⁵ OJ L 49, 21.2.1989; Twenty-third General Report, point 68.

⁶ Point 418 of this Report.

62. The implementation of Regulation (EEC) No 3924/91 on the establishment of a Community survey of industrial production¹ and the review of the legislation establishing coordinated surveys of industrial structure and activity began.

Statistical information to support other Community policies

63. On 18 June, the Council adopted Decision 92/326/EEC* establishing a two-year programme (1992-93) for the development of European statistics on services. This Decision defines objectives and lays down a preparatory action plan concerning user requirements, methodological problems and pilot surveys. It also requires the Member States to analyse national requirements and to forward their statistics on services to the Commission.

64. On 21 December, the Council adopted Regulation (EEC) No 3949/92* on the organization of a new survey of labour costs in industry and the services sector.² On 15 April, the Commission adopted a proposal for a Decision* establishing a multiannual programme for the development of Community statistics on research, development and innovation, which should contribute to the setting up of an integrated information system in this field. It also adopted an intermediate assessment report containing favourable conclusions on the Doses programme (development of statistical expert systems).

65. Work continued on harmonizing the business register for statistical purposes, and on 3 September the Commission sent the Council a proposal for a Regulation* on this subject.

66. On 24 November,³ to take account of developments on the steel market as a result of the institution of the single market, the Commission amended its Decision 1566/86/ECSC on iron and steel statistics.⁴

67. Work also continued on the adjustments needed for an analysis of how agricultural production and farm incomes in the Community are affected by the recent reform of the CAP. The first results concerning the total income of agricultural households were published in a special report in 1992. Eurostat's

¹ OJ L 374, 31.12.1991; Twenty-fifth General Report, point 1234.

² OJ L 404, 31.12.1992; Bull. EC 12-1992.

³ OJ L 376, 22.12.1992.

⁴ OJ L 141, 28.5.1986; Twentieth General Report, point 65.

sectoral model for agriculture (SPEL), which is used for retrospective analyses of sectoral developments to produce forecasts and advance simulations of the effects of CAP measures, was improved in 1992. A simulation carried out in June enabled the effects of the reform of the CAP to be studied. As regards the plan for restructuring the system of agricultural surveys, the Council approved the final reports on the implementation of the Italian plan (1982-91) and the Irish plan (1988-91).¹ In December,* it decided to extend the Greek plan² for three years so that it should now be completed in 1996.

68. The Commission sent the Council a proposal for a Regulation* concerning statistics on crop products other than cereals to supplement Regulation (EEC) No 837/90 concerning statistical information on cereals production,³ taking into account the statistical implications of the reform of the CAP. On 11 November it adopted a proposal for a Regulation* on the statistics to be supplied by Member States on agricultural products other than cereals and, on 18 December, three proposals for Directives on statistical surveys to be carried out on pig,* bovine animal* and sheep and goat* production.

¹ OJ L 359, 8.12.1989; Twenty-third General Report, point 72.

² OJ L 190, 21.7.1990; Twenty-fourth General Report, point 977.

³ OJ L 88, 3.4.1990; Twenty-fourth General Report, point 978.

Section 3

Completing the internal market

Priority activities and objectives

69. *The year 1992, during which the legislative programme for the establishment of the single market was to be finally completed, was of major importance in that it created the conditions necessary for setting in place the basic legal framework and for meeting the deadline of 1 January 1993 specified in the Single European Act, in which the Member States undertook to create 'an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured'. The Council has so far adopted almost 95% of the 282 proposals contained in the Commission's 1985 White Paper,¹ and 77% of the measures adopted have entered into force. Completion of the internal market will lead to the elimination of the very large number of documents and formalities which used to affect economic operators and individuals at national level.*

As indicated in two communications adopted by the Commission on 6 May² and 17 June,³ considerable progress was made in removing the physical barriers to the free movement of goods and persons, in accordance with Article 8a of the EEC Treaty, which provides for the abolition of all internal frontier controls on goods and individuals and sets 1 January 1993 as the deadline for the attainment of this objective. In its conclusions of 14 May,⁴ the Council gave the highest priority to finalizing work in this field. Further progress was made with the adoption of new VAT and excise-duty arrangements dispensing with frontier controls. Plant-health certificates were also abolished. Pursuant to Article 8a, new systems of control at Community level that were compatible with the abolition of frontier controls were proposed, discussed or adopted, particularly as regards the shipment of waste between Member States, the export and return of cultural goods, the export of certain dual-use goods and technologies, the abolition of controls at internal frontiers on means of transport registered in third countries, and the production and marketing of medical

¹ Nineteenth General Report, points 162 to 166.

² Bull. EC 5-1992, point 1.1.7.

³ Bull. EC 6-1992, point 1.3.15.

⁴ Bull. EC 5-1992, point 1.1.8.

devices and explosives. A number of other accompanying measures were adopted, including those relating to the approximation of VAT and excise-duty rates, the shifting of health controls away from the Community's internal frontiers and the harmonization of hygiene rules for trade in animals and in meat, milk, fish and plant products, along with measures to prevent the unlawful diversion of chemical products for the production of drugs. With the rules governing the operation of the customs union in place, the Commission was determined to foster cooperation between customs administrations and to strengthen the external dimension of the customs union, notably through adoption of the Community Customs Code. It also put forward proposals for adapting the profession of customs agent to the advent of the single market.

Community measures were adopted with a view to removing controls on individuals at internal frontiers (goods transported by travellers). The intergovernmental measures concerning police and immigration controls were taken further within the intergovernmental forum of immigration ministers. However, as the bilateral problem outstanding between Spain and the United Kingdom had still not been resolved, the convention on the crossing of external borders, which comprises a number of essential measures from the Palma programme, remained unsigned. Moreover, negotiations on the convention on the European information system have still to be completed. The Commission continued to press Member States to remove immigration controls at internal frontiers on the basis of its interpretation of Article 8a set out in its May communication.

With regard to the removal of technical and legal barriers, the Commission took important decisions for completing the adoption of the White Paper measures for the pharmaceuticals sector, including the decisions on medicinal products relating to wholesale distribution, legal status of authorization, labelling and accompanying printed material, and advertising, as well as the decision to establish a European Agency for the Evaluation of Medicinal Products. Important decisions were also taken in connection with motor vehicles and two- or three-wheeled vehicles, with the adoption of Community type-approval systems. A number of measures were proposed by the Commission concerning foodstuffs with a view to implementing the framework directives. As part of the Community strategy for introducing high-definition television, the Council adopted the Directive on the adoption of standards for satellite broadcasting of television signals.

In the field of public procurement, the Council adopted the remaining decisions necessary to complete the legal framework of transparency rules for eliminating discrimination in the award of contracts.

As to the free movement of professionally qualified persons, the Council adopted the Directive on a second general system for the recognition of professional education and training.

With regard to the freedom to provide services, important decisions were taken in the transport field, notably in respect of cabotage on inland waterways, maritime transport and road transport (passengers and goods), with the final package of measures for liberalizing air transport also being adopted. In the case of financial services, the Council adopted the Directive on monitoring and controlling large exposures of credit institutions. The forthcoming adoption of the Directive on capital adequacy will provide the Community with a comprehensive body of legislation based on a single licence and prudential control by the Member State in which the bank has its head office. In the insurance sector, the third Directive on non-life insurance and the third Directive on life assurance were adopted, enabling the corresponding insurance services to be provided on the basis of a single licence.

In the field of intellectual and industrial property, the Council adopted a Regulation establishing a supplementary protection certificate for medicinal products. It also adopted the Directive on rental and lending rights, while the Commission adopted two proposals for Directives harmonizing the term of protection of copyright and certain related rights, and on the implementation of legal protection for databases.

With regard to the removal of tax frontiers, considerable progress was made, including adoption of the Directive on the approximation of VAT rates, the Directive on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products, and the Directives on the harmonization of the structures of excise-duty rates and on the approximation of those rates. To supplement those measures, various proposals were adopted by the Commission with regard to VAT on used goods and works of art, passenger transport, gold transactions, and excise duties on biofuels.

Work continued on the programme to develop trans-European networks and the Commission adopted a proposal for a Regulation introducing a declaration of European interest with a view to mobilizing private investment.

During the year, attention was increasingly paid to the proper functioning of the single market after 1992. In this connection, Mr Sutherland, a former Member of the Commission, was asked to set up a study group to examine the issues involved. The study group's report was presented in October and the

Council adopted on 7 December a resolution¹ in which it recalled that the free movement of goods, persons, services and capital would have to be achieved after 1992 in an area without internal frontiers. The Commission adopted on 2 December a communication on the follow-up to the Sutherland report.²

In September the Commission published its seventh and final annual report concerning the implementation of the White Paper on completing the internal market,³ which was the subject of a Parliament resolution⁴ in December. Throughout the year it also continued to urge the Member States to speed up the transposition of Community instruments into national law. In December the rate of transposition of White Paper measures was 81%.

BUSINESS ENVIRONMENT

Removal of physical frontiers

Checks on goods

Movement of goods within the Community

Simplification of checks and formalities in trade

70. The Commission adopted the last of the basic provisions concerning the abolition of customs formalities at internal frontiers, namely Regulation (EEC) No 2453/92⁵ implementing Regulation (EEC) No 717/91 on the single administrative document;⁶ Regulation (EEC) No 1214/92⁷ on provisions for the implementation of Regulation (EEC) No 2726/90 concerning the Community transit procedure and for certain simplifications of that procedure;⁸ Regulation (EEC) No 2713/92 on the movement of goods between parts of the Community

¹ OJ C 334, 18.12.1992; Bull. EC 12-1992.

² SEC(92) 2277; Bull. EC 12-1992.

³ Bull. EC 9-1992, point 1.2.10.

⁴ OJ C 21, 25.1.1993; Bull. EC 12-1992.

⁵ OJ L 249, 28.8.1992.

⁶ OJ L 78, 26.3.1991; Twenty-fifth General Report, point 80.

⁷ OJ L 132, 16.5.1992.

⁸ OJ L 262, 26.9.1990; Twenty-fourth General Report, point 65.

with different tax regimes;¹ and Regulation (EEC) No 1823/92² laying down detailed rules, *inter alia* concerning the identification of baggage, for the application of Regulation (EEC) No 3925/91 concerning the elimination of controls and formalities applicable to the cabin and hold baggage of persons taking an intra-Community flight and the baggage of persons making an intra-Community sea crossing.³ The Commission also adopted Regulation (EEC) No 2560/92 tightening up the system of guarantees under the Community transit procedure for consignments of high-risk goods.⁴

71. In the context of economic sanctions against Serbia and Montenegro, the Council adopted Regulation (EEC) No 2655/92 restricting the use of the procedure for international transport of goods under cover of TIR carnets (TIR Convention) for consignments moving between two points in the Community via the territory of the Republics of Serbia and Montenegro.⁵

Coordinated development of computerized administrative procedures

72. In the interests of fostering cooperation between customs administrations and ensuring the uniform application of common customs rules, the Commission continued with its programme of measures to promote the exchange of information among Member States' customs administrations and between them and its own departments. These measures included stage one of a VAT information exchange system for intra-Community trade (VIES) and the establishment of a Customs information system (CIS) designed to strengthen external controls and thus help prevent fraud.⁶ The Commission continued throughout the year with other projects aimed at computerizing the administration of Community customs legislation, with particular regard to those concerning tariff measures in external trade.⁷

*Mutual assistance, administrative cooperation and fraud control*⁸

73. On 21 December, as part of its efforts to increase the effectiveness of fraud control by extending the arrangements for mutual assistance, the Commission adopted a proposal for a Regulation* designed to improve the

¹ OJ L 275, 18.9.1992.

² OJ L 185, 4.7.1992.

³ OJ L 374, 31.12.1991; Twenty-fifth General Report, point 84.

⁴ OJ L 257, 3.9.1992.

⁵ Point 839 of this Report.

⁶ Twenty-fifth General Report, point 88.

⁷ Twenty-fifth General Report, point 86.

⁸ In addition, see action to combat fraud in the section 'Financing Community activities'.

working of the customs union, replacing Regulation (EEC) No 1468/81.¹ The mutual administrative assistance provisions of the Association Agreements with Hungary, Poland and the Czech and Slovak Federal Republic were put into effect on the basis of the Interim Agreements which entered into force on 1 March;² similar provisions are included in other agreements currently being negotiated.

74. Again in the context of fraud prevention, the Commission continued with the development and extension of Scent (System for a customs enforcement network) and began installation of the Customs information system (CIS), a comprehensive tool for cooperation in the administration of all kinds of measures at the external frontier.

75. On 31 March the Council adopted Regulation (EEC) No 900/92, strengthening the surveillance of chemical 'precursors' liable to be diverted to the illicit manufacture of narcotic drugs and psychotropic substances, and on 14 December it adopted Directive 92/109/EEC, on the manufacture and the placing on the market of such substances.³

Customs union: the external dimension

Harmonization of customs rules on trade with non-member countries

76. On 7 December the Council adopted a Regulation making the export of certain cultural goods subject to prior authorization, and a common position on a proposal for a related Directive on the return of cultural objects unlawfully removed from the territory of a Member State.⁴

77. In a communication dated 3 January the Commission noted that completion of the internal market was blocked by national export controls on dual-use and nuclear products and technologies (i.e. for civilian and military purposes).⁵ Accordingly, on 15 July, it adopted a proposal for a Regulation* concerning the measures in question. Pending adoption of this proposal, on 21 December the Council adopted a declaration in which it agreed that, as from 1 January 1993, these products and technologies would in future only be subject

¹ OJ L 144, 2.6.1981; Fifteenth General Report, point 203.

² Point 746 of this Report.

³ Point 115 of this Report.

⁴ Point 161 of this Report.

⁵ Bull. EC 1/2-1992, point 1.3.11.

to controls carried out under the normal control procedures applied in a non-discriminatory fashion throughout the territory of the Community.¹

78. It also adopted, on 11 November, a proposal for a regulation on checks for conformity with the rules of product safety in the case of products imported from third countries.

Common Customs Tariff, Combined Nomenclature and Taric

79. In the interests of structural consistency and the growing use of data-processing technology, the Commission adopted a proposal for a Regulation* amending Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff, with the aims of discontinuing use of the ninth digit of the CN code for external trade statistics.² The Commission also adopted the Combined Nomenclature (CN) applicable in 1993 (Regulation (EEC) No 2502/92³) regulations classifying numerous goods in the CN, and Regulation (EEC) No 3513/92,⁴ which provides that tariff classification information issued by the customs authorities of a Member State under Regulation (EEC) No 1715/90 is to be valid throughout the Community.⁵

80. At the international level the Commission represented the Community in the Customs Cooperation Council's work on administration of the Harmonized Commodity Description and Coding System (HS) and the preparations for revision of the HS nomenclature. On 14 October it presented a proposal to the Council asking for authorization to negotiate customs cooperation agreements with the Community's main trading partners.⁶

81. The many amendments to Community customs legislation in 1992 were transmitted to Member States via Taric (the integrated tariff of the European Communities), a multilingual databank used to keep national customs administrations abreast of Community measures affecting both internal and external trade.⁷

¹ Bull. EC 12-1992.

² OJ L 256, 7.9.1987; Twenty-first General Report, point 157.

³ OJ L 267, 14.9.1992.

⁴ OJ L 355, 5.12.1992.

⁵ OJ L 160, 26.6.1990.

⁶ Bull. EC 10-1992, point 1.3.21.

⁷ OJ C 170, 6.7.1992; Bull. EC 7/8-1992, point 1.3.17.

Economic tariff matters

82. In 1992 some 500 tariff quotas or ceilings were established, unilaterally or under agreements, and CCT duties were temporarily suspended on around 1 800 products or groups of products, mainly chemicals or electronic components. The Council extended for a year the regulations applying generalized tariff preferences in respect of imports from developing countries.¹

Customs procedures with economic impact

83. The Council adopted Regulation (EEC) No 1604/92² amending Regulation (EEC) No 2504/88³ on free zones to take account of special arrangements applying to the overseas departments, the Canary Islands, Madeira and the Azores.

84. To relieve the administrative burdens on business in preparation for the advent of the internal market, the Commission adopted Regulation (EEC) No 1196/92⁴ simplifying the rules laid down by Regulation (EEC) No 2228/91⁵ implementing the inward processing relief arrangements, and Regulation (EEC) No 3709/92⁶ which makes it possible for authorizations issued under Regulation (EEC) No 1751/84,⁷ Regulation (EEC) No 2228/91⁵ or Regulation (EEC) No 2458/87⁸ (i.e. the temporary importation, inward processing or outward processing procedures) to be used in one or more Member States other than the Member State of issue. It also adopted Regulation (EEC) No 3710/92 laying down procedures for the transfer of goods under the inward processing (suspension) arrangements,⁶ and Regulation (EEC) No 3693/92 introducing similar facilities under the temporary importation procedure.⁹

85. The Commission adopted Regulation (EEC) No 3689/92 laying down certain rules for the operation of the system established under the 1961 Customs Convention on the ATA carnet for the temporary admission of goods, to

¹ Point 935 of this Report.

² Point 500 of this Report.

³ OJ L 225, 15.8.1988; Twenty-second General Report, point 189.

⁴ OJ L 124, 9.5.1992.

⁵ OJ L 210, 31.7.1991; Twenty-fifth General Report, point 102.

⁶ OJ L 378, 23.12.1992.

⁷ OJ L 171, 29.6.1984; Eighteenth General Report, point 168.

⁸ OJ L 230, 17.8.1987; Twenty-first General Report, point 167.

⁹ OJ L 374, 22.12.1992.

guarantee payment of duties and taxes;¹ it is designed to supplement Regulation (EEC) No 2365/91.²

86. The Commission adopted a proposal for a decision³ concluding the Convention on Temporary Admission signed by the Community on 28 June 1990 in Istanbul, subject to ratification.⁴ This instrument brings together all the existing temporary admission conventions applied by the Community and should thus simplify international trade procedures.

Origin of goods

87. The 'origin' protocols of the Interim Agreements with Hungary, Poland and the Czech and Slovak Federal Republic⁵ were put into effect,⁶ and the EC-EFTA origin safeguard regulations were extended.⁷ On 7 December the Council adopted Regulation (EEC) No 3576/92 designed to clarify the definition of originating products as applied to certain mineral products under the preferential arrangements accorded by the Community to non-Member States.⁸

General legislation

88. In the interests of a clearer, more coherent presentation of the general rules concerning surveillance of goods in trade between the Community and third countries and the procedures applicable to such goods, the Council adopted Regulation (EEC) No 2913/92* establishing the Community Customs Code. This will replace the customs legislation currently contained in some 30 regulations and directives.

Monitoring the implementation of Community customs law

89. The Commission continued checking national customs provisions for compatibility with Community regulations. It called for alterations in national inward processing rules in the United Kingdom, Ireland and the Netherlands.

¹ OJ L 374, 22.12.1992.

² OJ L 216, 3.8.1991; Twenty-fifth General Report, point 101.

³ COM(92) 537; Bull. EC 12-1992.

⁴ Twenty-fourth General Report, point 86.

⁵ Point 746 of this Report.

⁶ OJ L 114, 30.4.1992; OJ L 115, 30.4.1992. OJ L 116, 30.4.1992.

⁷ OJ L 280, 24.9.1992; Bull. EC 9-1992, point 1.2.14; OJ L 304, 20.10.1992; Bull. EC 10-1992, point 1.3.22.

⁸ OJ L 364, 12.12.1992; Bull. EC 12-1992.

The Court of Justice censured Portugal's refusal to allow certain customs agents a full right of representation for the purpose of carrying out customs formalities, and was also asked to rule on an appeal concerning Italy's legislation on customs agents.

Abolition of intra-Community frontier posts

90. On 17 December, on the basis of a communication from the Commission,¹ the Council adopted Regulation (EEC) No 3904/92,* concerning adaptation of the profession of customs and forwarding agent to the advent of the internal market, with the aim of establishing a legal framework for Community measures to help the sector. Parliament adopted a Resolution on 17 September concerning the internal market and the situation in the private customs sector.²

Harmonization of animal health and plant health rules

91. Much progress was made on harmonization of legislation, particularly on the veterinary side, where all the measures envisaged for the completion of the internal market have been adopted. Only two measures scheduled by the White Paper are still to be adopted: the Regulation on plant variety rights and the Directive on application to the Community's health rules of the principle of financial solidarity and of Member State responsibility.

Plant health legislation

92. The Council adopted Directives 92/33/EEC* and 92/34/EEC* on the marketing of vegetable planting material and of fruit plants, and on 14 December* the Commission proposed that the Council fix at 1 June 1993 the date for implementing the plant-health arrangements introduced by Directive 91/683/EEC on protective measures against the introduction into the Member States of harmful organisms of plants.³

¹ Bull. EC 5-1992, point 1.1.9.

² OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.13.

³ OJ L 376, 31.12.1991; Twenty-fifth General Report, point 116.

Animal feed

93. On 26 October the Council adopted Directive 92/88/EEC* amending Directive 74/63/EEC on undesirable substances and products in feedingstuffs.¹ For its part the Commission made some minor amendments to this Directive, in the annexes covering undesirable products and substances and additives.²

Veterinary and animal husbandry legislation

94. Important decisions were adopted this year covering checks on imports and rules on Community trade. The Council adopted Decision 92/438/EEC* on computerization of veterinary import procedures (Shift project), Directive 92/46/EEC* on health rules for production and placing on the market of milk, raw milk, heat-treated milk and milk-based products, Directives 92/47/EEC* and 92/120/EEC* on the grant of derogations from health rules for milk and milk-based products and certain products of animal origin, respectively, and Directive 92/45/EEC* on health problems relating to the killing of wild game and placing on the market of wild game meat. The Council also adopted Directives 92/116/EEC* and 92/117/EEC* concerning, respectively, poultrymeat and zoonoses.* On 29 October Parliament adopted a resolution³ on monitoring of compliance with the Directives prohibiting the use of hormones and other growth-promoters.

95. The Council also adopted Directive 92/65/EEC* on health requirements covering animals, semen, ova and embryos not subject to specific requirements. By Directive 92/118/EEC* it also fixed the animal and public health conditions applicable to trade in and imports from third countries of certain animal products not subject to specific Community rules. It also adopted Directive 92/48/EEC* on minimum hygiene rules applicable to fishery products. By Decision 92/98/EEC* it extended until the end of 1993 the prohibition on the placing on the market of bovine somatotrophin.

96. In order to facilitate realization of the internal market three Directives on health requirements and veterinary checks applicable in intra-Community trade were amended by Council Directives 92/5/EEC,* 92/67/EEC* and 92/60/EEC.* The Council also adopted Directive 92/102/EEC* on the identification and registration of animals. The Commission adopted a proposal on protection of

¹ OJ L 38, 11.2.1974.

² OJ L 221, 6.8.1992; Bull. EC 7/8-1992, point 1.3.182.

³ OJ C 305, 23.11.1992; Bull. EC 10-1992, point 1.3.119.

animals kept for farming purposes* and the Council decided in December to conclude the protocol amending the European Convention on the Protection of Animals kept for Farming Purposes.¹

97. The Council adopted numerous Directives relating to epizootics, including Directive 92/35/EEC* laying down control rules and measures to combat African horse sickness, Directive 92/36/EEC* amending, with regard to African horse sickness, the health requirements applicable to movement and importation of equidae, and Directives 92/40/EEC* and 92/66/EEC* introducing Community measures for the control of avian influenza, Newcastle disease and certain other diseases, as well as Directive 92/119/EEC* introducing Community measures to combat certain animal diseases. The Commission adopted proposals for a Directive* introducing Community measures for the control of certain fish diseases and for a Decision* designating the Community reference laboratory for swine fever.

98. Unflagging efforts by the veterinary inspection service, now the Veterinary and Phytosanitary Inspections Office (OICVP),² permitted completion of visits to all slaughterhouses approved in the Member States for intra-Community trade.

99. As a result of the consultations within a joint United States/EEC technical group to work out terms for the importation of fresh meat, on 26 October the Council authorized the Commission to negotiate and conclude an agreement.³ Concurrently, a list of establishments in the United States from which Member States authorize importation of fresh meat was adopted.⁴

Implementation of Article 115

100. Maintenance of the policy decided on in 1987⁵ has resulted in steadily reducing recourse in the last few years to the provisions of Article 115 of the Treaty. The number of instances in which protective measures have been taken fell from 112 in 1990 to 81 in 1991 and to 19 in 1992. A total of 7 protective measures was authorized during the year, as against 79 in 1990 and 48 in 1991. The products concerned were cars, motor cycles and certain shoes on the

¹ OJ L 395, 31.12.1992; Bull. EC 12-1992.

² Twenty-fifth General Report, point 114.

³ Bull. EC 10-1992, point 1.3.112.

⁴ Point 810 of this Report.

⁵ Twenty-first General Report, point 196.

industrial side and bananas on the agricultural side. Measures for the last product will disappear when the Commission's proposal on the common organization of the market in bananas¹ has been adopted. The number of authorizations for intra-Community surveillance fell from 335 in 1990 to 185 in 1991, while 52 measures were authorized in the first half of 1992 and only 6 in the second half.

Checks on individuals

101. Action by the Community directly affecting individuals (tax-free allowances, easing of intra-Community controls) is dealt with in the second part of this Section ('A people's Europe').²

Removal of technical and legal frontiers

Free movement of goods

Removal of non-tariff barriers³

102. The Commission stepped up its monitoring of compliance by Member States with the principles of Articles 30, 34 and 36 of the EEC Treaty. The number of cases under examination is still around 1 500.⁴ The number of new complaints also levelled off, at around 300. The Commission continued the practice of holding meetings with representatives of the Member States concerned, at which all cases under examination are reviewed, thus making it possible in many cases to reach solutions compatible with the principle of mutual recognition, a practical reflection of the principle of subsidiarity. As in previous years, the guidelines for action by the Commission concerning trade in goods placed the emphasis on the principle of mutual recognition which, especially in the sectors which have not been harmonized at Community level, enables the competent authorities of importing Member States to recognize technical specifications, standards and rules applicable in other Member States

¹ Point 525 of this Report.

² Points 159 to 193 of this Report.

³ Further information is contained in the tenth annual report to Parliament on Commission monitoring of the application of Community law (1992) (to be published in 1993).

⁴ Twenty-fifth General Report, point 128.

and the validity of tests carried out by approved laboratories in other Member States offering adequate guarantees of reliability and efficacy. The Commission also continued its efforts *vis-à-vis* the Member States to ensure the abolition before 31 December 1992 of all controls at customs posts within the Community not justified by Article 36 of the EEC Treaty.

103. Some of the major sectors of economic activity are more frequently the subject of complaints, in particular the telecommunications and foodstuffs sectors. In the latter area, the Commission's efforts have been made easier as a result of the information now available to economic operators and the representatives of the Member States in the clarifying communications published by the Commission.¹ Similarly, it was possible to resolve a number of cases relating to imports by private individuals of motor vehicles for personal use in the light of the clarifying communication of 4 November 1988.² Following the judgment in the case *Commission v Germany*,³ the Commission conducted a survey of Member States in order to prepare a clarifying communication on imports of medicinal products from another Member State by private individuals (e.g. by post) for their personal use.

104. In addition, following the judgments of the Court of Justice under Articles 30 and 36 of the EEC Treaty relating to national rules providing for exclusive rights and monopolies concerning telecommunications terminals,⁴ the distribution of pharmaceutical products,⁵ and port undertakings,⁶ the Commission embarked upon an examination of the conformity of other national rules of the same kind with regard to the provisions in question.

Prevention of further barriers

105. Directive 83/189/EEC,⁷ to which the Commission proposed further amendments on 27 November,⁸ which lays down a procedure for the provision of information in the field of technical standards and regulations, continues to be a particularly useful means of removing new technical barriers to intra-

¹ OJ C 271, 24.10.1989; Twenty-third General Report, point 191; OJ C 270, 15.10.1991; Twenty-fifth General Report, point 128.

² OJ C 281, 4.11.1988; Twenty-second General Report, point 214.

³ Judgment in Case C-62/90 *Commission v Germany*; Bull. EC 6-1992, point 1.7.24.

⁴ Judgment of 19 March 1991 in Case C-202/88 *France v Commission*.

⁵ Judgments of 21 March 1991 in Case C-369/88 *Delattre*, and in Case C-60/89 *Monteil and Samanni*.

⁶ Judgment of 10 December 1991 in Case C-179/90 *Porto di Genova*.

⁷ OJ L 109, 26.4.1983; Seventeenth General Report, point 150.

⁸ Point 119 of this Report.

Community trade. The number of draft technical regulations notified pursuant to the Directive fell by 17%, from 435 in 1991 to 362 in 1992. Since the information procedure came into force, the Commission has received a total of 2 128 notifications. During the year, the Commission issued detailed opinions on account of the breaches of Community law to which the draft regulations might give rise in 87 cases. The Member States did so in 47 cases.

106. Under the Agreement between the Community and the EFTA countries laying down a procedure for the exchange of information in the field of technical regulations,¹ the number of draft technical regulations notified went up by 10%, from 120 in 1991 to 131 in 1992. Altogether, 69 observations were addressed to the EFTA countries by the Commission on behalf of the Community. This Agreement, which was originally concluded for a trial period of two years, expired on 1 November. Steps are now being taken to extend it.²

107. The Commission adopted a report on the operation of Directive 83/189/EEC in 1990 and 1991. On 2 December it submitted to the Council a proposal to amend the Directive* in the light of experience and developments concerning national technical regulations, and to increase the transparency of action at national level and the rules applicable in the event of joint action, the basic principles underlying the information procedure.

Harmonization of laws

108. As part of the efforts to bring Member States' laws more closely into line with one another, special attention was paid to certain sectors.

109. With regard to foodstuffs, the Commission adopted a series of new proposals for Directives concerning labelling and presentation,* additives,* sweeteners,* contaminants,* and additional measures concerning inspections.* In addition, it adopted a proposal on food hygiene,* on which the Council adopted a common position in December, and a proposal for a Regulation concerning novel foodstuffs and ingredients.* It also submitted a proposal for the consolidation of the fruit juice Directives.* On 9 November it adopted a Recommendation³ concerning a coordinated programme on the official control of foodstuffs for 1993. On 17 December the Council adopted Directive 92/115/

¹ OJ L 291, 23.10.1990; Twenty-third General Report, point 193.

² SEC(92) 1856.

³ Bull. EC 11-1992, point 1.3.32.

EEC* relating to extraction solvents used in the production of foodstuffs and food ingredients.

110. The Commission also adapted several existing Directives, in particular concerning materials and articles intended to come into contact with foodstuffs,¹ and plastic articles.²

111. The Council adopted Directive 92/52/EEC on infant formulae and follow-on formulae intended for export to third countries,* the main purpose of which is to apply the Community provisions to products exported to third countries. It also adopted Directive 92/11/EEC on the indications or marks identifying the lot to which a foodstuff belongs.*

112. As regards pharmaceuticals, all the measures provided for in the White Paper were finalized by the Council, which on 31 March adopted Directives 92/25/EEC* to 92/28/EEC* on the wholesale distribution of medicinal products for human use, the legal status of their classification, labelling, package leaflets, and advertising. On 22 September it adopted Directives 92/73/EEC* and 92/74/EEC* widening the scope of Community legislation on medicinal products for human use and veterinary medicinal products to include homeopathic medicinal products. In order to give full effect to this harmonization in the industry concerned, as a result of the establishment of a marketing authorization system, including the setting-up of a European Agency for the Evaluation of Medicinal Products, the Council adopted a common position on three proposals for Directives relating to medicinal products,* high-technology medicinal products* and veterinary medicinal products,* and gave its political agreement to the proposal for a Regulation setting up a European Agency for the Evaluation of Medicinal Products.*

113. Where harmonization is concerned, special attention was also paid to the motor vehicles sector. On 18 June the Council adopted Directive 92/53/EEC amending the framework Directive 70/156/EEC. The new Directive marks the transition from 'optional' to 'total' harmonization, the aim being that on 1 January 1996 the existing type-approval systems of the Member States will be replaced by a Community type-approval procedure. The new Directive is also intended to make improvements to the legal and administrative provisions concerning the type-approval procedure. In connection with the implementation

¹ OJ L 102, 16.4.1992.

² OJ L 168, 23.6.1992.

of the new Directive, the Council also adopted separate Directives 92/21/EEC,* 92/22/EEC,* 92/23/EEC,* 92/24/EEC* and 92/114/EEC* relating to the masses and dimensions of category M1 vehicles, safety glass, tyres, speed limitation devices and the external projections forward of the cab's rear panel of motor vehicles of category N. It also adopted Directive 92/97/EEC* amending Directive 70/157/EEC relating to the permissible sound power level and the exhaust system of motor vehicles.¹ The Commission submitted proposals concerning the mechanical coupling of motor vehicles and their trailers,* and the fire resistance of materials used in the interior fittings of vehicles.*

114. On 30 June the Council adopted framework Directive 92/61/EEC* relating to the type-approval of two- or three-wheel motor vehicles. The type-approval procedure for such vehicles follows the same methodology as the procedure for the type-approval of other motor vehicles. The Commission has already submitted to the Council 11* of the 24 separate Directive laying down the technical requirements applicable to the various components and characteristics of such vehicles.

115. Harmonization efforts also continued with regard to chemicals. The Commission adopted a proposal to amend for the 13th time* Directive 76/769/EEC on the limitation of the marketing and use of certain dangerous substances and preparations,² in order to extend its scope to include certain creosotes, chlorinated solvents and carcinogenic, mutagenic and teratogenic substances. It also adopted a proposal for a Directive harmonizing the supervision of the manufacture and marketing of explosives for civil uses* on which the Council adopted a common position on 17 December. On 31 March the Council adopted Regulation (EEC) 900/92³ relating to the monitoring of chemical precursors of narcotic drugs and psychotropic substances,* which reinforces considerably the Community provisions, in particular by doubling the list of products subject to monitoring, and steps up international cooperation. On 14 December it adopted Directive 92/109/EEC* relating to the production and marketing of these substances.

116. On 10 March, with a view to removing trade barriers caused by discriminatory compulsory national systems, and with a view to providing better consumer information, the Commission adopted a proposal for a Directive on

¹ OJ L 42, 23.2.1970; Fourth General Report, point 64.

² OJ L 262, 27.9.1976; Tenth General Report, point 123.

³ OJ L 96, 10.4.1992; Bull. EC 3-1992, point 1.2.12.

the labelling of footwear.* On 15 April it adopted a proposal for a Directive on the harmonization of laws concerning recreational craft.*

Implementation of the new approach to technical harmonization and standardization

Technical harmonization

117. In order to make it easier for the Member States to apply the new approach directives,¹ the Commission organized meetings with the Member States to prepare implementing measures, and prepared, in conjunction with the national authorities, a guide to the new approach setting out a concerted interpretation of the directives in question. It also encouraged each Member State to make the necessary arrangements for designating the notified bodies as quickly as possible so as to prepare for the management phase of each directive.

118. The Commission also continued its legislative work in this area and adopted a proposal for a Directive concerning machinery* (including the lifting of persons within the scope of Directive 89/392/EEC² on which the Council adopted a common position on 17 December), and a proposal for a Directive on lifts,* to ensure freedom of movement and a high level of safety in the sectors concerned. On 23 December the Commission adopted a proposal for a Directive amending Directive 89/686/EEC relating to personal protective equipment.³ The Council adopted Directive 92/31/EEC* amending Directive 89/336/EEC on electromagnetic compatibility.⁴

Standardization

119. In order to significantly improve the present system of information regarding national standardization activities, on 27 November the Commission adopted a proposal* to amend for the second time Directive 83/189/EEC⁵ in order to streamline and rationalize procedures, increase transparency, and strengthen cooperation between the Community standardization institutes. The

¹ OJ C 136, 4.6.1985; Nineteenth General Report, point 210.

² OJ L 183, 29.6.1989; Twenty-third General Report, point 199.

³ OJ L 399, 30.12.1989; Twenty-third General Report, point 199.

⁴ OJ L 139, 25.5.1989; Twenty-third General Report, point 199.

⁵ OJ L 109, 26.4.1983; Seventeenth General Report, point 150.

European Telecommunications Standards Institute (ETSI) was added to the list of European standardization bodies annexed to Directive 83/189/EEC.¹ The Commission presented its report on the operation of the Directive in 1990 and 1991 on 18 December.²

120. On 18 June, further to the Green Paper on the development of European standardization³ and the Commission's second communication on the role of standardization in the European economy,⁴ the Council adopted a resolution⁵ in which it recognized the strategic importance of standardization for the completion of the internal market. As promised in the Green Paper, on 27 October the Commission adopted a communication on intellectual property rights and standardization⁶ in which it examined how to enable these two concepts, whose objectives are very different, to coexist. The Commission also extended the scope of its cooperation with the European standardization bodies to include new areas such as biotechnology, monitoring of conformity with the public procurement Directives, and measurement methods for environmental legislation. In this context, various measures were adopted to ensure the practical application of the new approach directives and the delivery of standards covered by a mandate.

Government procurement

121. The final stage in the process of achieving Community-wide liberalization of the arrangements for government procurement was completed during the year. The Council adopted on 25 February Directive 92/13/EEC relating to remedies in the 'excluded' sectors* and on 18 June Directive 92/50/EEC on the coordination of procedures for the award of public service contracts,* which is designed to guarantee transparency and non-discrimination in the award of such contracts. On 21 December it also adopted a common position* on the proposal for a Directive amending Directive 90/531/EEC on public works and supply contracts in the 'excluded' sectors⁷ so as to include service contracts.

122. In order to complete this legislative package, the Commission adopted a proposal for a Directive* consolidating the Directives on the coordination of

¹ OJ L 221, 6.8.1992.

² COM(92) 565; Bull. EC 12-1992.

³ OJ C 20, 28.1.1991; Twenty-fourth General Report, point 117.

⁴ OJ C 96, 15.4.1992; Twenty-fourth General Report, point 148.

⁵ OJ C 173, 9.7.1992; Bull. EC 6-1992, point 1.3.17.

⁶ Point 145 of this Report.

⁷ OJ L 297, 29.10.1990; Twenty-fourth General Report, point 121.

procedures for the award of public works contracts on 9 January, a proposal* for the legislative consolidation of the Directives on the coordination of procedures for the award of public supply contracts on 7 September and a proposal* for amending Directive 71/305/EEC on the coordination of the procedures for the award of public works contracts¹ on 28 July, about which the Council adopted a common position on 7 December.

123. To enable enterprises to adapt more easily to the new rules on competition in the government procurement field, the Commission transmitted two communications to the Council: one on SME participation in public procurement in the Community² and the other on guidelines for the adoption of measures to assist the industries operating in the 'excluded' sectors in the Community's less-developed regions.³

124. Alongside these harmonization measures, the Commission stepped up its monitoring of the application of the rules on public contracts and continued its examination of the texts transposing the 'supplies', 'works' and 'remedies' Directives (88/295/EEC,⁴ 89/440/EEC⁵ and 89/665/EEC⁶). It also pressed ahead with its training measures and information campaigns for the parties involved in this field⁷ and monitored implementation in the Member States of the recommendation on the standardization of contract notices.⁸

125. At international level, the Commission continued to take part in the GATT talks on the extension of the GATT agreement on public procurement to works and service contracts and to regional and local entities and entities operating in the 'excluded' sectors.

Free movement of workers and of members of the professions

126. The details of Community activities directly affecting individuals (removal of restrictions, mutual recognition of diplomas, access to economic activity, special rights of individuals and passport arrangements) are given in the second part of this Section, 'A people's Europe'.⁹

¹ OJ L 185, 16.8.1971; Fifth General Report, point 168.

² Point 241 of this Report.

³ Point 454 of this Report.

⁴ OJ L 127, 20.5.1988; Twenty-second General Report, point 178.

⁵ OJ L 210, 21.7.1989; Twenty-third General Report, point 203.

⁶ OJ L 395, 30.12.1989; Twenty-third General Report, point 203.

⁷ Twenty-fifth General Report, point 156.

⁸ OJ L 305, 6.11.1991; Twenty-fifth General Report, point 155.

⁹ Points 159 to 193 of this Report.

Common market in services

Financial services

Banks and other financial institutions

127. The Community framework provided for in the White Paper covering this field is now in place. On 6 April the Council adopted Directive 92/30/EEC on the supervision of credit institutions on a consolidated basis.* This Directive, which replaces Directive 83/350/EEC,¹ extends the scope of consolidation to banking groups whose parent company is not a credit institution but controls at least one subsidiary which is a credit institution. The Council also adopted on 21 December Directive 92/121/EEC on monitoring and controlling large exposures of credit institutions,* which replaces the Commission's 1986 recommendation,² the aim being to ensure that any excessive concentration of exposures to a single client or group of connected clients does not result in losses that might threaten the solvency of a credit institution. On 16 March the Council adopted Directive 92/16/EEC,* which amends Directive 89/299/EEC³ by incorporating into it provisions on the assistance to be provided by a technical adaptation committee and a specific temporary derogation for Denmark.

The adoption of these proposals has completed the arrangements introduced in particular by the second banking Directive,⁴ which established freedom of establishment and freedom to provide services on the basis of recognition of authorization granted by the country of origin.

128. With a view to bringing in a complete framework of legislation based on a single licence and prudential supervision by the Member State in which a bank has its head office, the Commission adopted on 4 June a proposal for a Directive on deposit-guarantee schemes* which will replace the recommendation of 22 December 1986⁵ and which provides, in the event of a financial crisis affecting a credit institution with its head office in the Community and with branches in other Member States, for each depositor to receive a reimbursement of funds deposited of up to ECU 15 000.

¹ OJ L 193, 18.7.1983; Seventeenth General Report, point 261.

² OJ L 33, 4.2.1987; Twentieth General Report, point 224.

³ OJ L 124, 5.5.1989; Twenty-third General Report, point 211.

⁴ OJ L 386, 30.12.1989; Twenty-third General Report, point 210.

⁵ OJ L 33, 4.2.1987; Twentieth General Report, point 225.

129. Following a delay due to the complex task of fully computerizing its management of the data provided by Member States, the Commission published an updated list of banks showing the situation as at 31 December 1990.¹

Payment systems

130. Mainly on the basis of the work of two study groups set up to advise it on ways of improving cross-border payments, the Commission adopted on 25 March a working document entitled 'Easier cross-border payments: breaking down the barriers',² in which it analyses the various ways of making the systems used for such payments more efficient. It also launched a series of studies designed to examine certain technical aspects of payment systems more closely. In the same context and in the light of Commission recommendation 90/109/EEC on the transparency of bank charges relating to cross-border transactions,³ guidelines on consumer information regarding distance payments were adopted by the European banking industry. The implementation of those guidelines is being closely monitored. The Commission is also continuing its work on ensuring that recommendations 87/598/EEC⁴ and 88/590/EEC⁵ concerning payment systems are correctly applied. Negotiations took place between credit associations and representatives of the distributive trades sector and focused in particular on the application of recommendation 87/598/EEC.

Insurance

131. Work was finalized on the final batch of Directives designed to complete the internal market in this sector, with the introduction of freedom of establishment and freedom to provide services, on the basis of a single licence, to those wishing to take out insurance. On 18 June the Council adopted the third Directive* on the coordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance and amending Directives 73/239/EEC⁶ and 88/357/EEC.⁷ It also adopted on 10 November the third Directive* on the coordination of the laws, regulations and administrative provisions relating to direct life assurance and amending Directives 79/267/EEC⁸ and 90/619/EEC.⁹

¹ OJ C 194, 31.7.1992.

² Bull. EC 3-1992, point 1.2.7.

³ OJ L 67, 15.3.1990; Twenty-fourth General Report, point 129.

⁴ OJ L 365, 24.12.1987; Twenty-first General Report, point 533.

⁵ OJ L 317, 24.11.1988; Twenty-second General Report, point 613.

⁶ OJ L 228, 16.8.1973; Seventh General Report, point 131.

⁷ OJ L 172, 4.7.1988; Twenty-second General Report, point 238.

⁸ OJ L 63, 13.3.1979; Thirteenth General Report, point 175.

⁹ OJ L 330, 29.11.1990; Twenty-fourth General Report, point 133.

132. In accordance with Directive 84/5/EEC on the approximation of the laws of the Member States relating to insurance against civil liability in respect of the use of motor vehicles,¹ the Commission transmitted to the Council on 16 July a report on the situation regarding the amounts of the guarantees to be provided for damage to property and personal injuries in the Member States benefiting from transitional measures.

133. The Commission took part in technical assistance programmes designed to help the countries of Central Europe and the independent States of the former Soviet Union to switch from a State-monopoly system to a free but regulated market in insurance.²

Stock exchanges and transferable securities

134. The Council adopted on 27 July a common position on the proposal for a Directive on capital adequacy of investment firms and credit institutions* and on 21 December a common position on the proposal for a Directive on investment services in the securities field.* The final adoption of these proposals will round off the work on the third pillar of the single market in financial services.

135. On 23 December the Commission adopted a proposal for a Directive* amending Directive 80/390/EEC coordinating the requirements for the drawing-up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock exchange listing³ in order to extend the scope for the partial or complete exemption from the obligation to publish such particulars.

Treatment of financial institutions in third countries

136. On 15 July the Commission transmitted to the Council, in accordance with the Community Directives on financial services, its first report on the treatment accorded in third countries to Community banks and other financial institutions.⁴ The report points to the wide variety of arrangements applied by third countries to Community institutions and stresses the need to improve

¹ OJ L 8, 11.1.1984; Seventeenth General Report, point 254.

² Points 756 to 758 and 773 to 777 of this Report.

³ OJ L 100, 17.4.1980; Fourteenth General Report, point 207.

⁴ Bull. EC 7/8-1992, point 1.3.31.

this situation through negotiations rather than through measures designed to limit or suspend access to the Community market.

Creation of a financial area

Liberalization of capital movements and removal of exchange controls

137. During the year substantial progress was made towards full liberalization of capital movements in the four Member States (Ireland, Spain, Greece and Portugal) authorized to maintain certain restrictions temporarily in force. In Spain, practically all restrictions have been removed since 1 February 1992, except in the case of physical exports of sums above a given amount. Ireland considerably relaxed its existing restrictions with effect from 1 February 1992; its remaining controls relate mainly to accounts held by residents abroad. In August Portugal announced the abolition of all restrictions except for those relating to physical transfers of funds and bank deposits held by residents abroad, for which authorization is required. In Greece, the liberalization of tourist expenditure and long-term investment in real estate and securities, which took place in May 1991 for transactions within the Community,¹ was extended to third countries in June.

138. Directive 88/361/EEC² set a deadline of 31 December 1992 for complete liberalization in the four Member States benefiting from transitional arrangements. For Greece and Portugal, however, the Directive allows the deadline to be extended by a maximum of three years under certain conditions. Only Greece requested such an extension, although it announced that the restrictions in force would be relaxed with effect from 1 January 1993. On 21 December the Council adopted Directive 92/122/EEC* authorizing Greece to extend the transitional arrangements for certain short-term capital movements.

139. With a view to making the liberalization of capital movements and the subsequent integration of financial markets that is necessary effective, the Commission continued its efforts to identify and eliminate the obstacles created not only by direct restrictions but also by all the indirect barriers, which

¹ Twenty-fifth General Report, point 177.

² OJ L 178, 8.7.1988; Twenty-second General Report, point 180.

frequently stem from the more favourable treatment accorded to national financial instruments and institutions.

Balance-of-payments support mechanism

140. In accordance with Regulation (EEC) No 1969/88,¹ the Council examined the current balance-of-payments support mechanism. It took the view that the mechanism had to be retained during the transition to stage three of EMU and then reviewed at the end of 1996 in the light of prevailing circumstances. In October Italy requested an ECU 8 billion loan to help it overcome the difficulties connected with the currency crisis in September and establish a climate of confidence for the Italian economy.

A propitious legal and tax environment for businesses

Company law

141. On 23 November the Council adopted Directive 92/101/EEC* amending Directive 77/91/EEC on the formation of public limited liability companies and the maintenance and alteration of their capital (second company law Directive).² This Directive, one of a series of measures presented by the Commission with a view to removing certain obstacles to takeover bids, is designed to extend the scope of Directive 77/91/EEC to the acquisition of a company's shares by companies over which that company can exercise a dominant influence.

Intellectual and industrial property

Pharmaceutical patents

142. With a view to encouraging pharmaceutical research by improving the protection provided for innovation in this field, the Council adopted on 18 June Regulation (EEC) No 1768/92 concerning the creation of a supplementary protection certificate for medicinal products;* the supplementary protection provided will be valid for a maximum of five years following the expiry of the

¹ OJ L 178, 8.7.1988; Twenty-second General Report, point 256.

² OJ L 26, 30.1.1977; Tenth General Report, point 139.

patent, although the total duration of protection, calculated from the time of the first authorization to market the medicinal product in the Community, may not exceed 15 years.

Copyright and neighbouring rights

143. To enable database creators and operators to compete on equal terms in the world market, the Commission adopted on 29 January a proposal for a Directive on the legal protection of databases;* it also adopted on 5 February a proposal for a Directive harmonizing the term of protection for copyright and certain related rights.* On 19 November the Council adopted Directive 92/100/EEC on rental right and lending right and on certain related rights,* which gives authors and creative artists the exclusive right to rent and lend their works and harmonizes related rights.

144. In a resolution of 14 May,¹ the Council noted that the Member States, in so far as they had not already done so, had undertaken to become party to the Paris Act of the Berne Convention and to the Rome Convention by 1 January 1995. It invited the Commission, when negotiating agreements with third countries, to pay particular attention to the ratification of, or accession to, these instruments by the third countries concerned.

145. On 27 October the Commission adopted a communication on intellectual property rights and standardization.² The communication sets out a number of principles that should form the basis of any internal rules which standardization bodies may wish to lay down.

146. On 21 December³ the Council adopted Decision 93/16/EEC on the extension of the legal protection of topographies of semiconductor products to the United States and certain territories and Decision 93/17/EEC amending Decision 90/510/EEC⁴ in the light of the Agreement on the European Economic Area.

¹ OJ C 138, 28.5.1992; Bull. EC 5-1992, point 1.1.12.

² COM(92) 445; Bull. EC 10-1992, point 1.3.19.

³ OJ L 11, 19.1.1993; Bull. 12-1992.

⁴ OJ L 285, 17.10.1990; Twenty-fourth General Report, point 148.

Company taxation

147. In accordance with the mandate given to it following the Commission's communication on guidelines in the field of company taxation,¹ the committee of independent experts on company taxation chaired by Mr Ruding submitted its report on 18 March. In the light of the conclusions and recommendations contained in that report and of other work carried out in international forums, the Commission adopted on 24 June a communication on guidelines in this field.² Those guidelines were approved by the Council on 23 November³ and by the Economic and Social Committee on 24 November.⁴

Removal of tax frontiers

Indirect taxation

Value-added tax (VAT)

148. Considerable progress was made during the year in removing tax frontiers as required by the opening-up of borders on 1 January 1993. On 19 October the Council adopted Directive 92/77/EEC on the approximation of VAT rates,* which is a follow-up to Directive 91/680/EEC supplementing the common system of VAT,⁵ setting the standard rate of VAT at not less than 15% and the optional reduced rates at not less than 5%, and abolishing the increased rates. Provision has also been made for certain zero and extra-low rates to be retained for a transitional period.

149. With a view to establishing a framework for cooperation between national tax authorities in a Community without internal border controls, the Council also adopted on 27 January Regulation (EEC) No 218/92,* which provides in particular for the exchange of information on intra-Community trade subject to VAT and for the introduction of a computerized network for ensuring that such exchanges are rapid and effective.

¹ Twenty-fourth General Report, point 154.

² Bull. EC 6-1992, point 1.3.6.

³ Bull. EC 11-1992, point 1.3.16.

⁴ OJ C 19, 25.1.1993; Bull. EC 11-1992, point 1.3.17.

⁵ OJ L 376, 31.12.1991; Twenty-fifth General Report, point 195.

150. On 2 July the Commission adopted a proposal for a Directive on the harmonization of the laws of the Member States relating to turnover taxes,* which is designed to abolish certain derogations provided for in Article 28(3) of Directive 77/388/EEC¹ and in the second subparagraph of Article 1(1) of Directive 89/465/EEC² and is accompanied by a report on the abovementioned transitional arrangements. The aim of this proposal for amending the sixth VAT Directive is to revise and generally to limit the derogations from the common VAT system granted to Member States in respect of the basis of assessment in order to move closer to a uniform basis of assessment.

151. With a view to abolishing the border controls associated with the payment of VAT on passenger transport services, the Commission adopted on 30 September a proposal* amending Directive 77/388/EEC¹ by laying down the principle that the transport of passengers by road or inland waterway should be taxed in the country of departure. It also adopted on 27 October a proposal for a Directive providing for specific arrangements for VAT on gold, and in particular for the exemption of transactions involving investment gold, the aim being to prevent disruptions on the market.*

152. On 14 December the Council adopted Directive 92/111/EEC simplifying the transitional VAT arrangements laid down in Directive 91/680/EEC and paving the way for the changeover from the current system to the transitional arrangements. On the same date it also adopted conclusions on the control of VAT and duty-free sales to intra-Community travellers.³

Excise duties and other indirect taxes

153. Major progress was also made during the year in removing tax frontiers in the field of excise duties and other indirect taxes. On 25 February the Council adopted Directive 92/12/EEC on the general arrangements for products subject to excise duty and on the holding and movement of such products,* which lays down the rules for movement within the Community of products subject to excise duty (fuel, tobacco and spirits) and the arrangements for the collection of excise duties once border controls have been abolished. As regards trade, the new arrangements are based in particular on the movement of products via tax warehouses established throughout the Community. Under the Directive,

¹ OJ L 145, 13.6.1977; Eleventh General Report, point 219.

² OJ L 226, 3.8.1989; Twenty-third General Report, point 248.

³ Bull. EC 12-1992.

individuals will, from 1 January 1993, be able to purchase in other Member States dutiable products for their personal use at the rates obtaining there. In contrast to the harmonized VAT system, these general arrangements for excise duties are definitive. On 14 December the Council adopted Directive 92/108/EEC designed to clarify Directive 92/12/EEC without altering its content or substance.

154. The Council also adopted on 19 October Directives 92/78/EEC* to 92/84/EEC* on the harmonization of excise-duty structures and on the approximation of excise-duty rates on cigarettes and other manufactured tobacco, on mineral oils and on spirits and other alcoholic beverages, together with Decision 92/510/EEC authorizing Member States to continue to apply to certain mineral oils, when used for specific purposes, existing reduced rates of excise duty or exemptions from excise duty. The adoption of these Directives, which are essential for the operation of the internal market, completes the general monitoring and movement arrangements adopted in February.¹

155. On 19 February the Commission adopted a proposal for a Directive on the excise-duty rates applicable to motor fuels from agricultural sources (biofuels)* with a view to bringing about a Community-wide reduction in the excise-duty rates applied to such products. The proposal is based on the principle that biofuels can help to improve the Community's security of energy supplies, that they are more environment-friendly than other fuels and that they will encourage the growing of non-food crops on land subject to compulsory set-aside in line with the reform of the CAP.

Monitoring the application of Community provisions in the field of indirect taxation

156. In preparation for the abolition of tax frontiers, the Commission stepped up its examination of Member States' legislation governing indirect taxes, and in particular VAT, so as to ensure that the harmonized VAT system, which will continue in force after 1992, is correctly and uniformly applied throughout the Community. While many matters were settled thanks to increased cooperation between the Commission and Member States, the Court of Justice had to give a ruling in a number of cases. For example, it ruled against a Danish

¹ Point 153 of this Report.

employers' tax which was held to be a turnover tax that was incompatible with the harmonized VAT system.¹

157. As regards the application of Article 95 of the EEC Treaty, the following in particular should be noted: Portugal's abolition of its discriminatory tax on new vehicles; the Court of Justice's ruling against the Greek consumption tax on cars; Greece's abolition of its VAT provisions that discriminated between silver cutlery and silver-plated cutlery and of the tax discrimination between the various types of coffee; the Court's ruling against Italy for failing to observe the deadlines for refunding VAT to foreign taxable persons (eighth VAT Directive); Italy's compliance with the Court judgments concerning the flat-rate refund of VAT in agriculture.

Trans-European networks

158. As part of the action programme² it presented to the Council in December 1990, the Commission continued its efforts to develop Community-wide transport, energy and telecommunications networks. These networks will give individuals and firms in the Community access to efficient infrastructures and will help, by strengthening economic cohesion, to improve communications between the outlying regions and the rest of the Community.

The Commission therefore drew up a series of guidelines and presented to the Council on 24 February proposals for Regulations introducing a declaration of European interest* with a view to mobilizing private funding. The Council welcomed these proposals in its conclusions of 31 March,³ while Parliament, in a resolution of 7 April,⁴ called for detailed programmes of implementation to be put in place as soon as possible. The Commission also proposed that master plans be implemented in the transport field⁵ and formulated proposals for infrastructure projects in connection with the distribution of gas and electricity.⁶

¹ Judgment of 31 March 1992 in Case 200/90 *Denkavit v Finance Ministry*.

² Twenty-fourth General Report, point 60.

³ Bull. EC 3-1992, point 1.2.38.

⁴ OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.3.26.

⁵ Point 649 of this Report.

⁶ Point 695 of this Report.

A PEOPLE'S EUROPE

External frontier controls

159. On 4 February the Economic and Social Committee and the EFTA Consultative Committee adopted a joint declaration on immigration policy.¹ Parliament adopted a resolution² on this subject on 18 November, together with a resolution on the right of asylum.

160. Ministers responsible for immigration continued their discussions on the questions of immigration and asylum.³ The European Council meeting in Edinburgh decided that ratification of the Dublin Convention should be completed speedily, that the convention on the crossing of the external frontiers should be concluded, and that negotiations on the European Information System should be brought to a successful conclusion.

Removal of intra-Community physical frontiers

Protection of cultural objects

161. In view of the implications of the abolition of frontier controls for the arrangements devised at national level for protecting national treasures, the Council adopted on 9 December a common position on a proposal for a Directive on the return of cultural objects unlawfully removed from the territory of a Member State* and Regulation (EEC) No 3911/92 on the harmonization of controls on the export of cultural goods.*

Drugs — Horizontal aspects

162. Discussions on the establishment of the European Drugs Monitoring Centre continued. Only the seat of this body remains to be determined. In view of the agreement reached at the Edinburgh European Council on the seat of the institutions, this decision should be made shortly.

¹ Bull. EC 1/2-1992, point 1.3.16.

² OJ C 337, 21.12.1992; Bull. EC 11-1992, points 1.3.25 and 1.3.26.

³ Point 1067 of this Report.

163. At the request of the Lisbon European Council,¹ the European Committee to Combat Drugs (ECCD) revised the European programme for the fight against drugs² in the light of the provisions of the Treaty on European Union. The ECCD's role and the revision of its programme were approved by the Edinburgh European Council.³

Free movement of persons

164. In a communication of 8 May on the abolition of border controls,⁴ in respect of which the Council adopted conclusions⁵ on 14 May and which was supplemented by a further communication⁶ on 17 June, the Commission argued that the Single European Act, by defining the internal market as 'an area without internal frontiers', was intended to give a new dimension to the various freedoms of movement provided for in the EEC Treaty. It takes the view that this 'area without internal frontiers' cannot be realized in practice unless all goods, services, capital and individuals moving within that area are covered. In the particular case of individuals, it considers that any interpretation of Article 8a that confined its effects to Community nationals only would deprive that Article of any practical effect. The measures to achieve this objective are clearly set out in a timetable which runs until 31 December 1992 and adherence to which is underpinned, as far as the Community measures are concerned, by specific provisions (Articles 8b and 100b), the others having been considered on an intergovernmental basis; accordingly, Article 8a imposes on the Community, and therefore also on the Member States, an obligation to produce results that can be met only if all controls at internal frontiers are abolished. Parliament endorsed the Commission's view in a resolution adopted on 19 November.⁷

165. In that communication the Commission drew attention, *inter alia*, to the specific problems posed by controls at airports and announced the setting-up of an interdepartmental working party to examine those problems.

¹ Bull. EC 6-1992, point I.11.

² Twenty-third General Report, point 254; Twenty-fourth General Report, point 166.

³ Bull. EC 12-1992.

⁴ Bull. EC 5-1992, point 1.1.7.

⁵ Bull. EC 5-1992, point 1.1.8.

⁶ Bull. EC 6-1992, point 1.3.15.

⁷ OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.3.24.

Right of entry and of residence

166. As a result of the proceedings brought by Parliament, the Directive on the right of residence for students¹ was set aside by the Court of Justice on 7 July,² although the effects of the Directive have been maintained by the Court pending its replacement by a Directive adopted on the appropriate legal basis.

Right of establishment

Recognition of diplomas

167. On 18 June the Council adopted Directive 92/51/EEC on a second general system for the recognition of professional education and training,* which, like Directive 89/48/EEC establishing the first general system,³ aims to facilitate pursuit of the regulated professions. The new Directive incorporates the earlier Directive's general features, extending the system of recognition to professional education and training of less than three years' duration acquired at an establishment of higher education or at a similar establishment.

Access to activities carried out in a self-employed capacity

168. The national laws which make the pursuit of certain professions conditional on the completion of special training evidenced by a formal qualification regulate the pursuit of such activities not only where they are carried out on an individual basis but also where they are carried out in the form of associations or companies. As the obstacles to the individual pursuit of such activities have largely been eliminated through the adoption of the second general system of recognition of professional education and training,⁴ the Commission has embarked on initial discussions with the professions concerned and with the competent authorities in the Member States with a view to removing the obstacles to the collective pursuit of such activities.

¹ OJ L 180, 13.7.1990; Twenty-fourth General Report, point 168.

² Point 1214 of this Report.

³ OJ L 19, 24.1.1989; Twenty-second General Report, point 289.

⁴ Point 167 of this Report.

Special rights

Right of asylum and status of refugees

169. The Commission continued to participate in the work being carried out in an intergovernmental framework on the right of asylum. It is also playing a full part in the work of the Centre for Information, Research and Exchange (Cirea), which was set up in June by the Ministers responsible for immigration.¹

Right of petition

170. In accordance with Parliament's rules of procedure and with the inter-institutional agreement signed in 1989,² the Commission sent 518 communications, including 169 supplementary communications, concerning petitions to Parliament, an increase of 59% over 1991.

Right to vote in local elections

171. Article 8b of the Treaty on European Union guarantees Community citizens the right to vote and to stand as a candidate at municipal elections in the Member State in which they reside. That guarantee, which represents a major step towards eliminating the democratic deficit in the Community, led the Commission to assess the need for a new amended proposal for a Directive on voting rights for Community nationals in local elections in their Member State of residence.³

Taxation

172. Following the adoption of Directives 91/680/EEC and 92/12/EEC,⁴ it is no longer necessary to apply tax-paid allowances in the Community.

Health

173. At its Lisbon meeting⁵ the European Council welcomed the political agreement reached on the creation of a European Drugs Monitoring Centre and endorsed the Council's 15 May declaration on the organization of a

¹ Bull. EC 6-1992, point 1.5.13.

² Twenty-third General Report, point 935.

³ OJ C 290, 18.11.1989; Twenty-third General Report, point 261.

⁴ Point 153 of this Report.

⁵ Bull. EC 6-1992, point 1.11.

European Drugs Prevention Week with a view to encouraging close, ongoing cooperation to increase awareness among the general public and young people in particular.¹ The Commission's second report on drug demand reduction in the Community sets out policy guidelines and a legal framework for drug demand reduction within the Member States.² The Council adopted its conclusions on the report on 13 November.³ On 12 and 13 May respectively, Parliament adopted resolutions on drug trafficking⁴ and education for health.⁵

174. On 13 November the Council and the Ministers for Health adopted a resolution on the monitoring and surveillance of communicable diseases and conclusions on health education.⁶

175. The Heads of State or Government also asked the European Committee to Combat Drugs (ECCD) to present a report to their Edinburgh meeting on the programme to combat drugs adopted by the Rome II European Council,⁷ together with any new proposals that might be necessary.

176. On 3 February, just before the Winter Olympic Games began, the Council and Representatives of the Governments of the Member States meeting within the Council adopted a code of conduct against doping in sport.⁸

177. An important step was taken in the fight against cancer on 15 May, when the Council adopted Directive 92/41/EEC*, amending Directive 89/622/EEC on the labelling of tobacco products,⁹ to ban the marketing of certain tobaccos for oral use.

178. On the same day the Council and the Ministers for Health meeting within the Council took note of progress in the area of toxicology for health protection.¹⁰ They called on the Commission to identify any action on toxicology which could be implemented in the context of future Community health policies. They also adopted conclusions on nutrition and health,¹¹ hereditary illnesses,¹² and adequate blood product availability in the Community.¹³

¹ OJ C 148, 12.6.1992; Bull. EC 5-1992, point 1.1.195.

² Bull. EC 5-1992, point 1.1.197.

³ OJ C 326, 11.12.1992; Bull. EC 11-1992, point 1.3.240.

⁴ OJ C 150, 15.6.1992; Bull. EC 5-1992, point 1.1.199.

⁵ OJ C 150, 15.6.1992; Bull. EC 5-1992, point 1.1.198.

⁶ OJ C 326, 11.12.1992; Bull. EC 11-1992, points 1.3.237 and 1.3.238.

⁷ Twenty-fourth General Report, point 166.

⁸ OJ C 44, 9.2.1992; Bull. EC 1/2-1992, point 1.3.256.

⁹ OJ L 359, 8.12.1989; Twenty-third General Report, point 266.

¹⁰ Bull. EC 5-1992, point 1.1.191.

¹¹ Bull. EC 5-1992, point 1.1.192.

¹² Bull. EC 5-1992, point 1.1.193.

¹³ Bull. EC 5-1992, point 1.1.194.

Audiovisual policy

179. Action by the Community concentrated once again on the three axes defined in its 21 February 1990 communication on audiovisual policy:¹ the regulatory framework, the programme industry and new technologies.

180. As far as the regulatory framework is concerned, the Commission adopted a proposal on 5 February for a Directive* on harmonization of the rules on the protection of copyright and certain neighbouring rights² which has implications for the audiovisual industry.

181. In the context of support measures under the Media programme,³ new structures were inaugurated in different areas of audiovisual activity, namely: initiatives to improve the audiovisual capacity of certain countries and regions (Scale project), measures to protect and conserve the film heritage (the Lumière project) and encounters and seminars for film industry professionals (European Film Academy).

182. The strategy for the introduction of high-definition television (HDTV) rests on three pillars, the first being Directive 92/38/EEC* on standards for satellite broadcasting of television signals, which provides a legal framework for the development of advanced television services. To supplement this, the Commission adopted a proposal on 14 April for a Decision on an action programme for the introduction of advanced television services which includes measures to promote the development of HDTV, including financial support of the order of ECU 850 million over five years. On 15 June representatives of some 37 organizations of broadcasters, cable distribution companies, manufacturers of television equipment and producers approved a memorandum of understanding on the synchronized provision of advanced television services to consumers.⁴ Formal signature will follow as soon as the organizations concerned have completed their internal procedures.

Culture

183. The Commission turned its attention to devising a new approach to culture with a view to entry into force of the Treaty on European Union. To this end the Commission adopted a communication on 29 April on 'New

¹ Twenty-fourth General Report, point 178.

² Point 143 of this Report.

³ OJ C 127, 23.5.1990; Twenty-fourth General Report, point 179.

⁴ Bull. EC 6-1992, point 1.3.201.

prospects for Community cultural action'¹ which was favourably received by the Economic and Social Committee.² The communication proposes a fresh approach with a view to implementation of Article 128 of the Treaty on European Union, based on respect for cultural diversity and the subsidiarity principle. Particular emphasis is placed on cultural networks, consultation with experts in the field, studies and research on specific topics, improvement of channels of communication and the allowance made for cultural aspects in the Community's other policies and programmes. On 12 November³ the Council and the Ministers for Culture adopted 'Guidelines for Community cultural action', which incorporated the main elements of the approach proposed by the Commission.

184. On 23 December the Commission adopted a Green Paper seeking the opinions of all those concerned as to what action the Community might take in the field of media concentrations in order to prevent national laws designed to safeguard media pluralism from adversely affecting the operation of the single market or causing distortions of competition.⁴ On 16 September Parliament had, for its part, adopted a resolution on media concentration in which it pointed out that the Member States and the Community have a duty to ensure that the necessary conditions are created for exercising the right to information and freedom of expression.⁵

185. The Commission also consolidated and refined the efforts it has been deploying in other areas for some years now. It took over management of the European literature and translation prizes in cooperation with the organizers. The 1992 prizes were presented in Madrid, this year's European City of Culture, in November. The pilot scheme on literary translation entered its third year, and 59 projects were selected.⁶ These schemes were supplemented by two new initiatives on books: preparation of a guide for authors and translators, and preliminary work on an awareness-raising campaign to promote books and reading which is to be launched in Copenhagen in April 1993.

186. Training grants for courses in restoration and literary translation were awarded once again. New rules were published under the Kaleidoscope programme with a view to extending the training scheme to a wider range of

¹ COM(92) 149; Bull. EC 4-1992, point 1.3.186.

² OJ C 305, 23.11.1992; Bull. EC 10-1992, point 1.3.186.

³ Bull. EC 11-1992; point 1.3.245.

⁴ COM(92) 480; Bull. EC 12-1992.

⁵ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.164.

⁶ Twenty-fifth General Report, point 233.

specializations. On 11 March Parliament adopted a resolution¹ in which it called for the adoption of measures to encourage the training of young artists.²

187. In 1992 'Kaleidoscope' replaced 'Platform Europe' as the main Commission mechanism for supporting cultural events with a European dimension: 126 projects received subsidies totalling ECU 1.8 million. To qualify, events must be innovative, professional, and involve partners from at least three Member States. This year the programme was strengthened by two new types of action: the encouragement of artistic and cultural creation, and support for cultural networks.

188. In April the Commission, in association with the Council Presidency, organized a conference on patronage of the arts. Held in Lisbon, it attracted a large number of delegates representing a wide range of interests.

189. The Commission continued to provide support for sites of special historical importance and pilot projects for conservation of the architectural heritage. The 44 projects selected received subsidies totalling ECU 3 million. In a new departure a travelling exhibition was organized to publicize the successful projects. The Commission continued to work in partnership with the Mies van der Rohe Foundation. The Foundation's annual prize went this year to Foster Associates for the new terminal at Stansted Airport in the United Kingdom. The Commission took an interest in other aspects of the cultural heritage too, notably archives. In addition, the Commission, following the conclusions adopted by the Council and Ministers for Culture on 12 November,³ began work on a communication on the cultural heritage, both movable and fixed, and organized a seminar on museum access in Glasgow in November.

190. In 1992 the first European Cultural Month was organized in Cracow in parallel with the European Cities of Culture programme which this year focused on Madrid and was the subject of conclusions adopted by the Council and the Ministers for Culture on 12 November.⁴

Protection of personal data

191. On 31 March the Council adopted Decision 92/242/EEC on information security* which is part of a package of measures proposed by the Commission in July 1990 in its communication on the protection of personal data and

¹ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.2.222.

² Twenty-fifth General Report, point 237.

³ Bull. EC 11-1992, point 1.3.245.

⁴ Bull. EC 11-1992, point 1.3.250.

information security.¹ The aim of the package is to protect the privacy, rights and obligations of individuals without jeopardizing free movement of information within the single market. In this context the Commission adopted a proposal on 10 September for a Council Recommendation² on the adoption of common information technology security evaluation criteria for an initial period of two years.

Aid to victims of natural disasters

192. During the year the Commission approved seven awards of emergency aid totalling ECU 3.45 million for the families of disaster victims.

193. Parliament adopted a number of resolutions in which it called on the Commission to help victims of specific disasters or to take action to prevent such disasters recurring.³

¹ OJ C 277, 5.11.1990; Twenty-fourth General Report, point 186.

² COM(92) 298; Bull. EC 9-1992, point 1.2.150.

³ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.2.17; OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.3.183; OJ C 241, 21.9.1992; Bull. EC 7/8-1992, points 1.3.241 to 1.3.243; OJ C 284, 2.11.1992; Bull. EC 9-1992, points 1.2.57 to 1.2.60.

Section 4

Competition¹

Priority activities and objectives

194. *The Commission's activities in the competition sphere were guided by two priorities, one being the need to contribute to the completion of the single market and to economic and social cohesion, and the other being a tightening of links between competition policy and other Community policies, with special reference to research and technological development and environmental protection.*

Also, the hoped-for benefits of the removal of internal borders might well fail to materialize without closer monitoring both of restrictive practices on the part of firms, which may be tempted to shield themselves against increased competition, and of equally anti-competitive behaviour on the part of Member States, which may wish to grant firms subsidies or exclusive rights which affect the operation of the single market. The decisions the Commission took in 1992 seek to strike a balance between free competition on the one hand and on the other the need to promote certain types of cooperation and to provide certain forms of public financing in pursuit of other Community objectives. Economic and social cohesion, on which the success of the single market depends, requires strict limitation of State aid in the Community's most prosperous regions. This objective underlies the guidelines on State aid for small and medium-sized enterprises which the Commission adopted in May.

At the same time the Commission continued its efforts to ensure that the competition rules are applied effectively and with proper regard for the principles of transparency and subsidiarity. Cases under the Merger Control Regulation were handled with a rapidity and flexibility which was welcomed by all concerned. The Commission also adopted a notice on joint ventures of a cooperative nature and an extension of the block exemptions available for cases of this kind. The third survey on State aids in the Community, which the Commission adopted on 31 July, will make for transparency in this area,² as

¹ For further details see the *Twenty-second Report on Competition Policy* (1992), to be published by the Office for Official Publications of the European Communities in 1993 in conjunction with this General Report.

² Bull. EC 7/8-1992, point 1.3.59.

will the publication of codes governing the grant of particular kinds of aid, and the holding of multilateral meetings with experts from the Member States. Transparency was likewise the guiding consideration in the Twenty-first Report on Competition Policy — adopted by the Commission on 30 April¹ and endorsed by the Economic and Social Committee on 27 November² and by Parliament on 18 December³ — and in the publication programme which the Commission undertook, involving compilations of substantive and procedural rules and information brochures for the general public.

The principle of subsidiarity finds practical expression in competition policy, where the Commission proceeds against mergers only if they have a Community dimension and against restrictive practices only if they affect trade between Member States; in these cases its position, its experience and its powers of inquiry mean that it is best placed to assess the factors involved. But the Commission also encourages the application of the competition rules by the Member States' own authorities and domestic courts. An important innovation was the introduction of a de minimis rule for State aid, under which aid of less than ECU 50 000 over three years is judged not to affect trade between Member States, so that it need no longer be notified to the Commission.

The international dimension is assuming increasing importance in competition policy because of the globalization of markets and the knock-on effects of anti-competitive behaviour in other countries. This is reflected not only in individual Commission decisions, but also in international agreements concluded by the Community, such as the Agreement setting up the European Economic Area and the Europe Agreements concluded with certain Central European countries.

General rules applying to businesses

195. In May the Commission published a report on intra-Community car-price differentials,⁴ and approved a plan of action aimed at bringing prices into line.

196. Following its own review of the beer market in 1990 and the judgment of the Court of Justice in *Delimitis v Henninger Bräu*,⁵ the Commission adopted

¹ Bull. EC 4-1992, point 1.3.27.

² OJ C 19, 25.1.1993; Bull. EC 11-1992, point 1.3.46.

³ OJ C 21, 25.1.1993; Bull. EC 12-1992.

⁴ Bull. EC 5-1992, point 1.1.34.

⁵ Case C-234/89; OJ C 86, 3.4.1991.

a notice setting out criteria for determining whether a beer-tie agreement is of minor importance and hence outside the scope of Article 85(1) of the EEC Treaty;¹ the notice amends the existing notice on the subject.²

197. On 23 July the Council adopted Regulation (EEC) No 2410/92* broadening the scope of Regulation (EEC) No 3975/87³ to include domestic flights, and Regulation (EEC) No 2411/92,* which extends Regulation (EEC) No 3976/87³ on the application of Article 85(3) of the Treaty to certain categories of agreements and concerted practices in the air transport sector. Pending the approval of new block exemptions for air transport, the Commission extended the existing ones.⁴ The Council adopted Regulation (EEC) No 479/92, which authorizes the Commission to grant a block exemption for consortia agreements between liner shipping companies.⁵

198. On 21 December, exercising the powers conferred on it by Council Regulation (EEC) No 1534/91,⁶ the Commission granted a block exemption for certain agreements in the insurance sector,⁷ a step which was welcomed by Parliament.⁸

199. The Commission took a series of important measures to facilitate cooperation between businesses. It adopted a Regulation⁹ which broadens the scope of the block exemptions for specialization agreements, research and development agreements, patent licensing agreements and know-how licensing agreements, which were originally introduced by Commission Regulations (EEC) Nos 2349/84,¹⁰ 417/85,¹¹ 418/85¹¹ and 556/89;¹² the change is intended to allow firms the benefit of the block exemption where the cooperation between them extends beyond research and development or production proper. A Commission notice of 23 December outlined the approach the Commission will be taking to the assessment under Article 85(1) and (3) of joint ventures of a cooperative character.⁹

¹ OJ C 121, 13.5.1992.

² OJ C 101, 13.4.1984.

³ OJ L 374, 31.12.1987; Twenty-first General Report, point 369.

⁴ OJ L 367, 16.12.1992; Bull. EC 12-1992.

⁵ OJ L 55, 29.2.1992; Bull. EC 1/2-1992, point 1.3.60.

⁶ OJ L 143, 7.6.1991; Twenty-fifth General Report, point 242.

⁷ OJ L 398, 31.12.1992; Bull. EC 12-1992.

⁸ OJ C 21, 25.1.1993; Bull. EC 12-1992.

⁹ OJ L 21, 29.1.1993; Bull. EC 12-1992.

¹⁰ OJ L 219, 16.8.1984; OJ L 280, 22.10.1985.

¹¹ OJ L 53, 22.2.1985.

¹² OJ L 61, 4.3.1989.

200. On 23 December the Commission approved a notice on cooperation with domestic courts, in which it encouraged courts in the Member States to make greater use of their jurisdiction to apply Articles 85 and 86 of the EEC Treaty.¹

Application of the competition rules to businesses: specific cases

201. New cases under Articles 85 and 86 of the EEC Treaty totalled 399, comprising 246 applications or notifications, 110 complaints and 43 cases where the Commission acted on its own initiative. Despite this the figure of 2 287 cases pending at 31 December 1991 was reduced to 1 562 by 31 December 1992.

202. Merger transactions continued in the ECSC industries, with the Commission examining about 100 cases, which mainly involved steel firms. The Commission adopted 10 decisions authorizing transactions under Article 66 of the ECSC Treaty; another 40 transactions were exempted as a result of the raising of the exemption thresholds which were laid down in High Authority Decision No 25-67. This enabled the Commission to shorten the time needed to process cases, something which firms had been asking for in their notifications.

Prohibited horizontal agreements

203. The decisions which the Commission took in the course of the year reflected its determination to intensify its surveillance of restrictive practices and other forms of anti-competitive behaviour as the single market approaches, and to set heavy fines when it does conclude that infringements have been committed. It imposed fines totalling ECU 22.5 million on Dutch building and construction industry organizations for coordinating the conduct of Dutch firms tendering for work in the Netherlands.² Committees of shipowners in France and West Africa were also fined for engaging in restrictive practices; this has had the effect of opening up a market hitherto completely closed to competition.³

204. It is long-standing Commission policy that an export ban infringes the principle of an integrated market, as does any other measure taken by a producer and his distributors in order to prevent parallel imports between

¹ COM(92) 593; Bull. EC 12-1992.

² OJ L 92, 7.4.1992; Bull. EC 1/2-1992, point 1.3.61.

³ OJ L 134, 18.5.1992; Bull. EC 4-1992, point 1.3.31.

Member States which might otherwise benefit consumers; the Commission confirmed this principle in *Newitt/Dunlop Slazenger*¹ and *Viho/Parker Pen*.²

205. Where rapid action was needed the Commission ordered interim measures to prevent irreparable damage from being inflicted by anti-competitive conduct (*Mars, Langnese and Schöller*).³

206. The Commission made it clear that the energy sector was indeed subject to the Community competition rules in a case involving an independent French electricity generator and the French and Italian electricity monopolies EDF and ENEL. The Commission welcomed the settlement ultimately reached by the parties, which it said was a step towards the opening-up of national energy markets.

207. In *Quantel/Continuum* the Commission reaffirmed that any no-competition clauses forming part of an agreement accompanying the sale of a business may not be concluded for an excessive duration; the eight- and nine-year terms stipulated in this case were excessive.⁴

Permissible forms of cooperation

208. As in previous years, the Commission authorized a number of cooperation agreements, either by formal decision under Article 85(3) of the EEC Treaty or by 'comfort letter' addressed to the parties concerned.

Dominant positions

209. In the *British Midland/Aer Lingus* case,⁵ the Commission showed that it is determined to proceed against any airline, or any other holder of a dominant position, which tries to stand in the way of the development or maintenance of competition. The openings created for new market entrants or smaller competitors by the liberalization of air transport⁶ must not be restricted by the actions of established carriers. The Commission acted with equal severity

¹ OJ L 131, 16.5.1992; Bull. EC 3-1992, point 1.2.39.

² OJ L 233, 15.8.1992; Bull. EC 7/8-1992, point 1.3.37.

³ Bull. EC 3-1992, point 1.2.41.

⁴ OJ L 235, 18.8.1992; Bull. EC 7/8-1992, point 1.3.38.

⁵ OJ L 96, 10.4.1992; Bull. EC 1/2-1992, point 1.3.64.

⁶ Point 674 of this Report.

in a case involving two ferry operators, one of which, being also the port authority, had tried to impose less favourable sailing times on its competitor (*Sealink/B&I*).¹

Mergers

210. The Commission received 59 notifications and adopted 61 decisions in 1992 under the Merger Control Regulation.² In five cases, the Commission decided, after an initial inquiry lasting a month, to open a detailed investigation because of 'serious doubts' as to the operations' compatibility with the common market. Sticking to the policy it pursued the previous year, however, the Commission granted authorization within the space of a month to the vast majority of operations which neither created nor strengthened a dominant position in the common market or a substantial part of it. In nine cases the Regulation was found not to be applicable.

211. In the *Nestlé/Perrier* case,³ the Commission applied the Merger Control Regulation for the first time to an oligopolistic dominant position. Following a change of plan by Nestlé while the investigation was under way, the Commission withdrew its objections and took a decision authorizing the proposed merger, subject to certain conditions. It adopted a similar approach in the *Accor/Wagon-Lits* case,⁴ where it also had serious doubts.

212. In the course of the year, the Commission received three requests from Member States for cases to be referred to their domestic competition authorities for scrutiny under national, rather than Community, law. The Commission complied in the *Steetley/Tarmac* case,⁵ where it acknowledged that the matter was better dealt with under national law, but in two other cases (*Mannesmann/Hoesch*⁶ and *Siemens/Philips*)⁷ it decided to take up the case itself and proceeded to conduct its own detailed inquiry.

¹ Bull. EC 6-1992, point 1.3.30.

² Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings: OJ L 395, 30.12.1989 (corrected version: OJ L 257, 21.9.1990); Twenty-third General Report, point 376.

³ OJ L 356, 5.12.1992; Bull. EC 7/8-1992, point 1.3.47.

⁴ OJ L 204, 21.7.1992; Bull. EC 4-1992, point 1.3.34.

⁵ OJ C 50, 25.2.1992; Bull. EC 1/2-1992, point 1.3.74.

⁶ Bull. EC 7/8-1992, point 1.3.45.

⁷ Bull. EC 12-1992.

Application of the competition rules to government intervention

State aid

General schemes

213. On 20 May the Commission adopted a communication on guidelines on aid for small and medium-sized enterprises (SMEs),¹ the main purpose of which is to provide a reference framework and increase transparency by defining 'SME' and laying down clear limits to the intensity of aid. On 2 July the Commission adopted a further communication on the accelerated clearance of aid schemes for SMEs and of amendments to existing schemes.²

214. In keeping with the decision it took in September 1991,³ the Commission monitored the activities of the Treuhandanstalt in the new German *Länder*. It carried out a detailed examination of several cases involving the continued financing of companies administered by the Treuhandanstalt, and of a number of privatizations. In order to increase transparency and strengthen its monitoring of potential aid, it made a number of changes to the vetting procedure.

215. The Community framework for State aids for research and development⁴ has been in force for the past six years. During that period, more than 90 national R&D aid schemes have been scrutinized to see whether they comply with the rules.

Industry schemes

216. The Commission continued to seek a reduction in aid granted to specific sectors or enterprises, in particular those in financial difficulties.

It applied on numerous occasions the framework on State aid to the motor vehicle industry, which it renewed last year,⁵ with a view to preventing the formation of overcapacity. It reviewed the framework in the light of market conditions.

¹ OJ C 213, 19.8.1992; Bull. EC 5-1992, point 1.1.33.

² Bull. EC 7/8-1992, point 1.3.57.

³ Twenty-fifth General Report, point 252.

⁴ OJ C 83, 11.4.1986; Twentieth General Report, point 444.

⁵ OJ C 81, 26.3.1991; Twenty-fifth General Report, point 253.

217. The Commission extended once more until the end of 1992¹ the code limiting aid to the synthetic fibres industry.² A new code reflecting the current situation in the industry and clarifying the existing provisions, which date back to 1977, was adopted in December.³ On 23 December the Commission approved a six-month extension of the Community framework for State aids in environmental matters, pending a general review of the system.⁴

218. On 20 July the Council adopted Directive 92/68/EEC* amending the seventh Directive on aid to shipbuilding⁵ so as to include special transitional arrangements for shipyards in the former German Democratic Republic, applicable while they are undergoing restructuring. On 23 December the Commission set the aid ceiling for 1993 at 9%.⁴ The Commission proposed a new code for aid to the coal industry on 25 November.⁶

Regional schemes

219. The Commission continued its work of assessing Member States' regional aid schemes with a view to strengthening cohesion. It proceeded with its scrutiny of existing schemes and took steps to improve the interface between implementation of the structural Funds and its monitoring of national aid measures. It continued its study of the effect on trade between Member States of aid towards capital-intensive investments and entered into consultations with the Member States with a view to drawing up proposals aimed at limiting the anti-competitive level of aid awarded to this type of project under regional aid schemes.

State monopolies

220. With an eye to the completion of the single energy market the Commission continued infringement proceedings against the electricity and gas import and export monopolies which exist in several Member States.⁷

¹ OJ C 179, 16.7.1992; Bull. EC 7/8-1992, point 1.3.58.

² OJ C 186, 18.7.1991; Twenty-fifth General Report, point 253.

³ OJ C 346, 30.12.1992; Bull. EC 12-1992.

⁴ Bull. EC 12-1992.

⁵ OJ L 380, 31.12.1990; Twenty-fourth General Report, point 205.

⁶ Bull. EC 11-1992, point 1.3.106.

⁷ Twenty-fifth General Report, point 257.

Public enterprises and enterprises with special or exclusive rights

221. The Commission began studying the information it had received under the reporting system established last year,¹ in order to identify any aid component in transfers of resources from public authorities to public enterprises. France brought a court action against the system, arguing that the Commission had exceeded the powers conferred on it by the relevant directives.²

222. In keeping with its policy of opening up markets in specific sectors so as to promote integration and add to the Community's economic potential, the Commission adopted a Green Paper on the single market in postal services,³ which contains a number of proposals aimed at introducing competition and providing for the necessary harmonization measures.

223. As required by Commission Directive 90/388/EEC on competition in the markets for telecommunications services,⁴ four Member States notified to the Commission draft rules for public services setting out the conditions under which private service providers will be authorized to supply basic data-switching services as from 1 January 1993. Six other Member States are planning to open up this service to competition without any specific restrictions. In its report on telecommunications services⁵ the Commission considered four options for remedying the problems identified and concluded that the best solution was to open intra-Community voice telephony to competition.

International aspects

224. The Agreement on the European Economic Area⁶ provides that conditions of competition are to be equal throughout the EEA, and that EFTA is to adopt the existing body (*acquis communautaire*) of competition rules applying to businesses and to State aid and public monopolies. Implementation of these rules is to be monitored by the Commission and the EFTA Surveillance Authority, an independent body with similar powers. The Interim Agreements

¹ OJ C 273, 18.10.1991; Twenty-fifth General Report, point 258.

² OJ L 195, 20.7.1980; Fourteenth General Report, point 195; OJ L 229, 28.8.1985; Nineteenth General Report, point 404.

³ Point 351 of this Report.

⁴ OJ L 192, 24.7.1990; Twenty-fourth General Report, point 209.

⁵ Point 343 of this Report.

⁶ Point 789 of this Report.

with Czechoslovakia, Hungary and Poland, which entered into force on 1 March and which are intended to remain in force until the Europe Agreements have been ratified, also contain detailed provisions on competition, though implementing machinery has still to be agreed.

225. In November the Commission reached a compromise with the Austrian Government regarding aid which that Government proposed to grant towards the construction of a plant for the manufacture of multi-purpose vehicles.

226. The first year of operation of the agreement between the United States Government and the Commission produced very positive results, and the mutual confidence between the two sides' antitrust departments was strengthened in numerous meetings and informal contacts and intense cooperation on specific cases.

227. There was also frequent contact with the Japanese Fair Trade Commission which showed that that body is interested in pursuing a constructive dialogue with the European Commission; there is consequently reason to hope that solutions can be found to the problems of a lack of competition and of market mechanisms in many sectors of the Japanese economy.

228. The Commission also played an active part in the competition-related work undertaken in such international forums as the OECD, Unctad and GATT.

Section 5

Enterprise policy and services

Priority activities and objectives

229. *As part of the drive to complete the internal market, the Community institutions continued their efforts to improve the business environment and to promote the development of enterprises, particularly small and medium-sized enterprises (SMEs). In a resolution¹ of 17 June aimed at reinforcing Community action in this field, the Council emphasized the importance of regular consultation of the enterprise sector in the legislative process. It also confirmed its undertaking to support the consolidation of the action taken to help enterprises and recommended that the Commission press ahead with the measures necessary to create an environment favourable to the competitiveness of firms and to assist their integration into the single market after 1992. For its part, the Commission approved on 23 December a multiannual programme of measures entitled 'The enterprise dimension — essential to Community growth'² and intended as a means of mobilizing businessmen and thereby reviving economic growth. Accompanied as it is by two proposals for Decisions,* one aimed at intensifying priority enterprise policy measures in the Community in the period 1993-96, and the other at ensuring the continuity of that policy in the period 1994-97, the programme includes measures intended to improve access to Community information, to increase the opportunities for cooperation between enterprises, particularly SMEs, to improve the administrative and legal environment of business and to promote Community instruments. Measures geared more particularly to aiding small and craft businesses, commerce and distribution and cooperatives, mutual societies, associations and foundations, and to improving the financial environment, will be continued.*

Promotion of enterprises and the business environment

230. On 11 November the Commission adopted a communication on evaluation of the Community's enterprise policy.³ It once again endeavoured to reinforce and refine the system for assessing the impact of Community legis-

¹ OJ C 178, 15.7.1992; Bull. EC 6-1992, point 1.3.57.

² COM(92) 470; Bull. EC 12-1992.

³ SEC(92) 1999; Bull. EC 11-1992, point 1.3.82.

lation on businesses¹ with a view to making its activities more transparent and to demonstrating that account was being taken of the concerns of enterprises, particularly SMEs.

231. In accordance with Decision 89/490/EEC on the business environment² and with Recommendation 90/246/EEC on administrative simplification,³ the Commission adopted on 27 October the second report on administrative simplification in the Community,⁴ which was the subject of a Council resolution dated 3 December.⁵ In accordance with Council Decision 89/490/EEC, the Commission adopted on 26 May a report on the coordination of activities in favour of SMEs.⁶

232. In a report adopted on 29 April,⁷ the Commission attempted to clarify the definitions of SMEs used in the context of Community activities. In its resolution of 17 June on Community action to support enterprises,⁸ the Council confirmed its wish to see this question discussed more fully.

233. In view of the long-standing concern among businesses about the lengthening of payment periods in connection with commercial transactions,⁹ the Commission launched a discussion on the Community impact of such practices and, in November, a working document designed to initiate a wide-ranging debate on this issue was circulated among those concerned.¹⁰

234. In an own-initiative opinion delivered on 22 October,¹¹ the Economic and Social Committee proposed to the Commission guidelines for future Community policy for assisting SMEs and for strengthening the role of small firms and the craft sector.

¹ Twenty-third General Report, point 292.

² OJ L 239, 16.8.1989; Twenty-third General Report, point 290.

³ OJ L 141, 2.6.1990; Twenty-fourth General Report, point 233.

⁴ SEC(92) 1867; Bull. EC 10-1992, point 1.3.62.

⁵ OJ C 331, 16.12.1992; Bull. EC 12-1992.

⁶ SEC(92) 704.

⁷ Bull. EC 4-1992, point 1.3.58.

⁸ Point 229 of this Report.

⁹ Twenty-fifth General Report, point 288.

¹⁰ SEC(92) 2214.

¹¹ OJ C 332, 16.12.1992; Bull. EC 10-1992, point 1.3.63.

Supply of business services — Improving the adaptability of firms to the internal market

Improving the flow of information

235. Work continued on improving the quality of the services offered to firms by the network of 210 Euro-Info-Centres (EICs). The first steps were taken to extend the network gradually to the EFTA and Central European countries through the setting-up of seven new 'correspondence centres'. The activities of the EICs were highlighted during the European Week for Business¹ (23 to 27 March), during which more than 2 000 events attended by over 70 000 representatives of firms from all parts of the Community took place.

Fostering cooperation

236. The confidential Business Cooperation Network (BC-Net) now has 600 members and covers all the regions of the Community and some third countries. The Business Cooperation Centre (BCC), which aims to be an effective vehicle for promoting business contacts of a non-confidential nature, currently covers 47 countries in most continents.

237. Since 1991² the 'Europartenariat' operation has been organized on a twice-yearly basis. On 22 and 23 June more than 1 400 heads of small and medium-sized firms from 23 countries met in Thessaloniki, establishing between 7 000 and 9 000 contacts. On the second occasion, in Bari, Italy, on 3 and 4 December, the event was more specifically aimed at firms in Mediterranean countries. Some 600 enterprises from 29 countries took part. Around 50 projects have so far been adopted under the Interprise programme,³ with a large number involving third-country enterprises.

238. With regard to subcontracting, an overall strategy is currently being formulated on the basis of the communication adopted by the Commission on 19 January.⁴ A pan-European subcontracting forum was also held in Madrid on 14 and 15 December with a view to promoting the creation of a European market in subcontracting.

¹ Bull. EC 3-1992, point 1.2.55.

² Twenty-fifth General Report, point 293.

³ Twenty-fifth General Report, point 294.

⁴ Bull. EC 1/2-1992, point 1.3.95.

Preparing small businesses for the single market

239. The Commission continued to extend the programmes of experimental training schemes¹ designed to help SMEs prepare for the single market. The total number of SMEs participating in these programmes increased considerably, and 101 training measures will provide training for the managers of 3 500 SMEs.

240. Following the launching of the 'R&TD Euromanagement' pilot scheme in 1991,² 47 technology consultants carried out audits in 657 European industrial SMEs in order to assess their technological, strategic and management resources in anticipation of transnational technological cooperation. Around the middle of the year, a new 'Euromanagement' pilot scheme was launched to identify the problems facing SMEs and to help them adapt to the new legislation introduced concerning standardization, certification, quality control and safety in preparation for the single market.

241. The Commission adopted on 1 June a communication on SME participation in public procurement in the Community³ in which it recommended that a series of additional measures be taken, particularly in the field of transfrontier public procurement. In addition, acting within the framework of its action programme for small enterprises, including craft enterprises, the Commission launched a number of pilot schemes.

Seed capital

242. Following the Commission's decision⁴ to set up 24 seed capital funds under the pilot scheme launched in 1988,⁵ a new fund supported by the Community was established in the new German *Länder*.

Other measures to assist small businesses

243. The Commission set up on 10 October a European observatory for SMEs with the task of helping it devise guidelines for its enterprise policy, including via the preparation by a European network of research institutes of an independent annual report on the situation of, and prospects for, SMEs in the Community.

¹ Twenty-fifth General Report, point 296.

² Twenty-fifth General Report, point 297.

³ Bull. EC 6-1992, point 1.3.59.

⁴ Twenty-fifth General Report, point 299.

⁵ Twenty-second General Report, point 339.

244. In the context of its communication on the role of mutual guarantee schemes in the Community,¹ the Commission participated in the establishment of the European Mutual Guarantee Association on 10 November in Paris.

245. With a view to facilitating longer-term cooperation, the Commission launched a pilot scheme designed to help SMEs to work with the countries of Central Europe by informing them about market conditions in those countries.

Programme of work concerning cooperatives, mutual societies, associations and foundations

246. Alongside its proposals on the statutes of European cooperatives, mutual societies and associations, and on the role of workers, the Commission continued its preparations for a programme of work for promoting enterprises in the cooperative, mutual and non-profit sector. The Community measures proposed are designed to improve knowledge of this sector and to establish closer contacts with it, to create an environment favourable to the enterprises involved and to launch specific support measures.

The distributive trades

247. In the context of the Commission communication² on a single market in distribution, the Council adopted on 30 June conclusions on Community action to assist commercial and distributive enterprises³ in which it emphasized the importance of trade for the completion of the internal market and in reinforcing economic and social cohesion within the Community.

Tourism

248. On 13 July the Council adopted a decision concerning the implementation of a Community action plan to assist tourism.* This plan, which covers a period of three years, provides for Community measures at two levels: firstly, strengthening of the horizontal approach to tourism taken in Community

¹ Twenty-fifth General Report, point 300.

² Twenty-fifth General Report, point 303.

³ Bull. EC 6-1992, point 1.3.58.

policies and, secondly, support for specific measures designed to promote the various forms of tourism, such as cultural, rural and social tourism and tourism for the young. On 27 May the Commission adopted two communications supplementing the plan: the first relating to Community activities in the field of tourism and the second concerning Community policies and measures that have an impact on tourism.¹

¹ Bull. EC 5-1992, point 1.1.62.

Section 6

Industrial policy

Priority activities and objectives

249. *This year the Community focused its efforts on continuing to implement the communication on industrial policy in an open and competitive environment.*¹ The general approach to industrial policy proposed by the Commission in that communication, on which the Member States broadly agree, was developed this year on the basis of three principles, the first being that an effective industrial policy presupposes consistent recourse to all policies with a bearing on industrial activity. For this reason, the Commission attached particular importance to the interfaces between the various policies, and in particular the relationship between the protection of the environment and industrial competitiveness which was the subject of a communication of 4 November. The European Parliament² and the Council³ voiced their thoughts on the subject on 17 November and 3 December respectively. The second principle is that improving the operation of the markets in a context of world competition is the basic precondition for increased industrial competitiveness. To this end, the Commission took steps to facilitate the access of Community businesses to non-Community markets, stepped up its monitoring of unfair trading practices and endeavoured to facilitate the expansion of international industrial cooperation. The third and last principle is that positive adjustment should be the focal point of public involvement in industrial policy matters. This basic approach was followed in the various communications adopted by the Commission in 1992 concerning industries with adjustment problems, in particular the motor vehicle industry, the aircraft industry, the telecommunications equipment industry⁴ and the maritime industry.⁵ However, it emerged that the general instruments of industrial policy intended to make it possible to adopt an anticipatory approach to industrial issues were not sufficiently well developed at Community level. The Commission therefore advocated an integrated approach to changes in industry in the communication 'From the Single Act to Maastricht and beyond: the means to match our ambitions'.⁶

¹ Twenty-fourth General Report, point 212.

² OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.3.74.

³ OJ C 331, 16.12.1992; Bull. EC 12-1992.

⁴ Point 329 of this Report.

⁵ Point 257 of this Report.

⁶ Point 14 of this Report.

On the external front, on 17 June the Council adopted a resolution¹ in which it approved the Commission's communication on cooperation with Central Europe and the independent States of the former Soviet Union² and invited the Commission to develop industrial cooperation with other third countries as well. On 18 May the Council adopted a Decision confirming the consolidation of the EC-Japan Centre for Industrial Cooperation which is jointly financed by Japan, the Community and private sponsors.*

Individual sectors

Steel

250. After two consecutive years of reductions, crude steel production in the Community once again fell slightly this year (134.75 million tonnes compared with 137.3 million tonnes in 1991). Despite an encouraging first quarter, the recovery in prices did not last because the economic outlook deteriorated. At best, steel consumption in the Community stabilized, while the trade balance deteriorated following an increase in imports, in particular from the countries of Central Europe and certain EFTA countries, and a reduction in exports owing to the weakness of the US dollar and US trading practices.³ In the summer the Commission applied the safeguard clause provided for in the interim agreement between the Community and the Czech and Slovak Federal Republic to certain imports from that country.⁴

251. In this context, business results deteriorated and restructuring and job losses proceeded apace. When adopting the forward programmes for steel,⁵ the Commission called upon steel producers to display greater responsibility with regard to prices, this being essential in order to stop the market deteriorating, a subject about which the ECSC Consultative Committee expressed great concern,⁶ as did the European Parliament.⁷ The Commission also emphasized the structural nature of the situation and called upon the industry to take steps to reduce the overcapacity existing in most products.

¹ OJ C 178, 15.7.1992; Bull. EC 6-1992, point 1.3.50.

² Points 783 and 785 of this Report.

³ Point 994 of this Report.

⁴ Point 982 of this Report.

⁵ OJ C 16, 22.1.1992; Bull. EC 1/2-1992, point 1.3.98; OJ C 197, 4.8.1992; Bull. 7/8-1992, point 1.3.79; Bull. EC 12-1992.

⁶ OJ C 161, 27.6.1992; Bull. EC 6-1992, point 1.3.61.

⁷ OJ C 305, 23.11.1992; Bull. EC 10-1992, point 1.3.64.

252. In response to a memorandum from the European steel industry in which it gave an undertaking that it would embark upon a process of restructuring and rationalization, on 18 November the Commission adopted a communication¹ on incentives in this connection. On the same day it also adopted a communication² on the future of ECSC financial activities in which it examined the possibilities for phasing out ECSC budgetary expenditure.

253. For Spain, the Commission submitted to the Council a restructuring plan which it regarded as courageous and constructive. However, it considered that the intensity of the aid should be brought more in line with the extent of the proposed measures.

Transport

Motor vehicles

254. Following the conclusion of an informal arrangement with Japan, providing for the complete liberalization of the Community market,³ the Commission endeavoured to enable the European motor vehicle industry to come to terms with the gradual disappearance of commercial protection provided in certain Member States against Japanese competition. The measures in question concerned in particular technical harmonization, e.g. the completion of Community type-approval,⁴ the approximation of indirect taxation,⁵ the management of State aid, the coordination of research and development efforts and encouragement for training and redeployment measures.

255. In this context, the communication on the European motor vehicle industry: situation, issues at stake, and proposals for action⁶ adopted by the Commission on 29 April outlines how the general instruments available to the Commission and the Member States can be deployed for the purpose of the structural adjustment of the motor vehicle sector. In a resolution⁷ of 17 June the Council emphasized the importance of completing the internal market in this sector and of action to combat pollution.

¹ Bull. EC 11-1992, point 1.3.76.

² Point 1205 of this Report.

³ Twenty-fifth General Report, point 1060.

⁴ Point 113 of this Report.

⁵ Point 148 of this Report.

⁶ COM(92) 166; Bull. EC 4-1992, point 1.3.56.

⁷ Bull. EC 6-1992, point 1.3.52.

256. There is at present a cyclical slowing-down in the European private car market. The recovery in this market, beginning in 1984, slowed down considerably in 1990 despite a spectacular increase on the unified German market, with a 1.7% increase in the number of new registrations. In 1991, despite the impact of unification, there was a slight reduction. This was also the case in 1992 when the exceptional growth on certain markets, e.g. in Spain, was not enough to offset the losses in Germany. The poor market outlook is seriously handicapping the European industry and significantly restricting the possibilities of effecting the necessary restructuring of firms in this sector while reconciling industrial requirements and justified social expectations.

Shipbuilding

257. Following the Commission communication on new challenges for maritime industries,¹ the first plenary session of the Maritime Industries Forum was held on 28 January.² On the basis of the Forum's conclusions, on 18 November the Commission adopted a further communication³ in which it advocated replacing the hitherto defensive measures by positive general measures, in particular concerning the development of shipping, maritime research, and marine resources.

258. To take account of the structural development of the coastal areas of the territory of the former German Democratic Republic, the Council amended the Seventh Directive of 21 December 1991 on aid to shipbuilding.⁴ In December the Commission set the maximum level of operating aid for the shipbuilding industry for 1993.⁴

259. Owing to differences of opinion, the negotiations within the Organization for Economic Cooperation and Development (OECD) on a multilateral agreement on the removal of obstacles to the normal conditions of competition were suspended in April.⁵

¹ Twenty-fifth General Report, point 270.

² Bull. EC 1/2-1992, point 1.3.99.

³ COM(92) 490; Bull. EC 11-1992, point 1.3.81.

⁴ Point 218 of this Report.

⁵ Point 995 of this Report.

Textiles and clothing

260. Following the Commission's communication on improving the competitiveness of the Community's textile and clothing industry,¹ on 17 June the Council adopted a resolution² in which it emphasized the need for the rapid conclusion of the Uruguay Round and considered it essential that the opening-up of the Community market should be accompanied by a structural adjustment of the sector and by measures aimed at ensuring a favourable environment for firms, in particular as regards competition, research and vocational training, and at supporting the diversification of businesses and contributing towards the adjustment of the regions dependent on the textile and clothing industry.

Biotechnology

261. With a view to implementing its communication on the competitiveness of the biotechnology industries,³ the Commission invited the various interested parties to examine progress at a second round table³ in October during which matters such as the assessment of competitiveness, the establishment of a comprehensive and up-to-date regulatory framework, public perception of biotechnology and the follow-up to the Rio Conference were raised.

262. The Commission gave a mandate to CEN (European Committee for Standardization) for the development of standards in the field of biotechnology, and the Group of Advisers set up last year to examine the ethical implications of biotechnology⁴ met several times this year.

263. In order to implement its commitment that one assessment and notification procedure would cover all that is required for product authorization, the Commission adopted a proposal for a Regulation on novel foods and novel food ingredients.⁵

¹ Twenty-fifth General Report, point 275.

² OJ C 178, 15.7.1992; Bull. EC 6-1992, point 1.3.51.

³ Twenty-fifth General Report, point 276.

⁴ Twenty-fifth General Report, point 1135.

⁵ Point 109 of this Report.

Aerospace

Aircraft

264. Following on from its communication on a competitive European aircraft industry,¹ on 29 April the Commission adopted a new communication on the European aircraft industry: first assessment and possible Community actions,² which indicates the state of progress with deliberations on the situation in the sectors concerned, and sets out a consistent package of measures which the Community, the Member States and the European aircraft industry should implement, each in accordance with their respective roles, to improve the long-term competitiveness of the European industry. This communication was favourably received by the Council.³ The European Parliament adopted a resolution⁴ drawing attention to the employment situation in this industry.

Space

265. On 23 September, with an eye to better integration of space activities in the European socioeconomic fabric, the Commission adopted a communication on space⁵ in which it analysed the industrial issues at stake and the role which the Community can play, in particular alongside the European Space Agency.

Services

266. In view of the paradoxical trend in the share of services in intra-Community trade, which is falling as progress is made towards the single market, it became necessary to examine in greater detail the factors underlying this trend, a distinction being made between purely accounting aspects (statistical shortcomings) and the conditions specific to this sector which might explain the observed trends.

267. The Commission therefore continued its policy concerning contacts with the individual sectors in the service industry. Where the quality of services is concerned, these contacts made it possible to highlight the pilot experiments

¹ Twenty-fourth General Report, point 226.

² COM(92) 164; Bull. EC 4-1992, point 1.3.55.

³ OJ C 178, 15.7.1992; Bull. EC 6-1992, point 1.3.53.

⁴ OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.3.54.

⁵ Point 318 of this Report.

carried out in certain sectors (industrial cleaning, for example) on the basis of which long-term deliberations have begun with a view to defining the broader framework of voluntary control of quality applicable to all sectors and all Member States. A summary of the sectoral studies concerning services to businesses was drawn up and published in order to provide the necessary economic reference material for monitoring the internal market in services for businesses. The Commission began an examination of the implications of Article 59 of the EEC Treaty in the area of employment-related services, a sector in which the existence of State monopolies and exclusive rights in most Member States gives rise to restrictions to the free movement of services and numerous complaints. It also started work in the area of security occupations, in particular concerning the transport of funds and securities and guarding, areas where the free movement of services cannot be guaranteed without complying with the conditions laid down regarding establishment.

268. On 18 June the Council adopted Decision 92/326/EEC establishing a two-year programme (1992-93) for the development of statistics on services.¹

Other activities

269. On 11 November, acting pursuant to the Council resolution of July 1989 on the development of the Community mining industry,² the Commission adopted a communication³ taking stock of the work carried out in conjunction with the Member States and the industry and proposing guidelines for a Community approach to the internal and external aspects of this sector.

270. As the situation in the Community footwear industry continued to deteriorate, the Commission endeavoured, in the context of the general means available, to meet the increased research and development and training needs expressed. On 18 September Parliament adopted a resolution⁴ inviting the Community to support the leather industry's adjustment and specialization efforts.

¹ Point 63 of this Report.

² OJ C 207, 12.8.1989; Twenty-third General Report, point 286.

³ Bull. EC 11-1992, point 1.3.80.

⁴ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.55.

Specific development programme for Portuguese industry (Pedip)

271. The general guidelines for the implementation of Pedip in 1992¹ were adopted and all the operational programmes approved are now being implemented. Coordination between Pedip and the other Portuguese operational programmes was ensured within the Monitoring Committee for the Community support framework for Portugal. The Commission took part in the work to assess the impact of Pedip on the structure of Portuguese industry and changes in business behaviour, in preparation for the drafting by the end of 1993 of the report provided for by Regulation (EEC) No 2053/88 setting up Pedip. The Portuguese authorities submitted on schedule the fourth annual report on the implementation of the various operational programmes, from which it emerged that the programme is proceeding in accordance with the objectives set. Utilization of the financial resources under the additional budget heading proceeded according to plan. Commitment appropriations totalling ECU 127.7 million and payment appropriations totalling ECU 121.6 million entered in the 1992 budget were fully utilized. Consequently, all the commitment appropriations were exhausted and for the fifth consecutive year since Pedip was launched all the payment appropriations were fully utilized.

¹ OJ C 7, 11.1.1992; Bull. EC 1/2-1992, point 1.3.97.

Section 7

Research and technology

Priority activities and objectives

272. *The main features of 1992 in the research and technological development (R&TD) field were that a new strategy, involving a redirection of Community research activity, was developed and a start was made on implementing it.*

On 7 April the Commission sent the Council and the European Parliament a communication entitled 'Research after Maastricht: an assessment, a strategy'.¹ Aware that Europe's high-technology industry needs to become more competitive and that there are certain shortcomings in Europe's scientific and technical approach to industrial research, the Commission announced a redirection of the Community's research activities in pursuit of an objective reaffirmed in the Maastricht Treaty: to make European industry more competitive. It suggested that, alongside traditional R&TD activities, efforts should be concentrated on a number of generic technologies with a broad industrial impact on many sectors. These efforts would be channelled through technological priority projects focusing a whole range of different skills and disciplines on major industrial problems. At the same time, and in accordance with the financial perspective put forward for 1993-97 within the framework of the second package of structural and financial measures,² the Commission is proposing to increase R&TD funding significantly, gradually raising the annual research budget from ECU 2.4 billion in 1992 to ECU 4.2 billion in 1997.

In addition, having evaluated³ the second framework programme (1987-91),⁴ and at the invitation of the Council,⁵ the Commission, on 15 July, proposed additional funding for the third framework programme — on which the Council adopted a common position in December⁶ — along with guidelines for a fourth framework programme of research and technological development (1994-98).⁷ In line with the guidelines set out in the communication 'Research after

¹ Bull. EC 4-1992, point 1.3.60; Supplement 2/92 — Bull. EC.

² Point 15 of this Report.

³ Bull. EC 4-1992, point 1.3.61.

⁴ OJ L 302, 24.10.1987; Twenty-first General Report, point 307.

⁵ Bull. EC 4-1992, point 1.3.60.

⁶ Bull. EC 12-1992.

⁷ Bull. EC 10-1992, point 1.3.66.

Maastricht: an assessment, a strategy' and the provisions of the Treaty on European Union, this framework programme should cover all R&TD activities carried out in the Community and be implemented through four types of activity: the implementation of research, technological development and demonstration programmes by promoting cooperation with and between undertakings, research centres and universities, with the emphasis on the strategic role of generic technologies; the promotion of cooperation with third countries and international organizations; the dissemination and optimization of the results of R&TD activities, particularly for SMEs; and the stimulation of the training and mobility of researchers in the Community.

Defined in strict accordance with the principle of subsidiarity, the selected research subjects are presented in the form of core thematic areas and are categorized into two major fields: science and technology in the service of industrial innovation and science and technology for society and for Europe (health, the struggle against social exclusion, climatic change, etc.). The total amount of funding deemed necessary for this framework programme in the 1993-97 financial perspective was ECU 14.7 billion for the period 1994-98.

273. On 9 April Parliament adopted a resolution on the management, utilization and evaluation of Community research and technological development activities,¹ in which it encouraged the Commission to continue to rationalize the management of Community research activities. On 17 September it adopted a resolution on Europe's response to the challenge of modern technology, in which it set out the activities which R&TD policy should aim to encourage, and a resolution on improving its sources of scientific and technological information.²

Community R&TD policy

Framework programme 1990 to 1994

274. Work continued on the implementation of the third framework programme of research and technological development (1990-94).³ The Council adopted Decisions on the last three specific programmes under the framework programme, namely on 16 March, Decision 92/217/EEC on a specific research

¹ OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.3.62.

² OJ C 284, 2.11.1992; Bull. EC 9-1992, points 1.2.58 and 1.2.59.

³ OJ L 117, 8.5.1990; Twenty-fourth General Report, point 247.

and technological development programme in the field of human capital and mobility,¹ on 29 March, Decision 92/218/EEC on the programme in the field of biotechnology² and, on 29 April, Decision 92/247/EEC on the programme in the field of measurement and testing.³ Calls for proposals were published immediately and, after assessment, initial series of projects were launched. Meanwhile, all the projects selected following the calls for proposals published within the framework of the 12 programmes adopted in 1991 have now got properly under way and new calls have been published for certain programmes.

275. On 31 December,* in view of the time it is likely to take to adopt the fourth framework programme (1994-98) and in order to avoid any reduction in the funding available for Community research in 1993 and 1994 which might compromise the continuity of research efforts, the Council decided to provide an extra ECU 900 million for the third framework programme (1990-94), thereby raising the total from ECU 5 700 million to ECU 6 600 million.

Joint Research Centre

276. During the year the eight institutes of the JRC continued their work in the Centre's four areas of activity: specific research programmes under the framework programme; support for Commission departments; work under contract for outside bodies; and exploratory research. There was a considerable increase in the amount of work to provide scientific and technical support for the Commission and even greater attention was given to the customer/contractor principle. Both centrally and within its various institutes, the Centre stepped up its efforts to optimize and market its results.

277. In a resolution of 29 April on all the activities to be undertaken by the JRC in the years ahead,⁴ the Council reaffirmed the Community character of the JRC and its role in strengthening the scientific and technological basis of European industry. On the same day it adopted Decision 92/273/EEC* adopting specific research programmes to be implemented by the Joint Research Centre for the European Economic Community (1992-94) for ECU 341.55 million. It also adopted Decisions 92/274/EEC and 92/275/EEC* adopting specific research programmes to be implemented by the Joint Research Centre for the European

¹ Point 313 of this Report.

² Point 291 of this Report.

³ Point 281 of this Report.

⁴ OJ C 118, 9.5.1992; Bull. EC 4-1992, point 1.3.64.

Atomic Energy Community for ECU 203 million, and a supplementary programme on the operation of the high-flux reactor at Petten, which is classed as work for outside bodies and will cost ECU 75 million.

Information technologies and telecommunications

278. Information on research and technological development activities in the field of information technologies and telecommunications is to be found in Section 8 'Telecommunications, information industries and innovation' of Chapter III of this Report.

Industrial and materials technologies

279. The Commission continued to implement the research and technological development programme in the field of industrial and materials technologies (1990-94) (Brite/Euram II).¹ Of the 1 158 proposals received in response to the call for proposals,² 238 research projects were selected in areas 1 (materials and raw materials) and 2 (design and manufacturing) for a total of ECU 350 million. Two hundred proposals for feasibility awards were also received and 59 projects were selected for funding, while 77 projects were selected for funding under the Craft programme.³ On 17 October a second call for proposals was published for areas 1 and 2.⁴ In area 3 (aeronautics) 25 projects, totalling ECU 47 million, were selected following the call for proposals.⁵

280. The JRC's Institute for Advanced Materials continued its studies on the behaviour of new materials. The Advanced Coating Centre became operational and work concentrated in particular on the improvement and characterization of coatings resistant to wear and corrosion.

Measurement and testing

281. On 29 April the Council adopted Decision 92/247/EEC* on a specific research and technological development programme in the field of measurement and testing (1990-94). The programme has a budget of ECU 47.5 million and

¹ OJ L 269, 25.9.1991; Twenty-fifth General Report, point 313.

² OJ C 323, 24.12.1991.

³ Twenty-fifth General Report, point 313.

⁴ OJ C 268/S 203, 17.10.1992.

⁵ OJ C 323, 24.12.1991; Twenty-fifth General Report, point 313.

its aim is to achieve improved harmonization of measuring, analysis and testing methods in Europe and the development of new methods in this area. On 17 July two calls for proposals were published¹ covering the four areas of the programme.

282. The JRC's Central Bureau for Nuclear Measurements continued its work in the field of nuclear measurements and standards. The shift in emphasis from nuclear to non-nuclear fields and from fundamental research to applications continued.

Environment

283. The Commission continued to implement the programmes of research (1989-92)² on the environment (STEP) and on climatology and natural hazards (Epoch). A vast programme of experiments took place in the Arctic as part of the European Arctic Stratospheric Ozone Experiment (Easoe), the aim of which is to study the processes responsible for the destruction of the ozone layer in that region and to improve the forecasting of trends in this phenomenon over the coming years.

284. Within the framework of the research and technological development programme in the field of the environment (1990-94)³ and following the call for proposals,⁴ 92 additional projects were selected for funding, bringing the total number of projects currently under way to 141, which represents a total of ECU 79 million.

285. The JRC's Institute for the Environment started work on a new European project on the study of biogenic emissions in the Mediterranean area (BEMA) with a view to assessing the quantities and future behaviour of certain chemical substances emitted by vegetation and their role in the formation of ozone in the lower atmosphere. A new reference laboratory was set up to help harmonize, through inter-laboratory comparison programmes, methods of taking measurements for the implementation of the air quality directives.

286. The Institute for Remote Sensing Applications continued its work on land and sea applications of earth observation techniques, concentrating mainly

¹ OJ C 178, 17.7.1992.

² OJ L 359, 8.12.1989; Twenty-third General Report, point 319.

³ OJ L 192, 16.7.1991; Twenty-fifth General Report, point 319.

⁴ OJ C 184, 16.7.1991.

on the study of global change. Several advanced remote sensing techniques were assessed, such as imaging spectrometry. On 21 April the European microwave signature laboratory was inaugurated, the biggest of its type in the world. In addition, methodologies were developed for the monitoring of environmental conditions in Europe (neural networks, expert systems, etc.) as part of the work in support of Community policies.

Marine science and technology

287. The Commission completed the implementation of the programme of research in the field of marine science and technology (1989-92) (MAST).¹ A final research project was selected, bringing the total to 47, and seven study grants were awarded, bringing the total to 38.

288. As part of the research and technological development programme in the field of marine science and technology (1990-94) (MAST II),² and following the call for proposals,³ 11 additional research projects were selected, bringing the total number of projects currently under way to 33. In the 'supporting initiatives' area of the programme, work was begun on the management and exchange of oceanographic data and on cooperation in the field of digital modelling.

Life sciences and technologies

Biotechnology

289. The Commission continued to implement the programme of research and technological development in the field of biotechnology (1990-94) (Bridge).⁴ Following three calls for proposals,⁵ 69 'N' projects (involving 388 research bodies) and seven 'T' projects (involving 191 research bodies) are now being carried out under the programme.

¹ OJ L 200, 13.7.1989; Twenty-third General Report, point 345.

² OJ L 192, 16.7.1991; Twenty-fifth General Report, point 322.

³ OJ C 169, 28.6.1991; OJ C 284, 31.10.1991.

⁴ OJ L 360, 9.12.1989; Twenty-third General Report, point 331.

⁵ OJ C 169, 4.7.1989; OJ C 118, 12.5.1990; OJ C 201, 10.8.1990.

290. Coordination in the field of biotechnology continued with the development, in both printed and electronic form, of the European biotechnology information service set up in 1991,¹ the setting-up and running of a network of teachers and researchers designed to make the public more aware of the issues at stake in biotechnology and increase its knowledge in this area, and further work within the framework of the Biotechnology Coordination Committee.

291. On 26 March the Council adopted Decision 92/218/EEC* on the new programme of research and technological development in the field of biotechnology (1990-94), which has a budget of ECU 162 million and, in addition to general activities, covers three areas: molecular approaches; cellular and organism approaches; and ecology and population biology. Following an initial call for proposals,² 126 proposals involving 802 research bodies were selected for funding in 1992 (ECU 42 million) and 1993 (ECU 67 million).

Agricultural and agro-industrial research

292. The Commission continued to implement the programme of research and technological development in the field of agro-industry (1989-93) (Eclair).³ All 42 selected projects are now under way, while the studies launched in 1991 on bioplastics, proteins for animal feedingstuffs, biofibres and biofuels were completed.

293. The Commission also continued to implement the research and technological development programme in the field of food science and technology (1989-93) (Flair).⁴ Thirty-seven mobility grants were awarded and four studies were launched concerning food allergies, mycotoxins, the socioeconomic impact of Flair and functional foods. The food safety and vacuum-cooking studies were completed.

294. The Commission continued to implement the programme of research and technological development in the field of the competitiveness of agriculture and management of agricultural resources (1989-93).⁵ The initial results of the 79 research contracts concluded, which represent a financial contribution from

¹ Twenty-fifth General Report, point 324.

² OJ C 127, 19.5.1992.

³ OJ L 60, 3.3.1989; Twenty-third General Report, point 333.

⁴ OJ L 200, 13.7.1989; Twenty-third General Report, point 334.

⁵ OJ L 58, 7.3.1990; Twenty-fourth General Report, point 276.

the Community of over ECU 50 million, were very promising. Work relating to the training and mobility of researchers and the development of the Agrep and Euragris networks also continued.

295. The Commission implemented the launching phase of the research and technological development programme in the field of agriculture and agro-industry, including fisheries (1991-94).¹ Following the initial call for proposals,² 104 research proposals were selected, totalling ECU 130 million, and all the projects concerned got under way. A second call for proposals was launched in July.³

Biomedicine and health

296. The Commission continued to implement the programme of research in the field of human genome analysis (1990-92).⁴ Work began on the 18 studies selected following the call for proposals⁵ relating to the ethical, social and legal aspects of research in the field of human genome analysis. They include studies on genetic information and life assurance, the ethical aspects of experimental genetic therapy, and public information.

297. Within the framework of the research and technological development programme in the field of biomedicine and health (1990-94),⁶ and following the call for proposals⁷ for areas 1, 2 and 4 of the programme (development of coordinated research on prevention, care and health systems; major health problems and diseases with great socioeconomic impact; and research on biomedical ethics), 116 research proposals were selected for a total of ECU 40 million. On 10 December a call for proposals for area 3 of the programme (human genome analysis) and a second call for the three other areas were launched.⁸

298. On 3 February the Council adopted Decision 92/134/EEC concerning the conclusion of a Cooperation Agreement with Turkey in the field of medical and health research.⁹

¹ OJ L 265, 21.9.1991; Twenty-fifth General Report, point 329.

² OJ C 264, 10.10.1991.

³ OJ C 165, 2.7.1992.

⁴ OJ L 196, 26.7.1990; Twenty-fourth General Report, point 279.

⁵ OJ C 212, 14.8.1991.

⁶ OJ L 267, 24.9.1991; Twenty-fifth General Report, point 332.

⁷ OJ C 278, 25.10.1991.

⁸ OJ C 324, 10.12.1992.

⁹ OJ L 54, 28.2.1992; Bull. EC 1/2-1992, point 1.3.104.

299. On 10 July Parliament adopted a resolution on brain research.¹

Life sciences and technologies for developing countries

300. The Commission continued to implement the research and technological development programme in the field of life sciences and technologies for developing countries (1990-94).² In the second phase of the call for proposals,³ 95 projects were selected, bringing the total number of projects resulting from the initial call to 154 totalling ECU 58 million.

301. On 7 April, with a view to helping to develop a medium and long-term Community strategy in this area, the Commission adopted a communication on scientific and technological cooperation with developing countries and its synergistic relations with the development Funds.⁴

Energy

Non-nuclear energy

302. The Commission continued to implement the programme of research and technological development in the field of non-nuclear energies (1989-92) (Joule).⁵ The programme produced its first results this year.

303. Within the framework of the research and technological development programme in the field of non-nuclear energy (1990-94),⁶ 232 research proposals were selected for a total of ECU 130 million following the call for proposals launched in 1991.⁷

Nuclear fission safety

304. The Commission continued to implement the research and technological development programme in the field of the management and storage of radioactive waste (1990-94).⁸ An additional 30 projects were launched, bringing the

¹ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.3.84.

² OJ L 196, 19.7.1991; Twenty-fifth General Report, point 334.

³ OJ C 186, 18.7.1991.

⁴ Bull. EC 4-1992, point 1.3.63.

⁵ OJ L 98, 11.4.1989; Twenty-third General Report, point 343.

⁶ OJ L 257, 14.9.1991; Twenty-fifth General Report, point 336.

⁷ OJ C 238, 13.9.1991.

⁸ OJ L 395, 30.12.1989; Twenty-third General Report, point 340.

number of projects currently under way to 120 for a total of ECU 67 million. More than a third of the funding has been allocated to experimental work in underground laboratories, with an equivalent amount going to theoretical research to provide the remaining data needed in order to study the safety of underground storage.

305. As regards the research and training programme on remote handling in hazardous or disordered nuclear environments (1989-93) (Teleman),¹ five proposals were selected for a total of ECU 7.1 million following the second call for proposals for the design of demonstration machines² using the subsystems developed in the first phase of the programme.

306. Work also continued on the implementation of the programme of research (1989-93)³ on the decommissioning of nuclear installations. The programme review confirmed the objectives and methods already established, including the completion of the large-scale pilot operations in reactors and various plants involved in the fuel cycle.

307. With regard to the programme of research and education in the field of nuclear fission safety (1990-94),⁴ 192 research projects were selected, in the area of radiation protection, for a total of ECU 20 million following the call for proposals.⁵ In the area of reactor safety, 54 proposals for participation in intensified concerted action projects were selected and grouped into eight projects in the various fields covered, for a total of ECU 5 million.

308. The JRC's Institute for Safety Technology continued its activities in the field of reactor safety. The Reaction Wall (European Laboratory for Structural Assessment — ELSA) was inaugurated on 16 October and is now operational. The Institute continued to contribute to the study of serious accidents in nuclear installations within the framework of the Phebus international programme. In the field of the inspection of fissile materials, the monitoring and confinement laboratory (Lasco) became fully operational and a series of full-scale experiments were begun. The Perla training laboratory also entered the operational phase.

¹ OJ L 226, 3.8.1989; Twenty-third General Report, point 341.

² OJ C 255, 1.10.1991; Twenty-fifth General Report, point 340.

³ OJ L 98, 11.4.1989; Twenty-third General Report, point 342.

⁴ OJ L 336, 7.12.1991; Twenty-fifth General Report, point 342.

⁵ OJ C 322, 13.12.1991.

Controlled thermonuclear fusion

309. Activities continued under the programme of research and training in the field of controlled thermonuclear fusion (1990-94),¹ focusing on research into magnetic confinement. Following the successful programme of experiments carried out in 1991 on the JET (Joint European Torus) Tokamak,² major modifications were made to the device in preparation for the next phase of the study, which is oriented towards the Next Step. New devices have come on stream in the associated laboratories: two reverse field pinch devices (RFX in Padua and Extrap-T2 in Stockholm) and a Tokamak (TCV in Lausanne). The NET (Next European Torus) team in Garching has continued the work on the preliminary design of the International Thermonuclear Experimental Reactor (ITER).

310. The JRC's Institute for Systems Engineering continued its work on the design of components for the Next Step and the development of remote handling techniques. The Institute for Advanced Materials carried out studies on the effects of irradiation and thermal fatigue on materials. The Institute for Safety Technology completed the construction of the tritium-handling laboratory (Ethel) and started bringing it into service.

311. On 21 July the Community, the United States, Japan and Russia signed a Cooperation Agreement on engineering design activities for the International Thermonuclear Experimental Reactor (ITER).³ The activities concerned will last for six years and should result in a detailed plan for a reactor which would demonstrate the scientific and technological feasibility of using fusion energy for peaceful purposes. The joint central team, which began work in the autumn, is directing activities in three centres of equal importance (Garching in Europe, San Diego in the United States and Naka in Japan). The team is led by a European.

Human capital and mobility

312. The programme to stimulate the international cooperation and interchange needed by European research scientists (1988-92) (Science),⁴ which ended this year, will have provided a framework for 956 research projects.

¹ OJ L 375, 31.12.1991; Twenty-fifth General Report, point 346.

² Twenty-fifth General Report, point 343.

³ OJ L 244, 26.8.1992; Bull. EC 7/8-1992, point 1.3.83.

⁴ OJ L 206, 30.7.1988; Twenty-second General Report, point 395.

With the launching of the last five projects for a total of ECU 6.5 million, the plan of support to facilitate access to large-scale scientific facilities (1988-92)¹ also reached completion, as did the Community stimulation plan for economic science (SPES) (1989-92).²

313. On 16 March the Council adopted Decision 92/217/EEC* on a research and technological development programme in the field of human capital and mobility (1990-94). Following the call for proposals,³ 252 applications for individual grants and 239 proposals for collective grants were selected for ECU 20 million and ECU 36.5 million respectively. In addition, 28 projects for the use of large-scale facilities were selected for a total of ECU 11 million and 59 proposals for Euro-conferences were selected for a total of ECU 3 million; 240 proposals for research networks were selected for funding.

Dissemination and utilization of R&TD results from Community programmes

314. Information on activities relating to the dissemination and utilization of R&TD results is to be found in Section 8 'Telecommunications, information industries and innovation' of Chapter III of this Report.

Measures in support of the framework programme

Support for science and technology

315. Work under the programme on strategic analysis, forecasting and evaluation in matters of research and technology (1989-92) (Monitor)⁴ dealt mainly with the optimization and dissemination of results. Under the FAST programme, the full results of the work in the fields of economic and social cohesion, the 'globalization' of the economy and technology, and the future of European industry were disseminated, as were the results of work carried out in the following areas: innovation in agro-biotechnology, aquifer resources, plastic industries, transport logistics, etc. A new project was launched on the manage-

¹ OJ L 98, 11.4.1989; Twenty-third General Report, point 350.

² OJ L 44, 16.2.1989; Twenty-third General Report, point 148.

³ OJ C 139, 2.6.1992.

⁴ OJ L 200, 13.7.1989; Twenty-third General Report, point 351.

ment of research and technology in businesses. Under the Spear programme the first results became available of the general studies on the impact of the framework programme on industry.

316. At the same time, panels of independent experts began or continued their work to evaluate several specific programmes: large-scale facilities, STD, BCR, Brite/Euram, Joule, Phare, MAST, Monitor and radiation protection.

317. The JRC's Institute for Technology Forecasting began a second series of studies on the industrial and technological challenges in a number of sectors. Several periodic reports were also published on the technological response to climatic changes and to problems linked to global environmental changes.

Support for Community policies

318. On 23 September the Commission adopted a communication entitled 'The European Community and space: challenges, opportunities and new actions',¹ in which it updates its first communication on this subject, adopted in 1988,² and establishes new priorities based on the new challenges and opportunities which have arisen since then.

319. In the field of earth observation, progress was made on the harmonization within the Community of strategies to improve access to the growing mass of data transmitted by satellite and to the international exchange of data. With a view to encouraging greater consideration of the needs of space technology users, the studies on ground infrastructure requirements and Europe's technical capability in processing and interpreting satellite data, which began in 1991,³ were expanded. A study of potential applications of earth observation in the countries of Central Europe was begun and completed. A study was carried out in cooperation with the European Space Agency and the national space agencies to determine the areas in which the future technological requirements of the space and non-space sectors would converge.

¹ COM(92) 360; Bull. EC 9-1992, point 1.2.57.

² Twenty-second General Report, point 353.

³ Twenty-fifth General Report, point 355.

International scientific and technical cooperation

320. European scientific and technical cooperation (COST) continued with the implementation of several memorandums of understanding. On 18 June COST cooperation was extended to include Slovenia and Croatia.¹ Following the Commission's call for proposals within the framework of scientific and technical cooperation with the countries of Central Europe, part of which is intended to make it easier for research bodies in those countries to take part in COST operations, the Commission selected 147 projects.

321. The Commission continued to contribute to the management and funding of Eureka projects, joining three 'umbrella' projects (Famos, Euroagri and Eurovoltaic) and expressing its interest in five other projects. Hungary officially became a member of Eureka at the conference held in Tampere, Finland, on 22 May,² at which a new medium-term plan (1992-96) was adopted for Eureka.

322. Scientific and technological cooperation with the countries of Central Europe got off the ground this year. A preparatory initiative was launched for more substantial scientific and technological cooperation with all the countries of Central Europe, including the Baltic States, with a total budget of ECU 55 million for 1992.³ Of this, ECU 40 million has been earmarked for mobility grants, pan-European scientific networks, joint research projects and conferences and seminars, ECU 10 million will go towards supporting the participation of bodies from Central European countries in five specific programmes under the framework programme (1990-94) which are open to them, and ECU 5 million is for participation in COST operations. Following a call for proposals published in April,⁴ 3 039 projects were selected for funding.

323. On 23 June the Commission signed an Agreement on international cooperation between the Community and Russia, Belarus and Ukraine concerning research into the consequences of the accident at Chernobyl.⁵ The programme will receive ECU 4 million from the Community. The Council decided to conclude an Agreement with the Russian Federation, the United States of America and Japan on the setting-up of an International Science and Technology Centre in Moscow.⁶ On 3 July the Commission decided to set up and finance

¹ OJ C 186, 23.7.1992.

² Bull. EC 5-1992, point 1.1.66.

³ Bull. EC 5-1992, point 1.1.65.

⁴ OJ C 111, 30.4.1992.

⁵ Bull. EC 6-1992, point 1.3.65.

⁶ Point 786 of this Report.

(ECU 4 million) an International Association for the promotion of cooperation with scientists from the independent States of the former Soviet Union.

324. Cooperation with the United States continued, particularly under the aegis of the EC/US Joint Consultative Group set up in 1990.¹ Preparatory discussions continued on the setting-up of a bilateral forum for the Community and Japan on science and technology, and the issues covered included the objectives and structure of the forum. On 21 May the Council authorized the Commission to negotiate an Agreement on scientific and technical cooperation with Australia.² On 14 December the Commission proposed that the Council authorize an Agreement on scientific and technical cooperation with Canada, while the exchange of information provided for under the Arrangement signed with New Zealand in May 1991³ continued. Discussions began on a draft Arrangement with the Korean authorities.

325. Pending the entry into force of the Agreement on the establishment of the European Economic Area,⁴ bilateral cooperation with the EFTA countries in the field of science and technology continued. On 3 February the Council adopted Decision 92/132/EEC concerning the conclusion of Agreements on the association of Austria, Finland and Norway with the STEP programme, as well as Agreements on the association of Iceland and Sweden with the STEP and Epoch programmes.⁵ On 2 March it adopted Decisions 92/181/EEC and 92/182/EEC⁶ concerning the conclusion of multilateral Community/COST Agreements on participation in the Bridge and Flair programmes. On 29 June it adopted Decision 92/412/EEC on the conclusion of an Agreement associating Finland with the Forest programme and Decision 92/413/EEC on the conclusion of an Agreement associating Sweden with the Forest and Reward programmes.⁷ At the same time, bodies in the EFTA countries continued to participate in the specific programmes under the third framework programme (1990-94) on a project-by-project basis.

326. As regards scientific and technological cooperation with the countries of Latin America, Asia and the Mediterranean, ties with several regional groupings of countries (Rio Group, Andean Pact, the Central American countries attending

¹ Twenty-fourth General Report, point 255.

² Bull. EC 5-1992, point 1.1.64.

³ Twenty-fifth General Report, point 361.

⁴ Point 789 of this Report.

⁵ OJ L 54, 28.2.1992; Bull. EC 1/2-1992, point 1.3.105.

⁶ OJ L 85, 31.3.1992; Bull. EC 3-1992, points 1.2.65 and 1.2.66.

⁷ OJ L 228, 11.8.1992; Bull. EC 6-1992, points 1.3.63 and 1.3.64.

the San José Conferences, Asean) were strengthened and joint projects were launched in a wide range of fields. With a view to exploring possible scientific and technological cooperation between the Community and non-member Mediterranean countries, an exploratory operation, the Avicenne Initiative, was launched. Open to the countries of the southern Mediterranean (Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia and Turkey), this programme covers the two major fields of environment and health. Following a call for research proposals,¹ 19 joint research projects associating at least two laboratories from Mediterranean countries and one or more Community bodies were selected for funding.

During the year, a total of 110 joint research projects and 178 grants were financed within the framework of scientific and technological cooperation with Latin American, Asian and Mediterranean countries for a total of ECU 31.7 million.

Other activities

327. Acting under Article 55 of the ECSC Treaty and in accordance with the medium-term guidelines for steel research (1991-95),² the Commission decided to grant financial aid to 115 steel research projects totalling ECU 38.7 million, including 13 projects with environmental repercussions (ECU 5.5 million), and to 10 pilot or demonstration projects for a total of ECU 16.8 million. Eleven additional projects, representing ECU 6.1 million in funding, were placed on the waiting list.

328. Under Article 55 of the ECSC Treaty the Commission also decided to grant financial aid totalling ECU 15 million to 68 research projects concerning ergonomics, medicine, safety and health in mines and technical measures to control pollution in and around steelworks (ECSC social research). On 22 September an information day on health, pollution in the steel industry and safety in the ECSC industries was organized in Tharendt, Germany, to disseminate the results of these research programmes to engineers from the various industries concerned in the new *Länder*.

¹ OJ C 173, 9.7.1992.

² OJ C 252, 6.10.1990; Twenty-fourth General Report, point 304.

Section 8

Telecommunications, information industries and innovation

Priority activities and objectives

329. *With the prospect of a stronger industrial focus for research and technological development (R&TD) policy and better exploitation of the synergy between the various measures taken in this context, the Commission devised a research strategy which resulted in the adoption of a proposal for a fourth framework programme (1994-98).¹ While continuing, subject to any necessary changes, the traditional programmes, the Commission proposed that efforts in future be focused more on a number of key generic technologies of major industrial interest. Such technological priority projects concern for example the strategic areas of software, computer-integrated manufacturing, microelectronics, peripherals, high-performance computing, telecommunications and its applications.*

This year the Commission also continued to implement its communication 'The European electronics and information technology industry: state of play, issues at stake and proposals for action' and the Council resolution on electronics and information and communications technologies.² The initiatives taken in this context relate to demand, technology, training, external relations and the business environment.

The year's work on telecommunications concentrated on furthering the liberalization and harmonization of telecommunications services (voice telephony) and pressing ahead with activities in the field of satellite communications. Discussion of the Community telecommunications equipment industry resulted on 15 July in the adoption by the Commission of a communication entitled 'The European telecommunications industry: state of play, issues at stake, proposals for action'.

Furthermore, work was done to develop trans-European telecommunications networks, as part of the completion of the internal market, and a proposal was

¹ Point 272 of this Report.

² Twenty-fifth General Report, point 366.

made for the implementation of the new IDA programme (interchange of data between administrations), aimed at drawing up specifications to ensure the interoperability of data interchange between Member States' administrations and the Community institutions.

Having noted the problems encountered by the postal sector, which is facing increasing competition, in June the Commission adopted a Green Paper on the development of the single market for postal services, which was widely circulated for consultation.

Information technology

330. The year 1992 saw the launch of the specific R&TD programme in the field of information technologies (1990-94),¹ which is part of the third R&TD framework programme² and also a new phase of Esprit.³ In response to the 1991 general call for proposals,⁴ 315 new projects were selected and 33 accompanying measures were adopted, notably concerning networks of excellence in basic research, the information exchange system, and measures aimed at increasing potential participation in Community R&D by organizations from peripheral regions. The independent review board which evaluated the previous phase of Esprit (Esprit II) was impressed by the many technological results produced in numerous projects, but nevertheless recommended tighter linkage between R&TD and product implementation, especially in large companies.

331. In order to examine the prospects for setting up a large-scale programme, the operational framework for an international feasibility study on advanced manufacturing was agreed by high-level representatives of the industrial and research communities in Japan, the United States of America, Canada, Australia and Europe (represented by the Community and five EFTA countries).

Communications technology

332. The R&TD work undertaken following calls for proposals concerning the RACE programme⁵ continued and produced significant results: 470 contributions to standardization were recorded, 69 functional specifications were

¹ OJ L 218, 6.8.1991; Twenty-fifth General Report, point 367.

² OJ L 117, 8.5.1990; Twenty-fourth General Report, point 247.

³ OJ L 118, 6.5.1988; Twenty-second General Report, point 405.

⁴ JO C 198, 27.7.1991; Twenty-fifth General Report, point 369.

⁵ Twenty-second General Report, point 404; Twenty-third General Report, point 361.

defined and patent applications were filed in respect of 40 technological results. Furthermore, 1 540 publications relating to activities under the programme allowed a substantial body of knowledge to be disseminated.

333. Following the call for proposals published in June 1991¹ and the extension of the deadline for the submission of projects so as to allow better coverage of the tasks defined in the work plan, 95 proposals were accepted and most of the new projects were able to begin early in 1992.

Telematic services of general interest

334. As part of the specific programme on telematic systems in areas of general interest,² and following a call for proposals in 1991,³ 172 R&TD projects were launched early in 1992. The work, involving over a thousand organizations, relates to the setting-up of trans-European networks between administrations and the development of data communications systems for transport, health care, flexible and distance learning, libraries, linguistic engineering and rural areas.

Administrations

335. This area of work concerns the development of data communications systems for interchange between administrations. Thirteen projects started in January and address applications in the areas of transport, taxation, company registration, health care, social security, postal services and the environment, in addition to the interdisciplinary areas of standards and certification.

Transport

336. The measures in this field complement and build on the work of the Drive programme,⁴ the final report of which was sent to the Council and Parliament in July;⁵ 57 R&TD projects started in 1992 in areas such as

¹ OJ C 154, 12.6.1991; Twenty-fifth General Report, point 378.

² OJ L 192, 16.7.1991; Twenty-fifth General Report, point 379.

³ OJ C 157, 15.6.1991; Twenty-fifth General Report, point 379.

⁴ OJ L 206, 30.7.1988; Twenty-second General Report, point 406.

⁵ SEC(92) 1389 final.

integrated urban and interurban traffic management, freight and fleet management and public transport management, driver assistance, etc.

Health care

337. This R&TD work falls under the AIM exploratory action;¹ 37 R&TD projects were launched in areas such as integration of medical instrumentation and devices, medical and multimedia communication systems for telemedicine and archiving, integration of medical and health information systems, services for the disabled and the elderly, etc.

Flexible and distance learning

338. Following the Delta exploratory action,² the final report of which was adopted by the Commission in March,³ 23 R&TD projects have been launched, e.g. concerning the drafting of standards for the presentation of training material. The specifications and systems are being verified in nine pilot projects.

Data communications systems for rural areas

339. R&TD in this field will help to create the conditions for small businesses to provide more diversified employment opportunities and improved services to dispersed and isolated communities. Sixteen R&D projects started in 1992, involving a comprehensive analysis of experience with data communications in rural areas and the drafting of common specifications for data communications systems to support rural tourism, local and regional administrations, small businesses and teleworking.

Linguistic research and engineering

340. Following the call for proposals published in August 1991 on linguistic research and engineering,⁴ nine projects have been selected. A second call for proposals was published in October.⁵ The Commission gave its support to the

¹ OJ L 314, 22.11.1988; Twenty-second General Report, point 406.

² OJ L 206, 30.7.1988; Twenty-second General Report, point 406.

³ Bull. EC 3-1992, point 1.2.72.

⁴ OJ C 218, 21.8.1991; Twenty-fifth General Report, point 387.

⁵ OJ C 259, 8.10.1992.

setting-up of the Eagles working party (European Experts Group on Language Engineering Standards). The work of implementing the specific programme for the completion of Eurotra¹ also continued and the evaluation of the programme by independent experts began at the end of the year.

341. Furthermore, as part of the fifth action plan for the improvement of information transfer between languages, the Commission continued the development and implementation of the Systran machine translation system. Fourteen language pairs were used by departments in Brussels and Luxembourg to translate over 90 000 pages of text. In addition, the project 'Access to Japanese information' (Japinfo) involved the translation of 12 000 pages of summaries from Japanese into English.

Libraries

342. The aim of this section of the specific programme is to encourage the development of computerized catalogues, interconnect library systems, and stimulate new electronic services in libraries and the availability of data communications products and services relevant to libraries. Following the call for proposals published in July 1991² 14 projects were selected. A second call for proposals was published in October.³

Telecommunications policy

343. Developments in telecommunications relate to the preparation of a common strategy for the development of networks and services, in accordance with the main lines set out in the Commission's communication of June 1986.⁴ In particular the Commission continued its work on the introduction of a regulatory framework for the activities of network operators and service providers, as provided for by framework Directive 90/387/EEC on open network provision (ONP).⁵ Thus, on 15 July and 27 August respectively it adopted two proposals for Directives* implementing the framework Directive, concerning voice telephony and mutual recognition of licences to operate value-added telecommunications services. On 15 July it also adopted two communications,

¹ OJ L 358, 21.12.1990; Twenty-fifth General Report, point 386.

² OJ C 184 and S 132, 16.7.1991; Twenty-fifth General Report, point 390.

³ OJ C 259, 8.10.1992.

⁴ Twentieth General Report, point 401.

⁵ OJ L 192, 24.7.1990; Twenty-fourth General Report, point 312.

one entitled 'The European telecommunications equipment industry — state of play, issues at stake and proposals for action',¹ and the other on telecommunications tariffs, entitled 'Towards cost orientation and the adjustment of pricing structures'.² Noting that problems remain, despite the progress achieved under Directive 90/387/EEC and Directive 90/388/EEC on competition in the markets for telecommunications services,³ notably regarding telephones, on 21 October the Commission adopted a report⁴ reviewing the situation in the telecommunications sector in which it put forward four options for this sector. In a resolution⁵ adopted in December the Council invited the Commission to initiate a wide-ranging process of consultation of interested parties in the telecommunications sector.

344. Following the Council resolution of 19 November on the implementation of decisions of the European Radio Communications Committee,⁶ the Commission withdrew its proposal for a Directive on common frequency bands to be designated for the coordinated introduction of the terrestrial flight telecommunications system (TFTS) in the Community* and the proposal concerning frequency bands to be allocated for the coordinated introduction of road transport telematics systems in the Community. On 19 November the Council adopted a resolution on the promotion of Europe-wide cooperation on numbering of telecommunications services,⁷ with a view in particular to the introduction of a European area code for telephone services with Europe-wide applications.

345. On 5 June the Council adopted two recommendations defining the procedures for implementing ONP principles in packet-switched data services⁸ and services using the integrated services digital network (ISDN)⁹ and a Directive on leased lines.*

346. Having received the Commission's third progress report on the introduction of ISDN in the European Community,¹⁰ on 5 June the Council adopted a resolution on the development of ISDN,¹¹ in particular the publication by the

¹ Bull. EC 7/8-1992, point 1.3.89.

² Bull. EC 7/8-1992, point 1.3.88.

³ OJ L 192, 24.7.1990.

⁴ Bull. EC 10-1992, point 1.3.67.

⁵ OJ C 2, 6.1.1993; Bull. EC 12-1992.

⁶ OJ C 318, 4.12.1992; Bull. EC 11-1992, point 1.3.87.

⁷ OJ C 318, 4.12.1992; Bull. EC 11-1992, point, 1.3.90.

⁸ OJ L 200, 18.7.1992; Bull. EC 6-1992, point 1.3.67.

⁹ OJ L 200, 18.7.1992; Bull. EC 6-1992, point 1.3.68.

¹⁰ Twenty-fifth General Report, point 374.

¹¹ OJ C 158, 25.6.1992; Bull. EC 6-1992, point 1.3.69.

European Telecommunications Standards Institute (ETSI) of the standards defining Euro-ISDN. The Council invited telecommunications operators to harmonize and publish plans for migration from existing ISDN offerings to the Euro-ISDN, and invited Member States to encourage the rapid introduction of ISDN.

347. From 3 February to 2 March the Commission and the Member States took part in the World Administrative Radio Conference in Torremolinos.¹ They put forward a coordinated position and ensured that the systems developed within the Community framework, notably regarding high-definition television, aircraft telephone systems, and satellite broadcasting, were not called into question.

348. In the field of high-definition television, on 5 May the Commission adopted an action plan for the introduction of advanced television services in Europe and a memorandum of understanding which was approved on 15 June by broadcasters, etc. On 11 May the Council adopted Directive 92/38/EEC confirming the choice of the 16:9 format and the D2-MAC and HD-MAC standards for the introduction and development of high-definition television services.²

349. On the same date it adopted Decision 92/264/EEC on the introduction of a standard international telephone access code — 00 — in the Community.*

350. On 10 December the Commission adopted a proposal for a Directive relating to earth station equipment for satellite communications and enlarging the scope of Directive 91/263/EEC.³

351. On 5 June the Commission adopted a Green Paper on the development of the single market for postal services⁴ which is intended to stimulate discussion by all the parties concerned on the state and development of the Community postal sector and in which the Commission examined to what extent action at Community level is needed and appropriate objectives and methods.

¹ Bull. EC 3-1992, point 1.2.73.

² Point 182 of this Report.

³ OJ L 128, 23.5.1991; Twenty-fifth General Report, point 374.

⁴ COM(91) 476; Bull. EC 5-1992, point 1.1.67; Bull. EC 6-1992, point 1.3.70.

Computerized communication of data, information and documents

Tedis

352. The contracts signed in 1991 under phase two¹ of the Tedis programme² resulted in two seminars, one on security and the other on interconnectivity platforms. Measures concerning information and security, as well as the sectoral projects launched in 1991, were extended to the EFTA countries under the agreements concluded with them.³ Two invitations to tender were published, one on the launching of multi-sector Europe-wide EDI projects (10 projects costing ECU 2 million were accepted), and the other on standardization, telecommunications, legal aspects, support for the various sectors, and the setting-up of a network of EDI awareness centres in Western Europe.⁴ An interim report on Tedis activities in 1991 was published.⁵

Insis

353. The activities of the Insis programme⁶ concentrated on the development of a telecommunications infrastructure for electronic mail between Community institutions. The national administrations are also taking part in the development, especially in France, the Netherlands, Portugal and Spain.

Caddia

354. The extension period laid down in the Council Decision on the implementation of the Caddia programme⁷ came to an end on 1 June. Activities continued in accordance with the work plan and feasibility studies were conducted in several Member States with a view to launching a pilot project for the implementation of systems for electronic data interchange between the Commission and the Member States.

¹ OJ L 208, 30.7.1991; Twenty-fifth General Report, point 391.

² Trade electronic data interchange systems.

³ OJ L 400, 30.12.1989; Twenty-third General Report, point 362.

⁴ OJ S 26, 6.2.1992; OJ C 144, 6.6.1992.

⁵ EC Publications Office, ISBN 92-826-4201-1.

⁶ Interinstitutional integrated services information system.

⁷ Cooperation in automation of data and documentation for imports/exports and agriculture, OJ L 145, 5.6.1987; Twenty-first General Report, point 357.

Telematics networks between administrations

355. Work on trans-European telematics networks between administrations (TNA) resulted in the definition of a framework for cooperation between Member States and the Community institutions with a view to carrying out projects of common interest. This involves a guide plan comprising objectives, broad lines of action and priorities common to all the parties (Member States' administrations and the Community institutions) and Community support for projects of common interest (interchange of data between administrations (IDA)). The latter concerns in particular support for feasibility studies and for the establishment of telematics networks, and measures to encourage the interoperability of networks.

Standardization in IT and telecommunications

356. The year 1992 was essentially a year of consolidation of objectives and existing results. The number of orders given to the standardization bodies (CEN, Cenelec and ETSI) grew, on the basis of the work programmes established with all the parties concerned in various fields: mobile telephony, ISDN, libraries, etc. A new phase (CTS 5) of the Conformance Testing Services (CTS) programme for testing conformity of products and equipment to European standards was launched and essentially concerns the telecommunications sector. As regards certification, the efforts of previous years to install an overall structure and common objectives and principles for information technology were extended to telecommunications. In order to apply the second Directive on telecommunications terminal equipment,¹ there is a need for guidelines designed to create a reference framework for the harmonized operation of national certification systems, based on identical criteria of competence and transparency. The practical application of standards, notably in public procurement, also continued in 1992 following the initial results of the Ephos and Euromethod programmes.

357. Cooperation with non-Community countries, notably the signatories of the Agreement on the European Economic Area, was stepped up, especially through the setting-up of a 'third countries' unit in the European Committee for Standardization (CEN). Finally, various studies and measures were launched to back up the practical application of standards.

¹ OJ L 128, 23.5.1991; Twenty-fifth General Report, point 374.

358. On 2 September the Commission adopted a progress report on standardization during 1990-91,¹ pursuant to Council Decision 87/95/EEC on standardization in the field of information technology and telecommunications.²

Dissemination and exploitation of the results of Community and national R&TD programmes

359. On 29 April the Council adopted Decision 92/272/EEC on the dissemination and exploitation of knowledge resulting arising from the specific R&TD programmes.* This Decision lays down general rules on dissemination and protection of knowledge arising from the specific programmes and also provides for the implementation of a centralized dissemination and exploitation measure. The Commission adopted a list of 33 dissemination/exploitation projects eligible for a Community contribution. A further standing call for exploitation proposals was also published in September.³

360. The network of relay stations for dissemination and exploitation is being established; the Commission selected 27 organizations responsible for promoting Community R&TD activities and their results from the beginning of 1993.

361. The Cordis information service, available in an experimental version on the ECHO server, now covers eight databases and the number of users rose from some 2 000 in January to 3 800 in August. Activities concerning the publication and protection of results continued. The Value programme⁴ funded the publication and dissemination of some 350 technical reports from the specific programmes. In addition, following a call for proposals published in March 1991,⁵ 35 projects aimed at improving the dissemination of the results of R&TD work were selected for Community support. Furthermore, 34 new invention cases were opened between January and September while 16 applications for patents of invention were filed and 143 patents were granted in the name of the Community. Finally, 13 new cases on the protection of biotechnology research results were opened. Following an examination by a panel of independent experts, in September the Commission adopted a communication

¹ Bull. EC 9-1992, point 1.2.61.

² OJ L 36, 7.2.1987; Twentieth General Report, point 408.

³ OJ C 230, 8.9.1992.

⁴ OJ L 200, 13.7.1989; Twenty-third General Report, point 369.

⁵ OJ C 74, 20.3.1991.

to the Council and the European Parliament concerning the mid-term review of the Value programme.¹

Promotion of innovation and technology transfer

362. The strategic programme for innovation and technology transfer (Sprint)² achieved significant results in 1992. A conference on 'Innovation in the Nineties', held on 22 and 23 June, addressed policies and priorities for industrial innovation and technology transfer in Europe.

363. Sprint activities continued under three headings:

Facilitating the dissemination of new technology to firms: following the call for proposals in 1991 for new networks of research and technology organizations,³ 27 new networks are currently being supported. The pilot project 'Technology Performance Financing',⁴ which was launched in 1991 to promote the uptake of new innovative technology by traditional industries, enabled 10 financial institutions to take part in the scheme. Eleven major technology transfer projects were proposed to the Commission for final approval.

Strengthening innovation and technology transfer support service infrastructure: assistance to networks of innovation support services was continued. Various support measures (technology transfer days, seminars and investment forums) were undertaken to facilitate the establishment of networks and improve their operational efficiency. The initial appraisal of the technology transfer days and investment forums held since 1989 showed that they form a successful method of operation, and a new call for proposals was published in August.⁵

Under the scheme to assist science parks,⁶ 40 promoters of science parks are currently being supported. A new call for proposals to take part in the Science Park Consultancy Scheme was published in July⁷ and a further step forward towards the establishment of an innovation network of science parks was taken with the publication of the call for proposals in August⁸ aimed at exploring

¹ SEC(92) 1662.

² OJ L 112, 25.4.1989; Twenty-fifth General Report, point 398.

³ OJ C 122, 8.5.1991; Twenty-third General Report, point 370.

⁴ Twenty-fifth General Report, point 398.

⁵ OJ C 205, 13.8.1992.

⁶ OJ C 186, 27.7.1990; Twenty-fourth General Report, point 327.

⁷ OJ C 185, 22.7.1992.

⁸ OJ C 204, 12.8.1992.

the coordination of activities and the establishment of links between existing science parks using advanced data communications systems.

Improving awareness and understanding of innovation and exchanging experience on national and Community innovation policies: the establishment of the European innovation monitoring system has stimulated the organization of seminars and the preparation of reports through a systematic exchange of experience between professionals and policy-makers within the Community. In addition, in cooperation with Eurostat, support was given to the national statistical institutions and economic research bodies to launch coordinated national surveys of innovation in firms on the basis of a standard questionnaire. Following a review by a panel of independent experts, in December the Commission adopted a mid-term report on the Sprint programme.¹

Development of an information services market

364. The Council Decision of 12 December 1991 adopting a programme for the establishment of an internal information services market (Impact II programme)² gave new impetus to the Commission's work on electronic information services. On 10 September the Commission approved the 1991-92 work programme. The measures taken in this context are focused on the theme Info-Euro-Access, i.e. improving access to information at European level for all interested parties.

365. The information market observatory continued its efforts to improve understanding of the information market, and in particular began a strategic study on new opportunities available to publishers on the electronic information services market.

366. The Commission set up a network of partners in the Member States to handle most of the information activities concerning electronic information services launched under the Impact II programme. User support and guidance services continued on the ECHO server.³ Following a call for proposals for the shared-cost definition phase of interactive multimedia information services published in June,⁴ 59 projects were selected. A call for proposals for definition

¹ Bull. EC 12-1992.

² OJ L 377, 31.12.1991; Twenty-fifth General Report, point 399.

³ European Commission Host Organization; Twenty-fifth General Report, point 399.

⁴ OJ S 106, 2.6.1992.

phase projects for new electronic information services based on geographic information systems technology was published in November.¹

International cooperation

367. There was a marked increase in activities in the field of telecommunications and scientific and technological cooperation. In particular, negotiations on telecommunications in the GATT continued, focusing on services and public procurement of equipment. The Commission took an active part in the work of the Organization for Economic Cooperation and Development (OECD) and the International Telecommunications Union on matters such as information security, privacy protection and frequency allocation. It also attended the 1992 World Administrative Radio Conference (WARC).

368. Exploratory missions were made to Albania, Slovenia and the Baltic States to prepare for telecommunications technical assistance (Phare programme) and scientific and technological cooperation. Cooperation and technical assistance were further developed with Bulgaria, the Czech and Slovak Federal Republic, Hungary, Poland and Romania. Projects for the development of telecommunications in Russia and Ukraine were defined under the Tacis programme.²

369. The latest meeting of the EEC/US Joint Consultative Group on Science and Technology led to increased activity, 13 proposals being accepted this year in telecommunications and IT in support of basic research. A number of workshops and expert visits took place to explore the possibilities of cooperation on computer integrated manufacturing.

370. As regards relations with Japan, several meetings took place to explore areas of cooperation of mutual interest, notably the Intelligent Manufacturing System initiative, and a Real World Computing Programme. Regular exchanges took place in order to develop relations in telecommunications and semiconductors.

¹ OJ S 230, 26.11.1992.

² Point 773 *et seq.* of this Report.

371. In association with developing countries in Asia, Latin America and the Mediterranean region, the Commission identified, launched and supported 28 projects in the area of telecommunications, information services, standardization and networks. It organized seminars and expert exchanges to demonstrate Europe's scientific and technological capabilities for the benefit of those countries.

Section 9

Employment and social policy

Priority activities and objectives

372. *The relaunch of the dialogue between the two sides of industry in 1985, the implementation of the Single Act, notably adoption of the Community Charter of the Fundamental Social Rights of Workers by 11 Member States at the European Council of December 1989,¹ and the agreement of December 1991 on the Treaty on European Union² have facilitated a corresponding development of accompanying measures in the social sphere without which the large single European market would be incomplete.*

The Commission has put forward almost all the measures of which notice was given in its programme implementing the Charter of Fundamental Social Rights and the Council has now adopted a good third of the instruments presented by the Commission. Particular attention should be drawn to the Directive on the protection of pregnant workers and workers who have recently given birth or are breastfeeding which, although not meeting all the worthy expectations, does bring net improvements to the situation existing in some Member States, while in others it ensures that there will be no deterioration of acquired rights. More general in scope, but no less significant, are the Council recommendations on a basic right to sufficient resources and social assistance, employee participation in profits and enterprise results and the convergence of social protection objectives and policies. The 1992 European Year of Safety, Hygiene and Health Protection at Work helped to reduce risks and improve the quality of life and work in the Community. Although it was not possible to have the Council adopt all the texts put forward by the Commission in the spirit of the Charter, the momentum given is reflected in the Treaty on European Union which opens the door to an enhanced social dimension in the Community, including the consolidation of workers' basic social rights and also the development of measures in major areas such as social exclusion, the disabled, poverty and the integration of migrants from third countries.

In addition, in the field of freedom of movement for workers, a number of fundamental texts concerning cross-border movements, social security and the

¹ Twenty-third General Report, point 394.

² Twenty-fifth General Report, points 1 to 44.

mutual recognition of vocational qualifications were improved and expanded. Both Community legislation and case-law have played a significant role in ensuring acknowledgement of the fundamental principle of equal treatment for men and women.

Following the review of the implementation of Objectives 3 and 4 of the European Social Fund concerning long-term unemployment and the occupational integration of young people, adjustments were made; they were particularly necessary as Article 123 of the Treaty on European Union adds to the tasks of the ESF adaptation to industrial changes and to changes in production systems, in particular through vocational training and retraining.

373. *The social dialogue with management and labour was strengthened with a view to defining more clearly and putting into effect more efficiently the European social dimension enshrined in the Protocol and in the Agreement on Social Policy annexed to the Treaty on European Union.*

On 8 July Parliament adopted a resolution reaffirming its commitment to the creation of a real social dimension indispensable to the balance of the entire European venture. Concerned by the deteriorating employment situation in the Community, on 2 July the Economic and Social Committee urged the Commission to take steps to give a fresh boost to investment and develop training programmes to help promote job creation.

Employment

Dialogue with management and labour

374. The political-level steering group set up in 1989¹ under the social dialogue arising from the Val Duchesse meeting on 12 November 1985² continued its work in 1992 with a view to strengthening the role of the social partners as provided for in Articles 3 and 4 of the Agreement on Social Policy annexed to the Treaty on European Union.³

375. Points discussed at the social dialogue meeting held on 3 July⁴ were the future of the social dialogue, prospects for enlargement and the completion of

¹ Twenty-third General Report, point 395.

² Nineteenth General Report, point 74.

³ Twenty-fifth General Report, point 409; point 1 of this Report.

⁴ Bull. EC 7/8-1992, point 1.3.107.

the internal market. The social partners approved a joint opinion on vocational qualifications and certification which stressed the need to develop workforce skills in Europe.

The social partners also adopted a text on a renewed cooperative strategy for growth and employment, based on the Community's internal growth dynamics.

376. In a joint statement on the future of the social dialogue, the social partners welcomed the fact that the Protocol and the Agreement on Social Policy annexed to the Treaty strengthened their own role in framing and carrying through the European social dimension. To this end, they decided to replace the existing steering group and *ad hoc* working group by a Social Dialogue Committee with a view to implementing the new Community procedures for dialogue, consultation and negotiation provided for in the Agreement.

Employment and the labour market

377. In its fourth annual report on employment in Europe (1992), adopted on 22 July,¹ the Commission noted that, despite the large number of jobs created between 1985 and 1990, the unemployment situation was still worrying, with the decline in jobs in agriculture and industry not being balanced by an increase in the number of jobs in services. It further noted that there was likely to be an increase in the unemployment rate and a worsening in the economic situation in Central Europe, two factors which were likely to affect the European Community in the light of its trading links with these parts of Europe. The Commission stressed the scale of long-term unemployment and advocated special measures to curb any further increase, based on special training programmes.

378. Having examined, at its May meeting,² the situation of immigrants on the labour market and what was preventing them from integrating, the Standing Committee on Employment advocated an approach designed to integrate immigrants fully by improving their access to training and employment.

379. In an own-initiative opinion on social developments in the Community adopted on 2 July,³ the Economic and Social Committee discussed the increase

¹ Bull. EC 7/8-1992, point 1.3.108.

² Bull. EC 5-1992, point 1.1.87.

³ OJ C 287, 4.11.1992; Bull. EC 7/8-1992, point 1.3.110.

in unemployment and advocated a reorganization of working time and encouragement for job-creating investment. The Committee called for more energetic measures on training and specific help for ethnic minority groups and disabled workers, and proposed a special programme for workers leaving agriculture. On 21 December¹ the Council adopted a resolution on the need to tackle unemployment and conclusions on the enforcement of Community legislation in the social affairs area.

380. Against the background of the outlook for growth in the Community and the likely increase in unemployment, the Commission adopted, on 30 September,² a working document on the creation of jobs and access to employment in the 1990s, in which it made a detailed analysis of the labour market in Europe, calling for a wide-ranging debate involving all institutions and persons concerned, and pinpointing the objectives and the priority measures.

381. On 8 July³ Parliament adopted a resolution on the social dimension of the internal market in which it reaffirmed the importance of a real social dimension as being indispensable to the construction of Europe. In another resolution adopted the same day⁴ on the European labour market after 1992, Parliament called on the Commission to propose measures with the aim of eliminating age discrimination in employment, stressed the need to apply the principle of equal opportunities, and called on the Community to tackle the problem of long-term unemployment.

382. On 23 December the Commission adopted a communication on the fight against exclusion⁵ which is intended to encourage broad debate on the challenges raised by poverty and marginalization and on ways of tackling them.

Freedom of movement and migration policy

383. In application of the Community Charter of the Fundamental Social Rights of Workers,⁶ the Council formally adopted, on 27 July, Regulation (EEC) 2434/92* amending Regulation (EEC) 1612/68 on freedom of movement

¹ Bull. EC 12-1992.

² Bull. EC 9-1992, point 1.2.75.

³ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.3.111.

⁴ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.3.109.

⁵ COM(92) 542; Bull. EC 12-1992.

⁶ Twenty-third General Report, point 394.

for workers within the Community;¹ the amendments relate mainly to the system for matching job applications and job vacancies on a Community scale, formerly known as Sedoc and now known as Eures (European Employment Service); and are designed to facilitate and ensure maximum transparency in the Community labour market.

Structural operations

European Social Fund

384. ESF operations are now dealt with in the new section 'Economic and social cohesion'.²

Social security

Social security and social action

385. The Council adopted a number of particularly important recommendations in application of the Community Charter of the Fundamental Social Rights of Workers. The first of these, adopted on 24 June,³ is intended to promote the integration of the most disadvantaged persons by calling on the Member States to recognize a basic right to sufficient resources and social assistance for any person resident on the territory of a Member State who does not have sufficient resources. The other two recommendations, adopted on 27 July, concern the convergence of social protection objectives and policies,⁴ seeking to ensure that any differences in social protection between the Member States do not adversely affect the mobility of individuals and that any competition between national protection systems does not result in a lower level of protection, and the promotion of employee participation in profits and enterprise results (including equity participation).⁵

¹ OJ L 257, 19.10.1968; Second General Report, point 398.

² Point 438 *et seq.* of this Report.

³ Bull. EC 6-1992, point 1.3.98.

⁴ OJ L 245, 26.8.1992; Bull. EC 7/8-1992, point 1.3.115.

⁵ OJ L 245, 26.8.1992; Bull. EC 7/8-1992, point 1.3.117.

386. On 27 May the Economic and Social Committee gave its opinion¹ on the Commission communication to the Council on supplementary social security schemes,² underlining the need for an EC coordination framework in respect of occupational pension schemes analogous to that already in existence for statutory schemes. On 26 May the Committee also endorsed³ the Commission opinion on an equitable wage.⁴

387. On 24 June the Council adopted a decision* on the organization of the European Year of the Elderly and of Solidarity between Generations (1993), the main aim of which is to enhance the integration of the elderly and to make society at large more aware of their problems. On 18 December the Commission adopted a report on retirement age.

388. During the 1991-92 academic year, the Executive Committee of the Paul Finet Foundation considered 577 applications and awarded 489 scholarships representing a total amount of BFR 10 916 470.

Social security for migrant workers

389. On 30 April the Council adopted three Regulations (EEC) 1247/92,* 1248/92* and 1249/92* amending Regulation (EEC) 1408/71 on the application of social security schemes to employed persons, to self-employed persons and members of their families moving within the Community,⁵ and Regulation (EEC) 574/72 laying down the application arrangements.⁶ The amendments relate to the award of mixed-type non-contributory benefits (constituting both social assistance and social security) for persons resident on the territory of a Member State who fall within the Regulations' scope, such benefits not normally being exportable to another Member State, a simplified scheme for the award and calculation of pensions for workers who have worked in more than one Member State, the purpose being to protect migrant workers from over-stringent application of national provisions against overlapping, and changes in national legislation. Further changes in the mean time led the Commission, on 31 July, to propose a further amendment to these same regulations.

¹ OJ C 223, 31.8.1992; Bull. EC 5-1992, point 1.1.91.

² Twenty-fifth General Report, point 440.

³ OJ C 223, 31.8.1992; Bull. EC 5-1992, point 1.1.88.

⁴ Twenty-fifth General Report, point 455.

⁵ OJ L 149, 5.7.1971; Fifth General Report, point 239.

⁶ OJ L 74, 27.3.1972; Sixth General Report, point 208.

390. The Court of Justice delivered 18 judgments on cases referred by national courts concerning the interpretation or validity of regulations, while 49 cases are still before the Court.

Living and working conditions

Equal opportunities for men and women

391. To take account of the growing number of women, and especially mothers, going out to work, the Council adopted, on 31 March,¹ a recommendation on child care, which makes provision for a series of initiatives designed to enable parents to reconcile work and their family and educational responsibilities.

392. The proposal for a Directive* concerning improvements in the safety and health at work of pregnant workers, workers who have recently given birth or are breastfeeding was adopted on 19 October. It will improve the present situation for a number of workers, above all in certain Member States. This proposal had led to the adoption by Parliament on 17 September of a new resolution underlining the importance of the proposed measures.²

Social integration of the disabled

393. The Council adopted on 19 October a Directive amending and supplementing the common system of VAT³ listing goods and services for the exclusive use of the disabled which may be subject to reduced rates. In addition, to assist blind persons and workshops for the blind the Commission adopted a proposal allowing Member States to exempt from turnover taxes transactions carried out by such persons and bodies.

394. On 5 November the Commission transmitted to Parliament and the Council a report⁴ on progress with regard to the implementation of the policy of school integration in the Member States. This analysis shows that legislation on the educational integration of pupils is advancing constantly in almost all

¹ Bull. EC 3-1992, point 1.2.98.

² OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.78.

³ Point 148 of this Report.

⁴ Bull. EC 11-1992, point 1.3.131.

Member States with a marked trend towards integration into ordinary schools wherever possible. On 16 September Parliament adopted a resolution¹ calling on the Commission to set aside more funds for the mentally handicapped and expressing its satisfaction at the application of the Helios and Horizon Community programmes for the disabled.

395. In its report² on the Helios I programme (1988-91)³ to promote economic integration, social integration and an independent way of life for disabled people, the Commission pointed out that, while the programme had made a contribution towards creating the necessary conditions for the integration of disabled persons, its effectiveness and general coherence could none the less be improved by extending the scope to other fields such as integration in education systems, support for elderly disabled people and accessibility of employment.

Labour law and industrial relations

396. In its report adopted on 2 June⁴ with regard to the implementation of Directive 77/187/EEC relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses, the Commission described the general legal situation and gave an overall assessment of the implementation of the Directive in each Member State.

397. On 24 June the Council adopted Directive 92/56/EEC* amending Directive 75/129/EEC on the approximation of the laws of the Member States relating to collective redundancies which, seeking to provide protection for workers, strengthens the legal requirements in respect of decisions taken on a transnational scale by undertakings or groups of undertakings on collective redundancies.

398. On 2 July the Economic and Social Committee adopted a favourable own-initiative opinion⁵ and on 14 December Parliament adopted a resolution⁶ on the first report on the application of the Community Charter of the Fundamental Social Rights of Workers.⁷ The Commission adopted its second report⁸ on the Charter on 23 December.

¹ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.80.

² Bull. EC 7/8-1992, point 1.3.126.

³ OJ L 104, 23.4.1988; Twenty-second General Report, point 488.

⁴ Bull. EC 6-1992, point 1.3.102.

⁵ OJ C 287, 4.11.1992; Bull. EC 7/8-1992, point 1.3.113.

⁶ Bull. EC 12-1992.

⁷ Twenty-third General Report, point 394.

⁸ COM(92) 562; Bull. EC 12-1992.

European Foundation for the Improvement of Living and Working Conditions

399. The Foundation's four-year programme, which expires this year, placed the accent on the evaluation and dissemination of work in the following fields: industrial relations and participation, working time, health and safety, protection of the environment, social problems associated with unemployment, old age and the public, and the effect of certain technologies on living and working conditions.

The main aims of the new programme for 1993-96 will be: to improve the health and well-being of Europe's workers and citizens, to strengthen economic and social cohesion and the fight against the exclusion of disadvantaged groups, and to support moves towards the sustainable and integrated development of the socioeconomic and environmental aspects of living and working conditions. The Foundation's proposed activities in its new programme have been grouped under six major headings: (1) social cohesion, (2) access to employment, innovation and work organization, (3) human relations within the company, social dialogue and industrial relations, (4) health and safety, (5) socioeconomic aspects of the environment and (6) equal opportunities for women and men.

400. The Foundation made a contribution in the form of conferences, publications and workshops to the European Year of Safety, Hygiene and Health Protection at Work (1992).¹ The conferences covered the following subjects: systems for monitoring working conditions in terms of health and safety; health and safety planning; innovative measures for health at work.

401. It also undertook preparatory work for the European Year of the Elderly and of Solidarity between Generations (1993).² A further 50 titles were added to the Foundation's publications catalogue.

Health and safety

Health and safety at work

402. The 1992 European Year of Safety, Hygiene and Health Protection at Work was opened in Lisbon on 12 March,³ the aim being to continue on a joint basis with the work already done by the Member States to reduce risks,

¹ Point 402 of this Report.

² Point 387 of this Report.

³ Bull. EC 3-1992, point 1.2.91.

improve the quality of life at work in the Community and raise workers' awareness.

403. In application of the framework Directive 89/391/EEC¹ on the introduction of measures to encourage improvements in the safety and health of workers at work, the Council formally adopted, on 31 March, Directive 92/29/EEC* on improved medical treatment on board vessels and, on 24 June, Directive 92/57/EEC* on safety and health requirements at temporary or mobile work sites and Directive 92/58/EEC* on the minimum requirements for the provision of safety and/or health signs at work, the aim of the latter being to combat risk factors associated with linguistic and cultural differences which might arise as a result of the free movement of workers. It also adopted, on 3 November, Directive 92/91/EEC* on the protection of workers in the mineral-extracting industries through drilling and, on 3 December, Directive 92/104/EEC* on the protection of workers in the surface and underground mineral-extracting industries.

404. On 15 July the Commission adopted a proposal for a Directive* amending Directive 90/679/EEC² on the protection of workers from risks related to exposure to biological agents at work.

405. On 9 April³ Parliament adopted two resolutions on one of the most controversial aspects of the proposal for a Directive concerning certain aspects of the organization of working time:⁴ the first dealt with Sunday working and night working for women, and the second with night working in general.

406. On 16 November the Commission adopted a proposal for a Directive on the protection of workers on means of transport,* and on 23 December a proposal for a Directive on the protection of workers against risks related to exposure to physical agents.*

407. Under its action programme for the implementation of the Community Charter of the Fundamental Social Rights of Workers, the Commission adopted, on 15 January, a proposal for a Council Directive on the protection of young people at work.* This proposal, which is based very largely on the framework

¹ OJ L 183, 29.6.1989; Twenty-third General Report, point 427.

² OJ L 374, 31.12.1990; Twenty-fourth General Report, point 369.

³ OJ C 125, 18.5.1992; Bull. EC 4-1992, points 1.3.95 and 1.3.96.

⁴ OJ C 254, 9.10.1990; Twenty-fourth General Report, point 371.

Council Directive 89/391/EEC¹ on the introduction of measures to encourage improvements in the safety and health of workers at work, includes a ban on working for children of less than 15 years of age, restrictions on the working time of young people of less than 18 years, and a ban on night work for young people.

Health and safety in the ECSC industries

408. The Safety and Health Commission for the Mining and Other Extractive Industries held three plenary meetings at which it gave its opinion on a number of proposals for directives affecting the safety and health of workers in the extractive industries, namely the proposal for a Directive on the second amendment to the 'machinery' Directive, the proposal for a Directive on explosives for civil uses, and the proposal for a Directive on physical agents.

The Safety and Health Commission also adopted the seventh report on the specifications and testing conditions on fire-resistant fluids used for hydrostatic and hydrokinetic power transmission.

¹ OJ L 183, 29.6.1989; Twenty-third General Report, point 427.

Section 10

Education, training and youth

Priority activities and objectives

409. *On the basis of the guidelines set out in the three memoranda adopted by the Commission in 1991 concerned with higher education, vocational training and open distance learning,¹ there was a wide-ranging debate taking in all interested parties, both at Member State level — students, teachers, political decision-makers, social partners — and at Community level — the European Parliament, the Economic and Social Committee and the Education Committee. The conclusions drawn from the large number of national conferences and reports will act as a basis for future activities, bearing in mind also the discussion on the implications for education and training of the Treaty on European Union.*

As regards education, attention in the Commission and among the Ministers of Education centred on health and the environment, the status of the teaching profession and the quality of teaching, and on the wider concept of European citizenship.

As regards training, 1992 was characterized by the first major consolidation of the Force programme and by discussions among the social partners and representatives of the Member States on a Community instrument regulating access to training.

Youth issues likewise received attention from the Commission and the Ministers, and more particularly possible moves towards a specific Community policy, and the need for broader and better information for young Europeans.

Projects involving the countries of Central and Eastern Europe (Tempus) and the EFTA countries (Comett and Erasmus) confirmed that cooperation on education and training is an important component of the Community's relations with non-member countries.

¹ Twenty-fifth General Report, points 470, 473 and 474.

Cooperation in education

410. On 1 June the Council and the Ministers of Education adopted conclusions relating to the assessment, according to terms of reference stated explicitly in each proposal, of the new Community programmes concerning education and training, and on the development of environmental education.¹

411. On 11 May the Commission adopted a communication² to the Council on the application of the Council Resolution of 23 November 1988 on health education in schools;³ on 27 November the Council and the Ministers of Education adopted conclusions on this question and concerning the information on education in the Community network.⁴ On 24 January the Commission also adopted a report in which it took stock of its activities in the fields of education, training and youth policy during 1990.⁵

412. In a resolution on education and training policy in the run-up to 1993,⁶ Parliament underlined the economic and cultural importance of education and training in the context of the single market.

413. On 27 November the Ministers of Education endorsed the Commission proposal on the convention defining the statute of the European Schools which the Community continues to support. The Commission continued to pursue its action in respect of the policy and management of the Schools and on the budgetary and financial aspects.

Higher education

414. On 27 November the Council and the Ministers of Education adopted conclusions on the introduction of the European dimension in higher education in the Member States⁷ in the light of the Commission memorandum on the topic.⁸

¹ OJ C 151, 16.6.1992; Bull. EC 6-1992, points 1.3.111 and 1.3.112.

² Bull. EC 5-1992, point 1.1.102.

³ OJ C 3, 5.1.1989; Twenty-second General Report, point 463.

⁴ OJ C 336, 19.12.1992; Bull. EC 11-1992, point 1.3.238.

⁵ Bull. EC 1/2-1992, point 1.3.134.

⁶ OJ C 150, 15.6.1992; Bull. EC 5-1992, point 1.1.101.

⁷ OJ C 336, 19.12.1992; Bull. EC 11-1992, point 1.3.138.

⁸ Twenty-fifth General Report, point 474.

415. Regarding cooperation between universities and industry, the Commission adopted, on 7 July, the 1991 activity report and the interim evaluation report 1990-92¹ on the Comett II programme.² On 9 December it adopted a memorandum to the Council concerning cooperation between higher education and industry in Europe: advanced training for more competitiveness,³ in which it sketched out the prospects for improving and widening the dialogue between higher education and industry on a European scale.

416. In its annual report issued on 30 June on the implementation of the Erasmus programme on student mobility⁴ for the academic year 1991/92, the Commission highlighted the impact the programme had had on the Europeanization of universities, with a total of 1 645 inter-university cooperation programmes.

Initial training

417. With a view to preparing young people for adult and working life, the Commission put into effect the second phase of the Petra II programme,⁵ making it possible to place some 8 800 young people in initial training or work experience schemes, to integrate 150 new training projects into the European partnership network and to support 100 youth initiative projects. Petra now incorporates the projects previously supported by the 'Exchange of young workers' programme⁶ the final report on which was adopted by the Commission on 7 December.⁷

Continuing training

418. Under the Force programme for the development of continuing vocational training in the Community,⁸ the Commission set up a network of more than 400 transnational continuing training projects.

¹ Bull. EC 7/8-1992, points 1.3.128 and 1.3.129.

² OJ L 13, 17.1.1989; Twenty-second General Report, point 464.

³ COM(92) 457; Bull. EC 12-1992.

⁴ OJ L 166, 25.6.1987; Twenty-first General Report, point 396.

⁵ OJ L 214, 2.8.1991; Twenty-fifth General Report, point 471.

⁶ OJ L 331, 19.12.1984; Eighteenth General Report, point 297.

⁷ COM(92) 512; Bull. EC 12-1992.

⁸ OJ L 156, 21.6.1990; Twenty-fourth General Report, point 386.

419. On 16 March the Council adopted a decision* amending Decision 89/657/EEC establishing the Eurotecnet action programme¹ and Decision 90/267/EEC establishing the Force action programme,² with a view to establishing a single advisory committee for Eurotecnet and Force.

420. Under the 'Matthaeus' programme,³ more than 400 exchange schemes were organized in 1992 between the national customs administration services in the Community, 21 seminars, five joint training programmes and a pilot programme for the exchange of customs officials in the field of indirect taxation led to the adoption by the Commission on 14 December of a proposal for an action programme in this field.*

421. On 25 November the Commission adopted a proposal for a Council recommendation based on an analysis of national systems and designed to facilitate workers' access to continuing training.⁴ On the initiative of the United Kingdom presidency, on 3 December the Council adopted a resolution on the transparency of qualifications⁵ in the light of the Commission report on the implementation of the system for the comparability of vocational training qualifications in the Member States.

422. On 22 October the Economic and Social Committee adopted an information report on vocational training⁶ stressing the importance of the guidelines set out in the memorandum on vocational training in the 1990s⁷ and the strategic importance of vocational qualifications for the development of European integration.

Foreign language teaching

423. On 10 June the Commission adopted the activity report for 1991 on the Lingua programme⁸ in which more than 500 teachers and more than 4 000 young people have participated.

¹ OJ L 393, 30.12.1989; Twenty-third General Report, point 440.

² OJ L 156, 21.6.1990; Twenty-fourth General Report, point 386.

³ OJ L 187, 13.7.1991; Twenty-fifth General Report, point 92.

⁴ Bull. EC 11-1992, point 1.3.139.

⁵ Bull. EC 12-1992.

⁶ OJ C 332, 16.12.1992; Bull. EC 10-1992, point 1.3.87.

⁷ Twenty-fifth General Report, point 470.

⁸ OJ L 239, 16.8.1989; Twenty-third General Report, point 434.

Open and distance learning

424. Following the adoption of the memorandum by the Commission in November 1991,¹ the Council and the Ministers of Education adopted, on 1 June, conclusions underlining the importance of the development of open and distance learning in the Community,² and on 27 November they adopted further conclusions establishing priorities and criteria for future Commission action in this field.³

Youth

425. In the light of the communication from the Commission entitled 'Keeping young Europeans informed',⁴ the Council and the Ministers meeting within the Council adopted, on 13 February, conclusions on an information action programme for young Europeans,⁵ in which they called on the Commission to undertake an information effort for young people, and more particularly disadvantaged young people, and to present proposals which are consistent with existing Community programmes and with programmes run by the Member States and other international organizations. On 2 September the Commission adopted a priority action plan,⁶ and on 2 July the activity report for 1991⁷ on the Youth for Europe programme.⁸

Cooperation with non-member countries on education, training and youth

Countries of Central and Eastern Europe and the independent States of the former Soviet Union

426. In order to extend the pilot phase by one year, the Council adopted, on 28 April, Decision 92/240/EEC* amending Decision 90/233/EEC establishing a trans-European mobility programme for university studies (Tempus).⁹ In 1992,

¹ Twenty-fifth General Report, point 473.

² OJ C 151, 16.6.1992; Bull. EC 6-1992, point 1.3.110.

³ OJ C 336, 19.12.1992; Bull. EC 11-1992, point 1.3.140.

⁴ Twenty-fifth General Report, point 487.

⁵ Bull. EC 1/2-1992, point 1.3.133.

⁶ Bull. EC 9-1992, point 1.2.83.

⁷ Bull. EC 7/8-1992, point 1.3.130.

⁸ OJ L 158, 25.6.1988; Twenty-second General Report, point 468.

⁹ OJ L 131, 23.5.1990; Twenty-fourth General Report, point 390.

the 10 beneficiary countries (Albania, Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Slovenia, Romania and the Czech and Slovak Federal Republic) allocated ECU 98 million to Tempus from the overall aid they received under the Phare programme. The 637 joint European projects currently in progress involve more than 10 000 teachers and 6 400 students from 1 800 institutions in the Community and in Central and Eastern Europe.

427. On 1 October the Commission adopted a proposal for a Council decision relating to the adoption of the second phase of the trans-European higher education cooperation programme (Tempus II) (1994-98),* which provides for it to be extended to the independent States of the former Soviet Union, which currently qualify for technical assistance from the Community.¹

EFTA

428. The bilateral agreements between the Community and the EFTA countries concluded in 1990 under the Comett II programme² and, in 1991, under the Erasmus programme³ took concrete form as these countries were included in calls for proposals under the two programmes. The Agreement on the European Economic Area⁴ will enable this new form of cooperation to be broadened and deepened.

Other countries

429. On 27 May the Commission adopted a communication on EC-US cooperation in education and training.⁵ The proposals were based on the joint declaration between the Community and the United States⁶ and make provision for exchanges of experience, information and knowledge and comparative analysis of training. On 27 November the Council and the Ministers of Education requested the Commission to examine future action with a view to drawing up a draft agreement with the United States of America.⁷

¹ Point 773 *et seq.* of this Report.

² OJ L 156, 21.6.1990; Twenty-fourth General Report, point 382.

³ OJ L 332, 3.12.1991; Twenty-fifth General Report, point 475.

⁴ Point 789 in this Report.

⁵ Bull. EC 5-1992, point 1.1.100.

⁶ Bull. EC 11-1990, point 1.3.199.

⁷ OJ C 336, 19.12.1992; Bull. EC 11-1992, point 1.3.141.

430. In response to an entry made in the budget by Parliament, the Commission set in motion cooperation activities in the youth field with certain countries of the Maghreb, Latin America and the independent States of the former Soviet Union.

European Centre for the Development of Vocational Training (Cedefop)

431. With 1992 being the last year of its 1989-92 action programme, the European Centre for the Development of Vocational Training (Cedefop) gave priority to the completion of technical work on the comparability of vocational training qualifications, pursuant to Commission instructions and to the Council Decision of 16 July 1985.¹ Work on the development of occupational profiles was likewise completed in a number of sectors.

432. Several monographs describing the vocational training systems in the Member States were published. The Centre continued, at the Commission's behest, to implement a programme of intensive study visits for vocational training experts. As part of its information policy, the Centre published a wide range of reports and continued to develop its documentary information services, more particularly by keeping up its bibliographic database. The Centre also made several technical contributions to the Commission's work, particularly in the social dialogue field.

European University Institute in Florence

433. The Commission contributed ECU 3 250 000 to the academic and research activities of the Florence Institute,² more particularly the research library and the European library (Eurolib programme), information technology, research projects, the European Policy Centre and the Jean Monnet chair, Jean Monnet scholarships, the European culture research centre and the European law academy.

¹ OJ L 199, 31.7.1985; Nineteenth General Report, point 427.

² The activities of the European University Institute in Florence are described in a brochure which can be obtained from the Institute at Badia Fiesolana, via dei Roccettini, 5, San Domenico di Fiesole, I-50016 Firenze.

434. In the 1992/93 academic year, the Institute has 320 researchers and 40 full-time teachers, in accordance with the objectives set in the 1980s. With help from the Tempus programme¹ and other contributions, it receives 25 researchers from Central and Eastern Europe, more particularly under a special one-year programme organized in conjunction with the College of Europe and the Maastricht Institute. Researchers from the EFTA countries are likewise admitted under special association agreements. There are also a number of researchers from the former Soviet Union, North America and Latin America under exchange schemes.

435. The Institute's High Council approved the recommendations presented by the evaluation group it had set up² and adopted the first measures to implement these recommendations. A convention was signed on 18 June, amending the Florence agreement setting up the Institute. It provides for the Institute to develop interdisciplinary research programmes on the main issues affecting European society, particularly matters connected with the construction of Europe.

436. An interdisciplinary 'Robert Schuman Centre' will be created in 1993 to develop applied research on this theme. A European Forum will meet once a year, bringing together a group of the Institute's teachers and researchers, fellows and invited academics for advanced studies on a theme chosen in advance (the theme in the academic year 1993/94 will be 'Regional and national identities in Europe in the 19th and 20th centuries').

437. On 5 November Mr Giovanni Agnelli, President of Fiat, gave the annual Jean Monnet lecture on 'The future of Europe'.

¹ OJ L 131, 23.5.1990; Twenty-fourth General Report, point 390.

² Twenty-fifth General Report, point 494.

Section 11

Economic and social cohesion

Priority activities and objectives

438. *Work on the structural policies in 1992 was dominated by the Treaty on European Union, and in particular the annexed protocol on economic and social cohesion, and the proposals forming part of the second package of structural and financial measures ('Delors II').¹ In support of these proposals, the Commission prepared a mid-term review of the Community structural policies in which it argued that the principles of the 1988 reform should be continued, and indeed strengthened, and proposed a number of amendments to serve as guidelines for adapting the 1988 regulations on the reform of the structural Funds² in order to ensure the continuity of Community structural measures from 1 January 1994. After the European Council in Lisbon had confirmed that the Cohesion Fund provided for in the Treaty on European Union and in the second package of structural and financial measures would come into force early in 1993, the Commission adopted a draft Regulation in this Fund on 31 July, which it amended on 23 December following the European Council at Edinburgh. On the same date, it adopted a proposal for the creation of an interim financial instrument based on Article 235 of the EEC Treaty.³ On 27 February the Economic and Social Committee adopted an own-initiative opinion on economic and social cohesion⁴ in which it stressed the importance of developing and strengthening structural policies in the period 1993-97.*

Formulation, coordination and launching of policies and measures

Formulation of structural policies

439. In its document '*Structural policies — Assessment and outlook*', which it adopted in support of the second package of structural and financial measures,⁵ the Commission noted that the principles of concentration, partner-

¹ Point 14 of this Report.

² OJ L 185, 15.7.1988; Twenty-second General Report, point 534.

³ Points 17 and 19 of this Report.

⁴ OJ C 98, 21.4.1992; Bull. EC 1/2-1992, point 1.3.139.

⁵ Point 15 of this Report.

ship, programming and additionality introduced by the 1988 reform were effective and so should be strengthened. However, it proposed some adjustments to simplify procedures, improve financial channels and provide more systematic assessment and greater flexibility. A great deal of preparatory work was therefore carried out this year to put these guidelines into practice, particularly as regards payments systems, so that proposals to amend the rules in force could be drafted. At its meeting in Edinburgh on 11 and 12 December, the European Council asked the Commission to submit its proposals for revisions to the 1988 Regulations to the Council as soon as possible.

440. In accordance with the principles set out in *Europe 2000: prospects for the development of the Community territory*,¹ which the Economic and Social Committee endorsed on 2 July,² the Commission continued implementation of its research programme with 10 trans-regional studies on groups of regions in various Community countries designed to define the European dimension of their regional development problems and identify the opportunities for greater cross-border cooperation. On 16 September Parliament adopted a resolution on a Community policy for regional planning, calling for the establishment of a European monitoring and information centre for regional planning.³

441. In a resolution dated 12 March,⁴ Parliament endorsed the fourth periodic report on the social and economic situation and development of the regions of the Community, which the Commission had adopted in December 1990.⁵

442. The Consultative Council of Regional and Local Authorities also continued its work, concentrating on the establishment of the Committee of the Regions, an advisory body comprising representatives of regional and local authorities which will begin work once the Treaty on European Union is ratified.

Implementation of the reform of the structural Funds

443. Effect was given to the reform during the year by implementation of 1 310 operational programmes costing a total of ECU 53 686 million. Commitments amounted to ECU 17 971 million and payments to ECU 17 053 million.

444. Particular attention was paid to assessment work. A number of thematic assessments of ESF assistance were carried out and a general overview of

¹ Twenty-fifth General Report, point 497.

² OJ C 287, 4.11.1992; Bull. EC 7/8-1992, point 1.3.132.

³ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.84.

⁴ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.2.104.

⁵ Twenty-fourth General Report, point 402.

Community initiatives such as Now, Euroform and Horizon was prepared. In addition, the ESF decided, in partnership with the Member States, on *ex-post* assessment methods to be implemented in 1993.

445. In cooperation with the Member States, the Commission introduced a monitoring system to permit continuous assessment of whether aid granted by the Community complied with the additionality requirements of Article 9 of Regulation (EEC) No 4253/88.¹ On 14 February, Parliament adopted a resolution on the additionality of structural Funds in the United Kingdom² in which it reaffirmed the importance of this principle.

446. On 19 February³ the Commission decided to adapt the rules governing management of the ECSC conversion loans (Article 56 of the ECSC Treaty) so that they could make a greater contribution to economic and social cohesion through improved coordination with the structural Funds.

447. Continuing its cooperation with the social partners in accordance with Article 31(2) of Regulation (EEC) No 4253/88,¹ on 16 March the Commission consulted them on the second annual report and on the prospects set out in the second package of structural and financial measures and in its communication 'Community structural policies: assessment and outlook'.

448. On 30 April the Commission adopted its conclusions on the annual reports of the ERDF, the ESF and the EAGGF Guidance Section for 1990⁴ and on 27 October the third annual report on implementation of the reform in 1991,⁵ the Economic and Social Committee having given its opinion on the second annual report in March.⁶

449. Resolutions adopted on 16 September contained Parliament's opinions on the implementation of the reform in 1990 and the management of the budget of the structural Funds within the framework of the reform.⁷ On 9 June Parliament adopted a resolution on the impact of Community regional policy on the environment.⁸

¹ OJ L 185, 15.7.1988; Twenty-second General Report, point 534.

² OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.3.140.

³ OJ C 59, 6.3.1992; Bull. EC 1/2-1992, point 1.3.138.

⁴ Bull. EC 4-1992, points 1.3.99 to 1.3.101.

⁵ Bull. EC 10-1992, point 1.3.89.

⁶ OJ C 106, 27.4.1992; Bull. EC 3-1992, point 1.2.103.

⁷ OJ C 284, 2.11.1992; Bull. EC 9-1992, points 1.2.85 and 1.2.86.

⁸ OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.3.115.

Cohesion Fund

450. As part of the second package of structural and financial measures, on 31 July the Commission adopted a proposal for a Regulation¹ to organize the form and methods of operation of the Cohesion Fund. As a result of the conclusions of the European Council in Edinburgh, on 23 December the Commission adopted an amended proposal for a Regulation and a proposal on the creation, by 1 April 1993, of an interim financial instrument under Article 235 of the EEC Treaty to provide financial support to Ireland, Greece, Portugal and Spain in the fields to be covered by the new Cohesion Fund.²

Financial activities and assistance

Regions whose development is lagging behind

451. Implementation of the Community support frameworks (CSFs) for regions eligible under Objective 1 continued normally in the Member States concerned.

452. Total Community assistance under Objective 1 amounted to ECU 10 037.70 million. The ERDF committed ECU 5 456.62 million to assist 836 programmes. The EAGGF Guidance Section, agricultural part, committed ECU 1 506 million, of which ECU 792 million was for programmes for rural development and ECU 714 million for measures under Objective 5a. The ESF committed ECU 2 289.52 million. The breakdown by country of all these commitments is given in Table 2.

453. On 31 March the Commission adopted Decision 92/223/EEC³ and on 22 October Decision 92/512/EEC.⁴ These concerned the establishment of addenda to the Community support frameworks for Community structural assistance in France (overseas departments and Corsica) for the improvement of the conditions under which agricultural products are processed and marketed.

454. On 3 June the Commission adopted a communication to the Council⁵ setting out guidelines for measures to support industries providing the so-called 'excluded' services in Community regions whose development is lagging behind.

¹ Point 17 of this Report.

² Point 19 of this Report.

³ OJ L 108, 25.4.1992; Bull. EC 3-1992, point 1.2.105.

⁴ OJ L 319, 4.11.1992; Bull. EC 10-1992, point 1.3.91.

⁵ Bull. EC 6-1992, 1.3.116.

455. As part of the agreement on establishment of the European Economic Area signed on 2 May in Oporto,¹ the EFTA countries agreed to set up a five-year financial mechanism to assist the Objective 1 regions of Greece, Portugal, Spain and Ireland.

456. Furthermore, during the year the structural Funds provided further support for the restructuring of the new German *Länder* while the ERDF continued to implement the programmes to provide assistance for infrastructure and private investment in production which it had begun in 1991,² while the ESF committed a total of ECU 313.78 million to promote the development of human resources in the new Germany *Länder*.

TABLE 2
Objective 1 — 1992 commitments

	(million ECU)		
	ERDF	ESF	EAGGF (agriculture part)
Greece	1 115.981	396.491	353
Spain	1 515.669	667.135	421
France	99.763	69.580	51
Ireland	492.810	178.114	190
Italy	785.979	325.013	176
Portugal	1 344.060	585.666	274
United Kingdom	90.125	67.542	31
Multi	12.233	—	—
Total	5 456.620	2 289.541	1 506

Declining industrial areas

457. Following adoption of the Community support frameworks for the Objective 2 areas in December 1991,³ Belgium, Denmark, France, Germany, Italy, Luxembourg, the Netherlands, Spain and the United Kingdom submitted

¹ Point 789 of this Report.

² Twenty-fifth General Report, point 505.

³ Twenty-fifth General Report, point 508.

a large number of operational programmes, including multifund programmes (MOPs), programmes under the ERDF, the ESF and major projects.

458. Total Community assistance amounted to ECU 1 620.60 million, comprising ECU 1 165.96 from the ERDF and ECU 454.64 million from the ESF. The breakdown by country of the total commitments is given in Table 3.

459. On 15 May Parliament adopted a resolution on the regional and social redevelopment plan and the Community support framework for the areas of the United Kingdom included in Objective 2.¹

TABLE 3
Objective 2 — 1992 commitments

<i>(million ECU)</i>		
Country	ERDF	ESF
Belgium	25.363	20.69
Denmark	4.420	1.73
Germany	90.510	65.72
Spain	282.140	83.49
France	274.600	70.95
Italy	126.035	23.16
Luxembourg	10.380	0.43
Netherlands	35.099	19.42
United Kingdom	344.414	169.04
Total	1 165.961	454.63

Combating long-term unemployment and the occupational integration of young people

460. On 5 November,² the Commission decided to grant in 1993 ECU 2 117 million for the Community support frameworks negotiated with the Member States under Objectives 3 and 4. This will ensure the continuity of

¹ OJ C 150, 15.6.1992; Bull. EC 5-1992, point 1.1.105.

² Bull. EC 11-1992, point 1.3.145.

measures to support vocational training and job creation part-financed by the ESF in 1990-92.

461. In 1992 the ESF committed ECU 2 155.80 million for Objectives 3 and 4 in non-Objective 1 areas. The breakdown by country is given in Table 4.

TABLE 4
Objectives 3 and 4: 1992 commitments

<i>(million ECU)</i>	
Country	Total assistance
Belgium	85.12
Denmark	33.16
Germany	350.85
Spain	219.92
France	533.49
Italy	174.93
Luxembourg	2.43
Netherlands	104.43
United Kingdom	651.47
Total	2 155.80

In the case of the Objective 1 regions, measures to combat long-term unemployment and assist the occupational integration of young people are included in the CSFs for those regions.

462. On 6 May¹ the Commission decided that, following completion of the single market, customs agents would be regarded in the same light as the long-term unemployed and so eligible for vocational training. On 13 February Parliament adopted a resolution on prospects for transit-related jobs in border areas in the context of the single market starting in 1993.²

¹ Point 90 of this Report.

² OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.3.141.

Adaptation or agricultural structures

463. The EAGGF committed a total of ECU 1 416 million for measures under Objective 5a. Of this amount, ECU 714 million is for the Objective 1 regions and ECU 702 million for the non-Objective 1 areas. The breakdown of these commitments by country is given in Table 5.

464. As part of the horizontal measures under Objective 5a to improve and modernize agricultural structures, aids for modernization provided support for some 24 500 young farmers and for the modernization of 50 500 holdings. Grants for farming in mountainous and less-favoured areas assisted over 1 200 000 farmers and resulted in the commitment of ECU 473 million in 1992, of which ECU 258 million will go to the Objective 1 regions.

465. On 9 November the Council adopted three Directives* amending the Community lists of less-favoured agricultural areas in Germany (new *Länder*), the Netherlands and Italy.

466. During 1992 66 operational programmes and all the Community support frameworks, including those for the new German *Länder*, were approved under Regulations (EEC) Nos 866/90 and 867/90 on a Community aid scheme for investments in the processing and marketing of agricultural products.¹

¹ OJ L 91, 6.4.1990; Twenty-fourth General Report, point 432.

TABLE 5
Objective 5a: 1992 commitments

<i>(million ECU)</i>			
Country	Objective 1	Non-Objective 1	Total
Belgium		26	26
Denmark		23	23
Germany		172	172
Greece	185		185
Spain	154	61	215
France	14	253	267
Ireland	137		137
Italy	54	81	135
Luxembourg		7	7
Netherlands		17	17
Portugal	151		151
United Kingdom	19	62	81
Total	714	702	1 416

Development of rural areas

467. During 1992 measures for rural development adopted since 1988 in accordance with the guidelines and rules for the utilization of the structural Funds covered operational programmes financed under Objective 1 (regions whose development is lagging behind)¹ and Objective 5b (rural areas). While the main feature of 1991 was the adoption of operational programmes for the development of rural areas, 1992 was devoted principally to implementation and monitoring in close partnership with the national and regional authorities of the Member States.

468. Measures under Objective 5b concerned 50 areas and 74 programmes with EAGGF commitments for 1992 standing at ECU 417 million out of a grand total of ECU 978 million for the year. The total allocation to the ERDF for 1989-93 was ECU 1 103 million. The ESF committed a total of ECU 71.95 million for 1992. The breakdown by country for all these commitments is shown in Table 6.

¹ Points 451 to 456 of this Report.

TABLE 6
Objective 5b: 1992 commitments

(million ECU)

Country	ERDF	ESF	EAGGF
Belgium	2.521	3.44	1.256
Denmark	3.231	—	—
Germany	91.648	4.45	73.602
Spain	7.826	7.60	99.935
France	115.860	42.43	183.808
Italy	17.285	9.44	49.822
Luxembourg	—	0.05	—
Netherlands	7.780	2.17	4.973
United Kingdom	67.945	2.37	3.604
Total	314.096	71.95	417.000

Fisheries structures

469. Regulation (EEC) No 4028/86 on Community measures to improve and adapt structures in the fisheries and aquaculture sector¹ was amended successively, by Council Regulation (EEC) No 2794/92, which increased Community aid for aquaculture in the five new German *Länder* and in Ceuta and Melilla (Spain) and by Regulation (EEC) No 3946/92,* adopted by the Council on 19 December.

Under the measures for the adaptation of capacity in the fishing fleet sector, the Commission granted Community reimbursements totalling about ECU 135.6 million (ECU 22.3 million for the temporary laying-up of vessels and ECU 113.3 million for definitive withdrawal).

Under that Regulation, on 30 July the Commission decided² to grant some ECU 14.2 million in Community aid for specific measures under the Poseican and Poseima programmes, intended to offset the isolation and insular nature of the Canary Islands, Madeira and the Azores.

470. Under the same Regulation (EEC) No 4028/86, on 29 April the Commission adopted 11 multiannual transitional guidance programmes³ for the

¹ OJ L 376, 31.12.1986; Twentieth General Report, point 684.

² OJ L 248, 28.8.1992.

³ OJ L 193, 13.7.1992.

1992 fishing fleet and granted aid totalling some ECU 14.8 million for 624 projects for the modernization of fishing vessels, some ECU 13.9 million for 54 construction projects and some ECU 38.5 million for 188 projects concerning aquaculture and artificial reefs. It also granted assistance totalling some ECU 11.6 million for 43 projects concerning facilities at fishing ports. A premium of some ECU 200 000 was granted to encourage an exploratory fishing project submitted by Ireland.

471. The Commission also granted aid worth some ECU 31.5 million for 13 projects submitted by Italy, Portugal, France, Spain and Greece for the establishment of joint ventures and aid worth a total of ECU 8 million for the modernization or definitive withdrawal of certain vessels forming part of the fleets of Denmark, Germany, Ireland, Greece, Spain, Italy and Portugal.

472. On 21 December¹ the Commission adopted the multiannual guidance programmes (MGPs) for the Community fleets for 1993-96, to restore a stable balance between fleet size and resources.

473. The Community support frameworks for the improvement of the conditions under which fisheries and aquaculture products are processed and marketed adopted by Commission Decisions 91/198/EEC to 91/212/EEC² were amended on 2 September by Decision 92/1833/EEC, which increased total Community finance for the period 1991-93 from ECU 156 million to about ECU 190 million.

474. On 3 March the Commission adopted Regulation (EEC) No 540/92³ amending Regulation (EEC) No 650/91 on application for assistance from the EAGGF in respect of investments for improving the processing and marketing conditions for fishery and aquaculture products.⁴

Community initiatives

475. Having regard to the suggestions made by Parliament on 10 April⁵ and by the Economic and Social Committee on 29 April,⁶ on 13 May the

¹ Bull. EC 12-1992.

² OJ L 99, 19.4.1991.

³ OJ L 59, 4.3.1992; Bull. EC 3-1992, point 1.2.207.

⁴ OJ L 72, 19.3.1991.

⁵ OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.3.107.

⁶ OJ C 169, 6.7.1992; Bull. EC 4-1992, point 1.3.108.

Commission adopted a new notice concerning the Community Retex initiative for regions heavily dependent on the textiles and clothing sector.¹ It is intended that this initiative, to be implemented from 1993 onwards, should receive a Community contribution of ECU 300 million for the period 1993-97.

476. The Commission also continued implementation of the structural Funds reform by approving the operational programmes submitted under the various Community initiatives.

477. In particular it completed the negotiations with the Member States on approval of the operational programmes under the Interreg initiative² intended to develop the border regions and promote cross-border cooperation. The total Community commitment for these programmes up to December 1993 comes to ECU 1 340 million. In its resolution of 9 June on cross-border and interregional cooperation,³ Parliament considered the problems affecting the border regions and invited the Commission to extend the Interreg initiative beyond 1993.

478. More specifically with regard to the Community initiatives Now, Horizon and Euroform,⁴ 1992 was the first year of implementation of measures under the operational programmes and global grants approved at the end of 1991.⁵ In view of the interest aroused by the Community initiatives, an extra ECU 161 million was allocated to these three initiatives over and above the initial allocation of ECU 600 million.⁶

479. Measures under the Leader,⁷ Télématique,⁸ Regen⁹ and Rechar¹⁰ initiatives continued normally in the Member States concerned throughout the year.

¹ OJ C 142, 4.6.1992; Bull. EC 5-1992, point 1.1.104.

² OJ C 215, 30.8.1990; Twenty-fourth General Report, point 407.

³ OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.3.114.

⁴ OJ C 327, 29.12.1990; Twenty-fourth General Report, point 407.

⁵ Twenty-fifth General Report, point 427.

⁶ OJ C 327, 29.12.1990; Twenty-fourth General Report, point 342.

⁷ OJ C 73, 19.3.1991; Twenty-fifth General Report, point 506.

⁸ OJ C 33, 8.2.1991; Twenty-fifth General Report, point 506.

⁹ OJ C 326, 28.12.1990; Twenty-fourth General Report, point 407.

¹⁰ OJ C 20, 27.1.1990; Twenty-fourth General Report, point 407.

TABLE 7
Commitments made in 1992

Member State	(million ECU)											
	Rechar	Envireg	Stride	Interreg	Regis	Regen	Prisma	Télé- matique	Leader	Euroform	NOW	Horizon
Belgium	0.380	—	—	—	—	—	0.728	—	0.855	4.338	3.41	4.041
Denmark	—	—	—	—	—	—	—	—	0.684	0.9	0.3	1.8
Germany	1.816	—	0.128	—	—	—	—	—	8.169	21.894	3.834	18.8
Greece	—	38.770	22.288	—	—	26.349	1.100	15.992	21.115	11.234	10.558	39.698
Spain	—	—	—	—	—	—	14.494	36.263	20.875	55.567	29.331	37.545
France	14.697	10.214	—	—	13.072	—	2.656	0.837	21.224	19.850	3.993	15.803
Ireland	—	8.271	—	—	—	114.371	—	—	4.683	12.570	5.061	17.702
Italy	—	10.448	4.294	—	—	—	—	25.467	26.129	5.3	4.408	16.209
Luxembourg	6.716	—	2.047	—	—	—	—	—	—	—	0.284	0.686
Netherlands	—	—	—	—	—	—	—	—	5.840	8.923	1.350	3.449
Portugal	—	25.571	—	—	—	25.830	5.297	—	3.298	12.847	12.836	18.226
United Kingdom	101.421	1.803	29.680	—	—	—	5.668	—	—	3.776	3.043	27.919
Multi	—	—	—	427.117	—	2.000	—	—	—	—	—	—
Total	125.030	99.077	58.437	427.117	13.072	168.550	29.943	83.959	112.872	157.2	78.4	201.88

Measures for ECSC industry workers

480. In 1992 ECU 155 million was granted in redeployment aid, pursuant to Article 56(1)(c) and (2)(b) of the ECSC Treaty, to 64 015 ECSC industry workers. The average grant per worker was ECU 2 418. The object of the aid was to supplement income in the event of unemployment or early retirement or to facilitate integration into a new job through training schemes or by supporting mobility. The traditional aid programmes were supplemented in 1992 by aid under the Rechar initiative, to which the ECSC contributed ECU 50 million, and aid under the 'steel industry social scheme', worth ECU 46 million. A breakdown of the total sum granted in aid by country and sector is given in Table 8.

TABLE 8
Redeployment aid — Appropriations committed in 1992

Member State	Steelmaking and iron ore mining				Coalmining			
	Traditional aid		Social scheme ¹		Traditional aid		Rechar	
	Workers concerned	Amount in ecus	Workers concerned ²	Amount in ecus	Workers concerned	Amount in ecus	Workers concerned	Amount in ecus
Belgium					794	2 382 000	985	1 925 980
Denmark								
Germany	18 085	32 850 540	5 778	38 020 122	11 351	29 718 024	5 200	16 591 498
Greece	640	851 888						
Spain	701	2 103 000	0	688 263	6 136	18 378 640	4 032	8 351 942
France	1 359	4 634 693	787	2 361 000	2 030	6 707 331	3 900	6 997 808
Ireland								
Italy	7 103	21 309 000	0 ³	2 766 827				
Luxembourg			0	1 027 296				
Netherlands	257	897 690						
Portugal	222	666 000	0	368 985	70	178 296	30	70 478
United Kingdom	3 606	10 810 364	0	959 107	11 661	23 307 816	23 801	16 062 294
Total	31 973	74 123 175	6 565	46 191 600	32 042	80 672 107	37 957	50 000 000

¹ Credit supplement for the 1991 supplementary programme.

² Additional to 1991.

³ Note that the number of beneficiaries, which was fixed at 5 061 workers for the first tranche (1991), has been reduced to 2 758.

481. The Commission also decided in April to extend the redeployment aid to include workers taking early retirement and freeing a job in a sector not covered by the ECSC Treaty provided that these workers received the aid instead of workers in the same undertaking who would otherwise have lost their employment in an ECSC job.

482. In view of the scale of the aid given over the previous two years to assist ECSC industry workers in the new German *Länder*, the specific requirements for redeployment in this area were reviewed at an information day held between ECSC sector representatives and the public authorities of these *Länder* on the basis of eight study reports.

483. On 2 March the Council gave its assent ¹ to a draft Commission decision on studies into requirements and strategies regarding workers' housing in coal and steel industry areas. The appropriations for the implementation of the 11th ECSC subsidized housing scheme, ² amounting to ECU 52 million, were increased in 1992 by ECU 6 million earmarked for housing in the new Germany *Länder*. At 1 December, loans had been granted for some 5 200 houses under this scheme.

Other financial assistance

484. Following the new rules adopted by the Commission, ³ ECSC conversion loans totalling ECU 1 126.548 million were granted in 1992 helping to create 71 740 jobs. Under the 1992 ECSC budget, ECU 106 million was committed to finance interest subsidies on new and current loans.

485. The Commission's main contribution to inter-regional cooperation comprised assistance to local and regional authorities for implementation of the 21 pilot projects under the Recite programme (Regions and cities of Europe) which began in December 1991, ⁴ monitoring in the 12 projects begun in 1990 and assessment and analysis of the first results. The ECOS and Ouverture programmes resulted in further strengthening of links with the cities and regions of central Europe to help the on-going process of adjustment.

¹ OJ C 64, 13.3.1992; Bull. EC 3-1992, point 1.2.96.

² Twenty-second General Report, point 490.

³ Point 446 of this Report.

⁴ Twenty-fifth General Report, point 503.

TABLE 9
ECSC conversion loans

	1975-91		1992		1975-92	
	1	2	1	2	1	2
Belgium	289.8	18 393	59.359	4 452	349.159	22 845
Denmark	11.7	854	—	—	11.7	854
Germany	1 904.4	134 202	491.403	36 839	2 395.803	171 041
Greece	5.0	375	—	—	5	375
Spain	176.6	9 660	41.165	734	217.765	10 394
France	819.6	59 707	93.859	7 040	913.459	66 747
Ireland	4.4	420	—	—	4.4	420
Italy	861.6	58 185	65.131	4 885	926.731	63 070
Luxembourg	25.8	2 100	—	—	25.8	2 100
Netherlands	37.8	2 696	—	—	37.8	2 696
Portugal	20.0	1 500	28.426	2 132	48.426	3 632
United Kingdom	2 466.3	142 226	257.205	8 908	2 723.505	151 134
Saar/Lorraine/ Luxembourg cross- border operation	100.0	5 000	90.000	6 750	190	11 750
Community	6 723.0	435 318	1 126.548	71 740	7 849.548	507 058

1 Total of loans granted in million ecus.

2 Number of jobs created/being created.

486. The Commission continued to provide support for a series of projects and pilot studies on cross-border cooperation begun in 1989. The projects carried out included a study of the border regions of Greece and cross-border cooperation programmes prepared by the European Trade Union Confederation (ETUC) and Eurochambres (European union of chambers of commerce). A new series of eight innovative urban pilot projects was also approved. Parliament approved a special budget heading of ECU 1.5 million for studies on the protection of European cities and, in particular, on the restoration and economic development of historic centres.

487. A transnational training programme known as 'Euroqualification' was also set up to develop exchanges of experience and shared achievements and encourage new qualifications in some 50 trades. The programme will receive a Community grant of ECU 67.94 million.

Other measures for the regions

488. On 15 April the Commission adopted its progress report on the integrated Mediterranean programmes for 1990.¹ Parliament gave its opinion on implementation of these programmes in two resolutions adopted on 14 February.²

Programme for the Greek Islands in the Aegean

489. Following its interim report on the Greek Islands in the Aegean,³ on 23 December the Commission adopted a final report⁴ in which it analyses the special situation of these islands, which are seriously disadvantaged by their specific natural conditions, summarizes the important Community measures already implemented or under way, and presents its programme to extend and better target these measures. The programme, implementation of which has already been commenced, in areas such as taxation, provides for three types of innovative measures. Firstly, the Commission is planning to strengthen structural assistance to the islands by selecting, with the Greek authorities, priority sectors to be targeted from 1993, and by substantially increasing, from 1994, the resources allocated to the islands by the structural Funds. Secondly, it supports the recognition of indirect taxation arrangements for the islands, as approved by the Council in October. Thirdly, it recommends the introduction of a specific agricultural scheme, which is the subject of a proposal for a Regulation annexed to the report and is intended to facilitate the supply of basic agricultural products to the islands and to maintain and develop local production.

¹ Bull. EC 4-1992, point 1.3.112.

² OJ C 67, 16.3.1992; Bull. EC 1/2-1992, points 1.3.147 and 1.3.148.

³ Twenty-fifth General Report, point 517.

⁴ Bull. EC 12-1992.

Section 12

Measures for the most remote regions

Priority activities and objectives

490. *The year 1992 was decisive for implementation of the Community's approach to its most remote regions (the French overseas departments, the Canary Islands, the Azores and Madeira) as defined in the Poseidom decision¹ and extended in June 1991 by Regulation (EEC) No 1911/91 on the application of the provisions of Community law to the Canary Islands² and by the Poseican and Poseima decisions.³ This approach, confirmed by a specific declaration annexed to the Treaty on European Union, is intended to ensure that the regions concerned take full advantage of the internal market and European integration despite the difficulties caused by their considerable isolation and insular nature while at the same time recognizing their special situation compared with the rest of the Community. This approach has been implemented in the context of the partnership between the Commission, the Member States and the regions by the inter-departmental group responsible for the most remote regions.*

491. *On 15 June, on proposals from the Commission, the Council adopted a series of specific regulations on customs matters, trade, agriculture and fisheries to implement the Poseidom, Poseican and Poseima programmes. The Commission adopted most of the implementing measures for which it is responsible, mainly in the areas of agriculture, taxation and fisheries.*

492. *Efforts to help the most remote regions, all of which are eligible under Objective 1, to catch up have comprised implementation of operational programmes under the Community support frameworks and initiatives (Stride, Envireg, Prisma and Regis, which is specifically concerned with the most remote regions).*

¹ Programme of options specific to the remote and insular nature of the French overseas departments. OJ L 399, 30.12.1989; Twenty-third General Report, points 490 and 492.

² OJ L 171, 29.6.1991; Twenty-fifth General Report, point 526.

³ Programme of options specific to the remote and insular nature respectively of the Canary Islands (Poseican) and the Azores and Madeira (Poseima). OJ L 171, 29.6.1991; Twenty-fifth General Report, points 519, 526 and 528.

493. *Lastly, on the basis of the Commission's proposal, the Council adopted the principles of the market organization in the banana sector, a product of considerable economic and social importance in the bulk of the most remote regions, to be implemented in 1993.*¹

Agriculture

494. On 15 June the Council adopted Regulations (EEC) Nos 1600/92* and 1601/92* concerning specific measures respectively for the Azores and Madeira and for the Canary Islands relating to certain agricultural products, like the similar regulation adopted in December 1991 for the overseas departments.²

495. The Commission also approved operational programmes to implement for 1992 the agricultural structural measures for which provision was made in the Poseidom, Poseican and Poseima programmes to encourage traditional production in the most remote regions. The Community will contribute ECU 30.243 million to these operational programmes.

Fisheries

496. On 15 June the Council adopted Regulation (EEC) No 1603/92* authorizing an enhanced aid system for the formation of producers' organizations in the French overseas departments, in the Canary Islands, in Madeira and in the Azores in order to facilitate application of the common fisheries policy mechanisms in those regions.

497. Following the adoption of Regulation (EEC) No 1911/91 and the Poseican programme, the Commission adopted a number of measures redefining the integration of the Canary Islands into the common fisheries policy. These were Regulation (EEC) No 1672/92³ on the acceptance of ports in the Canary Islands as reference ports for prices under Regulation (EEC) No 1673/92³ concerning application of a specific price coefficient for sardines and Decision 92/449/EEC on the granting of ECU 6.2 million in specific structural aid for sardines and tuna. On 17 December the Commission also adopted a proposal

¹ Point 525 of this Report.

² OJ L 356, 24.12.1991; Twenty-fifth General Report, point 523.

³ OJ L 176, 30.6.1992.

for a Regulation* introducing specific measures for producers of cephalopods established in the Canary Islands.

498. By Decision 92/448/EEC,¹ the Commission implemented a specific structural measure under the Poseima programme providing ECU 8.04 million to improve the exploration of marine resources and support the tuna processing industry in the Azores and Madeira.

499. The Commission took steps to include tropical shrimps, a product of considerable economic and social importance for French Guiana, in the common organization of the markets for fisheries products.

Customs, tariff and trade measures

500. On 15 June the Council adopted Regulation (EEC) No 1604/92* introducing a derogation to facilitate processing in free zones and free warehouses in the French overseas departments, the Canary Islands, the Azores and Madeira.

On the same date, it also adopted Regulations (EEC) No 1602/92,* 1605/92* and 1606/92* and Decision 92/319/ECSC temporarily suspending common customs tariff and antidumping duties on certain industrial products imported into the Canary Islands, following the approach of Regulation (EEC) No 1911/91 and Poseican. On 14 December the Council adopted Regulation (EEC) No 3621/92² providing for similar measures to apply to imports of certain fisheries products into the Canary Islands.

Taxation

501. The Commission tried to ensure that the guidelines on taxation set out in the Poseidom, Poseican and Poseima programmes were taken into account through recognition of special tax treatment as regards VAT and excise duties for the most remote regions and for some of their products by including specific provisions in certain directives adopted as part of the measures to abolish tax frontiers.³

¹ OJ L 248, 28.8.1992.

² OJ L 368, 17.12.1992.

³ Point 148 *et seq.* of this Report.

502. Two proposals for increases in dock dues applied in the overseas departments pursuant to Article 4 of the Council Decision of 22 December 1989¹ (preserved meat preparations in Martinique and cement in French Guiana) were submitted to the Commission, which raised no objection. In implementing the revised dock dues from 1 January, the Commission also decided, on 18 December, to raise no objections to the arrangements to exempt local products submitted under Article 2 of the Council Decision.

503. On 23 December, the Commission also adopted a proposal for a Regulation* extending the Canarian tax known as 'arbitrio insular — tarifa especial' with respect to certain sensitive products delivered to the rest of the Community under Article 6(4) of Regulation (EEC) No 1911/91.

Energy and craft industries

504. On 29 July the Commission, acting under the Poseima programme, decided to make an initial contribution of ECU 5 million to Madeira and the Azores to compensate for the extra costs involved in supplying oil products to those islands during 1991.

On 18 December the Commission also approved the 1992 Poseima-craft programme for the Azores and Madeira to which the Community will contribute ECU 6 million over three years.

¹ OJ L 399, 31.12.1989; Twenty-third General Report, points 490 and 492.

Section 13

Agriculture¹

Priority activities and objectives

505. *The major event of this year was the Council's adoption of a number of measures to reform the common agricultural policy. In view of the overproduction on a number of agricultural markets and the rapid increase in budgetary expenditure, the Council, anxious to ensure the competitiveness of European agriculture while safeguarding the socioeconomic balance in rural areas, adopted decisions essentially aimed at improving market equilibrium and the internal and international competitiveness of Community agriculture, as well as ensuring greater stability in farm incomes and more equitable distribution of the Community's resources. The reform will also help secure quality production which is more respectful of the environment and at lower prices for the consumers. Moreover, the scale of the reform constitutes a strong political signal from the Community to its trading partners, particularly in the context of the continuing Uruguay Round negotiations.*²

In view of the final completion of the single market, the Council has adopted a series of measures designed to eliminate all border controls linked to the implementation of the transitional arrangements for agricultural products provided for in the Act of Accession of Spain.*

At international level, the year was also marked by a significant development in the Community's relations and agricultural trade with the countries of Central Europe, particularly following the signature of European association agreements³ with an important agricultural section.

¹ For further details, see *The Agricultural Situation in the Community — 1992 Report*, published in conjunction with this Report (available from the Office for Official Publications).

² Point 967 of this Report.

³ Point 746 of this Report.

Content of the common agricultural policy

Reform of the common agricultural policy

506. On 21 May,¹ essentially keeping to the Commission's proposals, the Council approved a number of measures redirecting agriculture in the Community. While respecting the fundamental principles of the CAP (market unity, preference, Community solidarity and responsibility) and guaranteeing a support level comparable to that which has been ensured until now, the decisions are based on the following four principles:

- (i) a general reduction in guaranteed farm prices. Reductions vary depending on the product but result in improved competitiveness of Community products in relation to products sold on the world market;
- (ii) compensation for the price reductions is granted in the form of compensatory payments or premiums and is no longer granted directly on the basis of production, but on the basis of the production factors used (hectare or head of livestock);
- (iii) measures to directly influence the quantities produced, applied in the form of quotas, set-aside of arable land or restrictions on the grant of premiums;
- (iv) accompanying measures aiming to encourage the restructuring of farms by means of an early-retirement scheme, the afforestation of farmland or the reduction of yields by encouraging the use of more extensive or more environmentally-friendly methods.

The purpose of these changes is also to achieve greater coherence between the various market regulations, which are henceforth based on two main approaches, for arable crops (cereals, oilseeds and protein crops) on the one hand and for sheepmeat, goatmeat and beef and veal on the other.

507. With regard to arable crops (Regulations (EEC) Nos 1738/92,* 1765/92,* 1766/92,* 2064/92* and 2065/92*), the gradual price reductions applicable from 1993 will be offset by the grant, also progressive, of compensatory payments based on the number of hectares cultivated and established regionally on the basis of past yields. However, such payments will be granted only in so far as the farmer agrees to set aside part of his arable land, i.e. for 1993, 15% of the

¹ OJ L 180 and L 181, 1.7.1992; OJ L 215, 30.7.1992; OJ L 221, 6.8.1992; Bull. EC 6-1992, points 1.3.140 to 1.3.148.

base areas recorded as sown to cereals, oilseeds and protein crops (including set-aside land) during a reference period. Small producers are exempt from this obligation.

508. In the case of sheepmeat, goatmeat and beef and veal production, (Regulations (EEC) Nos 2066/92* to 2070/92*), the premium schemes established in recent years are generalized and, in the case of beef and veal, strengthened. Granted within the framework of national or regional references, the premiums are allotted per head of livestock. Four types of premiums have been adopted in the case of cattle: premiums for young male bovine animals, suckler cow premiums, calf conversion premiums or intervention arrangements for light carcasses, and extensification premiums. In order to discourage intensive stockfarming, the obligation to comply with a maximum number of livestock per hectare of fodder area in order to receive certain premiums has been introduced into Community legislation.

509. The measures adopted by the Council also concern tobacco, which is henceforth covered by a new premium scheme and processing and production quotas to restrict the grant of the premium (Regulations (EEC) Nos 2075/92* to 2077/92*).

510. With regard to milk, the new Regulations ((EEC) Nos 2071/92* to 2074/92*) maintain the quota system. The quotas will be gradually reduced by 2% over the 1993/94 and 1994/95 marketing years. In addition, the quota system was simplified and consolidated by Council Regulation (EEC) No 3950/92.*

511. In addition, on 27 November the Council adopted Regulation (EEC) No 3508/92* concerning the establishment in each Member State of an integrated system for the management and control of certain Community aid schemes introduced under the reform of the CAP.

512. In two resolutions of 8 July,¹ Parliament gave a favourable opinion on the reform of the CAP, believing that these measures constitute a considerable concession by the Community in the Uruguay Round negotiations.

Agricultural prices for 1992/93

513. The Council adopted the agricultural prices for 1992/93 in Regulations (EEC) Nos 1373/92* to 1380/92,* 1739/92* to 1761/92* and 2046/92* to 2062/92.* In accordance with the Commission's proposals, it has left prices at the

¹ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, points 1.3.166 and 1.3.167.

same level as the previous year for the fifth year in succession, making only a few adjustments required by the stabilizer system or by changes in the definition of quality references. On the whole, the Council's decisions did not increase the average prices expressed in ecus. However, certain adjustments in the green exchange rates used in the agricultural policy led to some changes in the prices expressed in national currencies.

Adjustment of the agricultural market organizations

514. As in 1991, this year's price proposals were accompanied by changes to the common organizations of the markets. Pending the decisions implementing the reform, which will be taken until 1993, only minor changes have been made to the Regulations to pave the way for the reform, such as the abolition of the co-responsibility levies for cereals, the decision to thoroughly review the system of milk quotas, the extension until 1995 of the system of aid for chickpeas, lentils and vetch, and the continuation of the policy of reducing aid for dried fodder.

Rural development

515. The activities of the EAGGF Guidance Section are henceforth dealt with in the new section on 'Economic and social cohesion'.¹

Forestry, environment and agriculture

516. As part of the measures accompanying the reform of the common agricultural policy, the Council adopted two very important Regulations concerning environmental aspects and forestry. Regulation (EEC) No 2078/92* on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside aims to reduce the harmful effects and pollution caused by agriculture, while ensuring recognition of the fundamental function performed by farmers in terms of management of the countryside and protection of natural resources. Regulation (EEC) No 2080/92* introduces a Community aid scheme for forestry measures in agriculture intended to enable farmers to adjust to the changes arising

¹ Point 438 *et seq.* of this Report.

from the adjustments to the market organizations, particularly by providing economically viable alternatives to the agricultural use of land.

517. In addition, in the context of the specific measures on the protection of forests against atmospheric pollution and fire, on 23 July the Council adopted Regulations (EEC) No 2157/92* and No 2158/92,* the aim of which is to ensure the extension, improvement and reinforcement of the mechanisms set up previously in these fields.

Quality of agricultural products

518. In the context of rural development and as a supplement to Regulation (EEC) No 2029/91*¹ which defines organic production methods and introduces arrangements to monitor products described as organically produced, the Council adopted Regulations (EEC) No 2081/92* and No 2082/92* intended to promote and safeguard designations of origin and certificates of specific character for agricultural products.

Management of the common agricultural policy

Market organization

Crop products

519. Community production of cereals in 1991/92 amounted to 168.9 million tonnes (not including the five new *Länder*), exceeding the maximum guaranteed quantity (MGQ) by more than 5% and therefore entailing a 3% reduction in the intervention price for the following marketing year. Estimates for 1992/93 (1992 harvest) forecast a more modest tonnage, at about 166 million tonnes, including the five new *Länder*, as a result of a slight reduction in the areas sown, in particular to barley, and the drought in part of the Community.

The Community market continues to be affected by the same trends: a drop in the use of cereals in feedingstuffs and increased competition from certain substitute products, resulting in greater recourse to intervention in 1992 and an increase in stocks, from 18.7 million tonnes to 26.5 million tonnes, including

¹ OJ L 198, 22.7.1991; Twenty-fifth General Report, point 546.

10.7 million tonnes of common wheat, while Community exports, mirroring the expansion in world trade, amounted to 32 million tonnes in 1991.

The institutional prices for cereals in 1992/93 were reduced by 3% as a result of the overrun of the maximum guaranteed quantity by the 1991 harvest. Co-responsibility levies were abolished from the beginning of the 1992/93 intervention period. The price for common wheat in Portugal was aligned on the intervention price applicable in the other Member States, and the aid for cereals placed on the Portuguese market was adjusted accordingly.

520. A drop in rice production in 1991 brought down intervention stocks, which at 1 September amounted only to 20 000 tonnes, and prices were fairly buoyant. With smaller areas under rice, because of the poor weather conditions at the time of sowing, and normal yields, the harvest in 1992 should be about the same as last year, i.e. between 2.2 and 2.4 million tonnes of paddy rice. Intra-Community trade increased during the year and rice was dispatched to the remotest regions of the Community under several specific programmes.

521. Community sugar production and the sugar market continue to be subject to a production quota system, which was extended last year to the five new German *Länder* and which continues to be applied in 1992/93.¹ On 27 November the Council extended the special supply arrangements for the Portuguese refineries until 30 June 1993.* Production, in terms of white sugar equivalent, amounted to 14.817 million tonnes in 1991/92, while total consumption, which is still increasing, is estimated at 11.890 million tonnes.

522. Community production of olive oil, which accounts for approximately 80% of world production, is estimated at 1.5 million tonnes for 1991/92, i.e. a net increase in relation to the previous marketing year (1 million tonnes) owing to the characteristic variations in the yields of the olive tree. Consumption was slightly up, at 1.3 million tonnes. Because of the bumper harvest, private storage arrangements for a maximum quantity of 200 000 tonnes were applied from the beginning of 1992.² In the interests of the efficient management of consumption aid, the Council decided to adjust the aid for 1991/92³ so as to transfer it to the production aid for the following marketing year.

523. Community production of oilseeds was 13.1 million tonnes in 1991/92, as against 12.7 million tonnes in 1990/91. Council Regulation (EEC) No 3766/

¹ Twenty-fifth General Report, point 549.

² OJ L 5, 10.1.1992.

³ OJ L 297, 29.10.1991.

91,¹ in force from the 1992/93 marketing year, radically alters the support arrangements by aligning Community prices for oilseeds on world prices, abolishing intervention and granting per hectare compensation to producers, up to a maximum guaranteed area. The introduction of these arrangements did not cause difficulties, but seems on the contrary to have contributed to the improvement of market conditions. Available estimates suggest that the 1992 harvest will be appreciably lower in terms of tonnage than that of 1991.

524. In the wine sector, the latest data² on the 1991 harvest (not including Portugal) suggest an output of approximately 175 million hectolitres, i.e. 30 million hectolitres more than the previous marketing year. Due to weather conditions, the 1991/92 harvest, like the three previous ones, was relatively low compared with the production levels recorded over the last 10 years. However, the forecasts suggest that the 1992 harvest (for EUR 12) will be abundant and could reach 187 million hectolitres. On the Community market, direct human consumption (126 million hectolitres) appears stable in relation to the previous marketing year. The industrial use of wine remains constant. The quantities distilled under the Community intervention measures (preventive, compulsory and support distillation) during 1991/92 were considerable (20 million hectolitres).

As regards overall trade, exports remained unchanged (8 million hectolitres) while imports (3 million hectolitres) tended to increase slightly. At the end of the 1991/92 marketing year, producers' and trade stocks amounted to 120 million hectolitres. Table wine prices generally remained low during this period, at about 75 or 80% of the guide prices. The Commission plans to present a reform of the market organization for wine, to apply from the 1993/94 marketing year.

525. The late frosts in the spring of 1991 in certain Member States had a major impact on the Community's production of fresh fruit marketed in 1991/92. By contrast, the Community harvest for the 1992/93 marketing year is exceptional, not only compared with the previous one but also in relation to the average of recent years. The market impact of such abundant supply led the Commission to introduce preventive withdrawals for certain storable varieties of apples and pears from the beginning of September.³ In addition, public intervention covering all producers was introduced in July and August

¹ OJ L 356, 24.12.1991; Twenty-fifth General Report, point 535.

² Rectified forward estimate established on 22 July 1992.

³ OJ L 266, 12.9.1992.

for pears¹ and peaches.² Moreover, the Community's balance of trade deficit in fresh fruit, not including bananas, increases from year to year. Between 1985 and 1991, imports increased on average by 10.8 % per year, while exports fell by 1.1% per year. Thus, the negative external trade balance increased from 1.1 million tonnes in 1985 to 1.9 million tonnes in 1990 and to 2.4 million tonnes in 1991, i.e. approximately 6.1% of production. Completion of the single market by 1 January 1993 required the recasting of the rules and procedures governing the control of compliance with the quality standards in force in the fruit and vegetable sector.

On 31 July, after consultations with all the interested parties, the Commission adopted a proposal for a common organization of the market in bananas* laying down common provisions for the management of the banana market. In December, on the basis of this proposal, the Council approved measures to guarantee adequate supplies to consumers and disposal of Community bananas while respecting the Community's international commitments. Pending the formal adoption of the Regulation and its entry into force on 1 July 1993, the Commission decided, on 23 December,³ to authorize the Member States to take special temporary measures on the basis of Article 115 of the EEC Treaty, in so far as inspection measures do not hinder the abolition of checks at internal borders on 1 January 1993.

For the 1992/93 marketing year, the Council left all the basic and buying-in prices in force in the Community of Ten at their previous level and aligned the prices in force in Spain and Portugal on the common prices as provided for in the Act of Accession (the third alignment for Spain and the second for Portugal). However, the introduction of measures under the stabilizer arrangements resulted in a subsequent reduction in these prices of 6% for peaches, 5% for nectarines, 19% for mandarins, 20% for satsumas and 9% for oranges. In the case of mandarins, satsumas and oranges, these price cuts were added to the 0.26% reduction caused by the monetary realignment of 13 and 17 September, which also affected the price of clementines.

526. On 24 November, the Commission adopted a proposal* on the common organization of the market in potatoes, organized until now on a national basis.

527. The Community's output of fresh vegetables increased appreciably in 1991/92. For example, tomato production, which accounts for approximately

¹ OJ L 223, 8.8.1992; OJ L 248, 28.8.1992.

² OJ L 208, 24.7.1992; OJ L 230, 13.8.1992.

³ Bull. EC 12-1992.

30% of total vegetable production in the Community, amounted to 13.6 million tonnes, i.e. an increase of 1.2% compared with 1990/91 and 11.5% over the 1986-90 average. Approximately 6 million tonnes were intended for processing. The partial figures available for 1992 indicate stable tomato production, except in Italy where output is up by 16.2%. External trade in vegetables remains insignificant in terms of volume (approximately 3% of production) and the Community deficit continues to increase (205 000 tonnes in 1985, 252 000 tonnes in 1990 and 268 000 tonnes in 1991).

528. Community production of leaf tobacco amounted to 430 280 tonnes, an increase of 2.5% over the previous year and exceeding by 11.3% the maximum guaranteed quantity (MGQ), fixed at 390 000 tonnes. Pending the reform of the common organization of the market in raw tobacco,¹ the measures taken with respect to the 1992 harvest maintain the status quo, with the exception of certain specific measures designed to curb increases in production at the expense of the most basic quality requirements. Thus the prices, premiums and maximum guaranteed quantity remained at the 1991 level, but the stabilizer 'buffer' was increased from 15% to 23% and excessive deliveries of lower quality tobacco will trigger a 30% reduction in the premium. In addition, payment of the premium is limited to a maximum quantity per hectare fixed on the basis of the yields recorded for the various varieties.

529. In quantitative terms, the 1991 harvest of hops in the Community was much better than that of 1990. At 916 873 ztr,² the average yield per hectare was 31.12 ztr, in other words very close to that of the 1981 harvest, which was considered very good. As a result of poor weather during the spring and summer, forecasts suggest that the 1992 harvest will be lower than last year's. The Council fixed the aid per hectare at ECU 340 for 1991.³ Measures to encourage cultivation of varieties better suited to market requirements have resulted in the conversion of 2 756 hectares to date.

530. Cotton plays an important socioeconomic role in Greece and Spain. The areas sown to cotton in these two countries increased from 311 500 hectares in 1991 to 397 200 hectares in 1992, for an estimated production of 1.1 million tonnes of unginning cotton as against 924 000 tonnes in 1991. The Community produced between 25 and 30% of its cotton fibre requirements, with consumption amounting to approximately 1.2 million tonnes. The Community aid

¹ Point 509 of this Report.

² 1 ztr (zentner) = 50 kg.

³ OJ L 336, 20.11.1992.

scheme provides for an annual guide price and aid equal to the difference between this price and the world price is granted to ginning undertakings which pay a minimum price to the producer. If production of unginned cotton exceeds the maximum guaranteed quantity (701 000 tonnes), the guide price and the amount of aid are cut proportionately. Production has exceeded the maximum guaranteed quantity each year since 1986/87, and the most recent overshoot led to a 15% reduction for 1992/93.

531. The area under fibre flax (44 000 hectares in 1992) and seed flax (266 000 hectares) totalled 310 000 hectares in 1992 (approximately 490 000 tonnes of seed) as against 176 300 hectares in 1991 (268 300 tonnes of seed). The Community measures for flax seed consist in aid equal to the difference between the guide price and the world market price.

532. Production aid for hemp seed was fixed at ECU 24.59/100 kg for 1991/92 and 1992/93. In the last few years, the area sown to hemp in the Community has remained stable at approximately 5 000 hectares (4 000 in France and 1 000 in Spain). The premium for fibre hemp was fixed at ECU 339.42/hectare.

Livestock products

533. Milk production and the Community market in milk and milk products continue to be subject to the quota system set up in 1984. In 1991, the 2% reduction in quotas reduced deliveries to dairies to 96.8 million tonnes and a further slight fall in deliveries is also expected in 1992. Owing to major restructuring of stockfarming,¹ production in the five new German *Länder*, not included in these results, also fell sharply, by 25 %, in 1991 and a further reduction of about 8% is expected in 1992. Reduced milk collections also resulted in a drop in the manufacture of butter and skimmed-milk powder. Surpluses remain, however, but only butter (46 400 tonnes) was bought into intervention in 1992. Exports from the Community of butter, cheese and whole-milk powder increased in 1991, while exports of skimmed-milk powder fell. Conversely, exports of butter and whole-milk powder fell during the first nine months of 1992 in relation to the same period in 1991, while exports of skimmed-milk powder and cheese increased.

534. The situation on the market for beef and veal, beset with serious difficulties in 1991, did not improve this year. Despite considerable intervention buying-

¹ OJ L 150, 15.6.1991; Twenty-fifth General Report, point 560.

in (990 000 tonnes in 1991/92, compared with 800 000 tonnes in 1990/91) and a positive foreign trade balance of 790 000 tonnes, market prices remained low, with beef and veal facing increasing competition from other meat, particularly poultrymeat. However, it should be noted, in the light of the latest figures, that beef production entered its cyclical downswing in the second half of 1992, which should help push up prices. In December the Council approved the proposal* to amend the market organization for beef and veal, in particular to make the conditions for granting the suckler cow premium in respect of mixed herds more flexible.

535. After increasing regularly over recent years, production of sheepmeat and goatmeat is currently experiencing a downward trend which forecasts for 1992 put at -3%. The reform of the market organization introduced by Regulation (EEC) No 3013/89¹ continues and should be fully implemented by the end of 1992 with the application of a single ewe premium. The only remaining differentiation will be that between meat and dairy herds, for which ewe premiums are only 80% of the single premium. Imports of sheepmeat into the Community in 1992 will probably exceed the level reached in 1991. In December, the Council authorized the Commission to negotiate with trading partners with a view to extending by one year the voluntary restraint agreements currently in force.² It also adopted Decisions 93/60/EEC and 93/61/EEC extending for one year adapted voluntary restraint agreements in trade in sheepmeat and goatmeat between the Community on the one hand and Argentina, Australia, New Zealand, Uruguay, Bulgaria, the Czech and Slovak Federal Republic, Hungary and Poland on the other.³

536. The reduction in the supply of pigs recorded in the Community from spring 1991 until August 1992 resulted in very satisfactory producer prices. However, the favourable conditions have led to a substantial increase in pig numbers in 1992. The market responded to this expansion with a very clear drop in market prices from September 1992. The cyclical upswing in production is set to continue in the coming months, and prices will remain depressed.

Production, which has been increasing constantly, reached 14.3 million tonnes in 1992. Exports to non-member countries amounted to 667 000 tonnes in 1991, with imports, mainly from the countries of central Europe, at 115 000 tonnes.

¹ OJ L 289, 7.10.1989; Twenty-third General Report, point 578.

² Bull. EC 12-1992.

³ OJ L 17, 26.1.1993; Bull. EC 12-1992.

537. There is no market support for poultrymeat and eggs but this is an important sector of agriculture. The supply of poultrymeat regularly increases by about 3.5% each year, and this year there were considerable difficulties in the chicken sector while the market situation for ducks and turkeys improved.

538. With regard to the egg sector, the increase in layer numbers caused some tension, particularly since international trade has been declining constantly for a number of years because of the creation of production units in various importing countries.

Other work

Approximation of laws

539. For the approximation of laws on animal health, public health, feeding-stuffs, plant health products and seeds and propagating material, see 'Harmonization of veterinary and plant health rules' in Chapter III, Section 3 ('Completing the internal market') of this Report.¹

Agrimonetary measures

540. When the Council adopted its decisions on prices and related measures for 1992/93 in May,² there were no longer any agrimonetary gaps for the currencies subject to the discipline of the European Monetary System (EMS), and the behaviour of the pound sterling was such that it was not necessary to correct the small remaining gaps. The Council therefore merely amended the agricultural rates of the peseta and the escudo, to reduce by 1.3 percentage points at the most the existing positive gaps, and devalued the drachma, thus reducing the differences to 1.5 points, i.e. a dismantling of between 6.5 and 9 points, depending on the sector.

Since September, however, the devaluation of various currencies has created large monetary gaps and triggered the automatic dismantling mechanism, resulting in the fixing of new agricultural rates for the devalued currencies.

¹ Points 94 to 99 of this Report.

² Point 513 of this Report.

541. The remaining monetary gaps are to be dismantled before 1 January 1993, in view of the completion of the internal market, which requires a reform of the agrimonetary system. To this end, in December the Council adopted Regulation (EEC) No 3813/92* concerning the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy, in order to eliminate the need for border controls because of the monetary compensatory amounts.

Food aid for the needy

542. The Community continued its programme¹ of food aid for the needy.² Since Germany, like last year, did not participate in the programme, about ECU 150 million was shared among the 11 other Member States to assist the distribution of foodstuffs through social and charitable organizations.

Income aid

543. During the year, the Commission approved two new income aid programmes, one for the Spanish Basque Country and the other for Denmark. Seven Member States (Belgium, Germany, Spain, France, Italy, the Netherlands and Denmark) are currently participating in the scheme adopted by the Council in 1989,³ with more than 185 000 beneficiaries receiving aid worth ECU 650 million.

State aid

544. The Commission has paid special attention to the aids granted by Member States to their farmers and farming industries and has generally given favourable decisions with respect to aid relating to environmental protection, plant health measures, research, information and training and compensation for natural disasters.

¹ Twenty-fifth General Report, point 568.

² OJ L 352, 15.12.1987; Twenty-first General Report, point 588.

³ OJ L 84, 29.3.1989; Twenty-third General Report, point 562.

The Commission examined 218 notifications concerning agriculture and 20 measures not notified in accordance with Article 93(3) of the EEC Treaty. Following interviews with representatives of the Member States and requests for additional information which, in most cases, resulted in amendments to the draft aid schemes, the Commission raised no objections concerning 220 dossiers. It proposed measures under Article 93(1) in respect of three existing schemes. The Article 93(2) procedure was initiated against two Belgian schemes,¹ one German scheme,² five Italian schemes,³ one Spanish scheme,⁴ and one French scheme.

Farm accountancy data network (FADN)

545. The management committee responsible for the coordination and management of the network held its two statutory meetings in 1992. A large number of economic analyses were based on FADN data. The proposals for the reform of the CAP prompted numerous studies on incomes and the effects of the reform on production. Preliminary proposals for the collection of information on non-agricultural activities and incomes were discussed at a special meeting and two studies were undertaken in Italy and in Greece.

Advisory committees and relations with professional organizations

546. As in previous years, farmers' organizations and the advisory committees made up of representatives of the sector and consumer organizations, created at Community level, have been kept regularly informed of the application, development and future of the CAP.

¹ OJ C 142, 4.6.1992; OJ C 314, 1.12.1992.

² OJ C 161, 27.6.1992.

³ OJ C 160, 26.6.1992; OJ C 164, 1.7.1992; OJ C 238, 31.10.1992; OJ C 288, 5.11.1992.

⁴ OJ C 291, 7.11.1992.

TABLE 10
The agricultural management and regulatory committees

Committee	From 1 January to 31 December 1992			
	Meetings ¹	Favourable opinion	No opinion	Unfavourable opinion
Management Committee for Cereals	48	1 073	43	0
Management Committee for Pigmeat	15	34	2	0
Management Committee for Poultrymeat and Eggs	15	63	2	0
Management Committee for Fruit and Vegetables	18	109	1	0
Management Committee for Wine	27	61	2	0
Management Committee for Milk and Milk Products	26	201	27	0
Management Committee for Beef and Veal	34	141	13	0
Management Committee for Sheep and Goats	14	23	9	0
Management Committee for Oils and Fats	25	75	19	0
Management Committee for Sugar	51	131	2	0
Management Committee for Live Plants	3	3	0	0
Management Committee for Products Processed from Fruit and Vegetables	10	45	6	0
Management Committee for Tobacco	12	24	0	0
Management Committee for Hops	3	5	0	0
Management Committee for Flax and Hemp	3	7	0	0
Management Committee for Seeds	4	7	1	0
Management Committee for Dried Fodder	8	11	1	0
Management Committee for Agricultural Income Aids	3	0	0	0
Implementation Committee for Spirit Drinks	5	2	0	0
Implementation Committee for Aromatized Wine-based Drinks	4	3	0	0
Joint meetings of Management Committees ¹	15	16	3	0
Regulation 598/91 Committee	8	6	0	0
USSR Guarantee Committee	5	0	0	0
Committee for Loans to the ex-USSR and its Republics	4	1	0	0
EAGGF Committee	20	16	0	0
Standing Committee on Feedingstuffs	6	8	0	0
Standing Veterinary Committee	24	197	0	0
Standing Committee on Seeds and Propagating Material for Agriculture, Horticulture and Forestry	10	16	0	0
Committee on Agricultural Structures and Rural Development	11	193	1	0
Community Committee on the Farm Accountancy Data Network	2	2	0	0
Standing Committee on Agricultural Research	2	0	0	0
Standing Committee on Plant Health	27	18	0	0
Standing Committee on Zootechnics	2	3	0	0
Standing Forestry Committee	9	2	0	0
Standing Committee on Organic Farming	4	4	0	0
Standing Committee on Propagating Material and Ornamental Plants	2	0	0	0
Standing Committee on propagating Material and Plants of Fruit Genera and Species	3	0	0	0
<i>Ad hoc</i> Committee on the Supplementary Trade Mechanism	1	1	0	0
<i>Ad hoc</i> Committee on Cholera	1	1	0	0

¹ Except those on trade mechanisms (13 meetings and agrimonetary questions (13 meetings)).

Financing the common agricultural policy: the EAGGF

Guarantee Section

547. The initial 1992 budget, adopted on 18 December 1991,¹ provided EAGGF Guarantee Section appropriations amounting to ECU 37 158 million, broken down as follows:

(million ECU)

EAGGF Guarantee Section (subsection B1)	36 039
Other appropriations to which the financing rules of the Guarantee Section apply:	
• Fisheries Guarantee Fund (Chapter B2-90)	29
• Reimbursement of Member States' expenditure on depreciation of stocks of agricultural products and disposal of butter (Chapter B0-10)	810
• Set-aside of arable land, Guidance Section share (Chapter B2-220)	180
• Income aid (Chapter B2-221)	100
Guarantee Section total	37 158

The amounts of ECU 36 039 million and ECU 37 158 million include the appropriations set aside for the monetary reserve (ECU 1 billion) and the appropriations initially entered in Chapter B0-40 for provisional appropriations (ECU 17 million). With ECU 5 million of the latter amount transferred at a later date to subsection B1, the remainder is broken down as follows: table olives: ECU 2 million; measures to combat fraud affecting the EAGGF Guarantee Section: ECU 10 million.

The initial budget was amended by supplementary and amending budget No 2/92² to finance the special food-aid programme for 1992, which cut certain appropriations intended for the milk and milk products sector by ECU 190 million. Consequently, the appropriations allocated to the EAGGF Guarantee Section were reduced from ECU 36 039 million to ECU 35 849 million. When

¹ OJ L 26, 3.2.1992; Twenty-fifth General Report, point 1244 *et seq.*

² OJ L 174, 29.6.1992.

supplementary and amending budget No 3/92¹ was adopted in September, the EAGGF Guarantee Section appropriations were again reduced, this time to ECU 33 095 million, i.e. a total reduction of ECU 2 944 million in relation to the initial appropriations. Since the other appropriations to which the detailed rules for Guarantee Section financing apply remain unchanged, the total appropriations managed by the Guarantee Section therefore amount to ECU 34 214 million, including the monetary reserve of ECU 1 billion.

548. The total expenditure in the preliminary draft budget for 1993² which the Commission transmitted to the budgetary authority is only slightly up, largely because of the reduction in the appropriations allocated to the common agricultural policy as a result of developments in the economic situation. The total appropriations allocated to the EAGGF Guarantee Section in the preliminary draft budget initially amounted to ECU 33 145 million, including the monetary reserve of ECU 1 billion. The EAGGF Guarantee Section appropriations cover fisheries (Chapter B1-26) and the whole of the set-aside operation (Chapter B1-40), previously shared equally between the Guarantee and Guidance Sections, income aid (Chapter B1-41) and accompanying measures (Chapter B1-50).

However, the Council's decisions on the reform of the CAP and the farm prices for 1992/93 and related measures departed from the Commission's original proposals, on which the 1993 preliminary draft budget was based, and required additional appropriations. Letter of amendment No 1 to the preliminary draft budget for 1993 was therefore adopted,² increasing the appropriation requirements of the EAGGF Guarantee Section to ECU 35 062 million (or ECU 34 062 million, excluding the ECU 1 billion monetary reserve), i.e. an increase of ECU 1 917 million, which still leaves a margin of ECU 2 595 million under the guideline, fixed at ECU 36 657 million for 1993.

When the final budget was adopted in December, the appropriations allocated to the EAGGF Guarantee Section under the preliminary draft budget were reduced by ECU 10 million, bringing the total down to ECU 34 052 million.

549. On 19 October,³ the Commission adopted the twenty-first financial report (1991) on the activities of the EAGGF Guarantee Section with a view to transmitting it to the Council and to Parliament.

¹ Point 1177 of this Report.

² Point 1179 of this Report.

³ Bull. EC 10-1992, point 1.3.152.

TABLE 11
EAGGF Guarantee Section appropriations, by sector

(million ECU)

Sector	1990 expenditure	1991 expenditure	1992 appropriations ¹	1993 appropriations ²
Cereals and rice ³	3 950.2	5 332.0	5 737	7 242
Sugar ³	1 391.1	1 819.2	2 000	2 004
Olive oil, oilseeds and protein crops ³	5 481.4	6 382.7	6 868	5 563
Fruit and vegetables, wine, tobacco	3 230.3	3 483.8	3 626	4 292
Milk and milk products ³	4 971.7	5 706.5	4 239	5 370
Beef, sheepmeat, goatmeat and pigmeat	4 532.4	6 337.7	6 480	5 900
Other sectors	843.3	758.7	1 574	1 387
Refunds on processed products	511.5	704.1	683	700
Monetary compensatory amounts	307.5	159.0	46	24
Impact of accounts clearance decisions	-377.9	-437.8	token entry	token entry
Other:				
• Interest payable to the Member States following financial reform	66.6	84.7	97	100
• Distribution of agricultural products to the needy in the Community	136.9	145.0	150	150
• Fraud control	3.0	20.1	29	22
• Rural development activities related to the operation of markets	—	388.2	374	432
Subtotal A	25 048.0	30 883.9	31 903	33 186
Set-aside (share borne by Guarantee Section)	21.2	76.9	180	489 ⁴
Provisional appropriations entered in Chapter B0-40	—	—	12	109
Total financed within guideline	25 069.2	30 960.8	32 095	—
Guideline (until 1992)	30 630.0	32 511.0	35 039	—
Fisheries	23.6	26.2	29	27
Subtotal B	25 092.8	30 987.0	32 124	33 811
Set-aside (share borne by Guidance Section)	21.2 ⁵	76.9 ⁵	180 ⁵	—
Income aid	—	3.8 ⁵	100 ⁵	59 ⁶
Accompanying measure	—	—	—	182 ⁶
Total A	25 114.0	31 067.7	32 404	34 052
Guideline 1993	—	—	—	36 657
Depreciation of stocks and disposal of butter	1 360.7	797.3	810	—
Expenditure using appropriations carried over from previous financial years	—	601.6	166	—
Total B	26 474.7	32 466.6	33 380 ⁷	34 052 ^{7,8}

¹ Budget (OJ L 26, 3.2.1992) amended by supplementary and amending budgets No 2/92 (OJ L 174, 29.6.1992) and No 3/92 (OJ L 349, 30.11.1992), not including any subsequent transfers.

² 1993 budget.

³ Including refunds for Community food-aid operations.

⁴ For 1993, all expenditure in this chapter is borne by the EAGGF Guarantee Section.

⁵ Not borne by the EAGGF Guarantee Section; however, the Community's contribution is paid in accordance with the Guarantee Section financing rules.

⁶ For 1993, the financing of expenditure in this chapter is borne by the EAGGF Guarantee Section.

⁷ Not including the appropriations for the monetary reserve (ECU 1 billion).

⁸ Total financed within the 1993 guideline.

Guidance Section

550. Financing from the EAGGF Guidance Section, like the other structural Funds, is broken down by the Objectives to which it contributes, namely the adjustment of regions whose development is lagging behind (Objective 1), the adjustment of agricultural structures (Objective 5a) and the development of rural areas (Objective 5b). The use to which the appropriations were put under the 1991 budget is shown in Table 12.

551. In addition, appropriations under the 1992 budget originally amounted to ECU 2 886 million for commitments (17.5% of the total for the structural Funds) and ECU 2 704 million for payments. As a result of the adjustments decided in the supplementary and amending budget,¹ as well as transfers, these appropriations were increased to ECU 2 893 million for commitments and ECU 2 815 million for payments. They include ECU 30 million for programmes for the remotest regions, which do not strictly speaking involve the structural Funds, and are separate from the appropriations granted for fisheries measures, since financial management of the EAGGF Guidance Section for fisheries has been split off from that of the Guidance Section for agriculture since 1 January 1990. However, they do not include the appropriations provided for under Regulation (EEC) No 3575/90² for the implementation of Community structural assistance in the territory of the former German Democratic Republic, for which EAGGF Guidance Section commitments for agricultural measures amounted to ECU 236 million.

552. As a result of the implementation of the Community support frameworks for the regions covered by Objectives 1, 5a, and 5b, the 1993 budget was increased to ECU 3 068 million for commitments and ECU 3 366 million for payments.

553. The budget for the set-aside scheme,³ still financed equally by both sections of the EAGGF in 1992, is increased from ECU 360 million in 1992 to ECU 489 million in 1993, and is borne entirely by the EAGGF Guarantee Section. The 1993 budget provides ECU 59 million for agricultural income aid, while the appropriations in the 1992 budget amount to ECU 100 million.

¹ Point 1174 *et seq.* of this Report.

² OJ L 353, 17.12.1990; Twenty-fourth General Report, point 24.

³ OJ L 106, 21.4.1988; Twenty-second General Report, point 642.

TABLE 12

EAGGF Guidance Section — Agriculture: Summary of 1991 budget implementation
(Commitment appropriations)

(million ECU)

Type of financing	Total	Objective 1	Objective 5a ¹	Objective 5b	Transitional
Direct:	58.970	30.266		9,361	19.343
• Regional	58.970	30.266		9.361	19.343
• General					
Indirect:	1 379.139	775.392	533.665	25.892	44.190
• Regional	403.600	333.518		25.892	44.190
• General	975.539	441.874	533.665		
Operational programmes:	959.350	634.733	97.587	224.799	2.231
• Regional	675.198	454.051		221.147	
• Marketing/processing	203.385	105.798	97.587		
• Community initiatives	80.767	74.884		3,652	2.231
Pilot projects, etc. (Article 22, Regulation (EEC) No 797/85; Article 8, Regulation (EEC) No 4256/88)	10.700	0.436		0.100	10.164
Global grant					
Total	2 408.159	1 440.827	631.252	260.152	75.928

¹ Objective 5a measures in areas not covered by Objective 1.

International provisions

554. In 1992, continuing its humanitarian measures to supply agricultural products and foodstuffs to the countries of Central Europe, and in addition to its assistance under Operation Phare, the Community financed food aid worth a total of ECU 543.5 million, of which ECU 377.5 million came from 1992 appropriations and ECU 166 million from appropriations carried over from 1991. This amount included supplies sent to Russian cities, particularly Moscow and St Petersburg (ECU 195 million), Albania (ECU 120 million), Romania and Bulgaria (ECU 24 million), the Baltic States (ECU 90 million), the independent States of the former Soviet Union (ECU 42 million) and the Republics of the former Yugoslavia (ECU 72.5 million). However, the implementation of the programme depends on the individual situations of the recipient States.

Section 14

Fisheries

Priority activities and objectives

555. *Continuing the work started last year on an overall assessment of the fisheries sector and on the guidelines for policy over the next 10 years, this year the Commission began a more detailed analysis. This work and the debates on these matters, particularly in the Council, led the Commission to propose improvements to the common fisheries policy, intended to guarantee the sustainability of activities in the sector while ensuring its economic and social viability through the stable and rational use of resources. In December the Council approved this proposal which is based on a number of measures concerning the regulation and allocation of access to resources, the management and monitoring of fishing effort, and the instruments and procedures necessary to ensure their effectiveness. It was accompanied by a proposal for the reform of the current monitoring system, the shortcomings and failings of which have been demonstrated.*

In addition, the Commission adopted a proposal for a Regulation on the reform of the common organization of the market in fishery products. It also proposed a Community approach to the problem of fishing in the waters of non-Community countries and in international waters and endeavoured to solve the disagreement with Canada over cod stocks in the area covered by the Northwest Atlantic Fisheries Organization (NAFO). Lastly, at the Rio Earth Summit the Commission expressed its concern about issues involving the use of fisheries resources.

Assessment of and guidelines for the fisheries policy

556. Following the Commission's report on the common fisheries policy,¹ which was favourably received by Parliament and the Economic and Social Committee,² on 3 April the Council adopted conclusions laying down the principles which must govern the reform: a balance between resources and

¹ Twenty-fifth General Report, point 578.

² OJ C 150, 15.6.1992; OJ C 223, 31.8.1992; Bull. EC 5-1992, points 1.1.180 and 1.1.181.

fishing effort and the balanced and rational management of resources; moreover it had to take as a starting point the principle of 'globality' and implement the principle of subsidiarity, in particular with regard to fisheries inspection and measures to increase the responsibility carried by the fishing industry itself.¹

557. Seeing the need to encourage improvements in the commercial quality of fishery products, on 28 February the Commission adopted a communication,² favourably received by the Economic and Social Committee,³ in which it notes that the fishing industry must seek to improve the quality of fishery products and proposes to institute a Community scheme for recognition of quality in fishery products and a scheme of incentives under the structural section of the fisheries policy. On 6 March the Commission adopted a report on monitoring the implementation of the common fisheries policy,⁴ intended to initiate a wide-ranging debate with a view to preparing proposals for legislation to improve the existing inspection measures, and on 12 March a report on discards in Community fisheries in which it identifies the causes and consequences and proposes an overall strategy to remedy the problem.⁵

558. On 9 June, the Council amplified the conclusions it adopted on 3 April on the reform of the fisheries policy,⁶ defining the framework into which the formal proposals of the Commission would have to fit in terms of the topics raised in the three Commission communications referred to above and its discussion paper on a common fishing system in the Mediterranean.⁷

559. As a result of this work, on 20 December the Council adopted Regulation (EEC) No 3760/92* concerning the recasting of Regulation (EEC) No 170/83 to establish a Community system for fisheries and aquaculture. The system basically envisages a set of measures regulating and allocating access and dealing with the management and monitoring of fishing effort. It brings together all the aspects of the common fisheries policy in a single legal framework, in order to establish a durable balance between resources and fishing effort, and provides in particular for binding programming of the parameters likely to influence resource mortality due to fishing, the establishment of a Community system of fishing licences to be managed and implemented by each Member State, as well

¹ Bull. EC 4-1992, point 1.3.169.

² Bull. EC 1/2-1992, point 1.3.237.

³ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.2.136.

⁴ Bull. EC 3-1992, point 1.2.197.

⁵ Bull. EC 3-1992, point 1.2.199.

⁶ Bull EC 6-1992, point 1.3.184.

⁷ Twenty-fourth General Report, point 471.

as the introduction of arrangements for monitoring the implementation of the common fisheries policy.¹

560. On 11 December the Commission also adopted a proposal for a Regulation harmonizing certain technical measures in force in the Mediterranean.*

561. In a communication of 1 April called 'Fishing on the high seas, a Community approach',² the Commission proposed a Community approach to fishing in the waters of non-Community countries and in international waters which defends the principles established by the United Nations Convention on the Law of the Sea against the tendency of certain coastal States to extend their jurisdiction beyond 200 miles ('creeping jurisdiction').

562. During the Earth Summit held in Rio de Janeiro from 4 to 14 June, the Commission participated, *inter alia*, in the debates on the points in Agenda 21, Chapter 17, relating to the protection of the oceans and the rational use of their living resources.³

Internal resources and policy on conservation and monitoring

Community measures

563. On 19 December the Council adopted the TACs and quotas for 1993,⁴ and three regulations laying down the fishing opportunities in 1993 for vessels from Member States permitted to fish in Spanish and Portuguese waters and for vessels from Spain and Portugal permitted to fish in the waters of the other Member States.⁵

564. In a report dated 23 December⁶ the Commission assessed the specific provisions of the Act of Accession of Spain and Portugal⁷ on fisheries and proposed guidelines for a possible review of the arrangements, which expire on 31 December 1995.

¹ Point 569 of this Report.

² Bull. EC 4-1992, point 1.3.170.

³ Points 596 and 597 of this Report.

⁴ OJ L 397, 31.12.1992; Bull. EC 12-1992.

⁵ OJ L 394, 31.12.1992; Bull. EC 12-1992.

⁶ Bull. EC 12-1992.

⁷ OJ L 302, 15.11.1985; Nineteenth General Report, points 1 to 9.

565. On 27 January,* 1 June¹ and 20 July,² the Council adopted the 11th, 12th and 13th amendments to Council Regulation (EEC) No 3094/86 relating to technical measures for the conservation of fishery resources.³ On 19 October it adopted Regulation (EEC) No 3034/92,⁴ which amends Regulation (EEC) No 3094/86 to lay down the conditions for the use of purse seines so that only the target species is caught without endangering marine mammals. The Commission, sharing the concern expressed by Parliament,⁵ adopted a communication on the conservation of whales, accompanied by a recommendation for a Decision to enable negotiation of the Community's accession to the International Convention for the Regulation of Whaling.⁶

566. The Council adopted five amendments⁷ to Regulation (EEC) No 3882/91,⁸ increasing certain TACs and adapting fishing conditions to the technical regulations in force.

567. At its meetings in Brussels from 9 to 13 March and from 19 to 23 October, the Scientific and Technical Committee for Fisheries (CSTP) delivered its opinion on questions concerning the selectivity of fishing gear, the 1991 Report on the common fisheries policy and a number of points concerning the technical conditions for exercise of fishing activities.

National measures

568. The Commission was notified by the Member States of 171 national conservation measures, of which 122 measures were either the subject of comments or were approved, and 49 are still under examination. In addition, in the context of the development of a common fisheries policy in the Mediterranean, the Commission was notified of certain national fishing measures taken by two Mediterranean coastal Member States (Spain and Italy) applicable to fishing in the Mediterranean.

¹ OJ L 155, 6.6.1992; Bull. EC 6-1992, point 1.3.186.

² OJ L 213, 29.7.1992; Bull. EC 7/8-1992, point 1.3.226.

³ OJ L 288, 11.10.1986; Twentieth General Report, point 662.

⁴ OJ L 307, 23.10.1992; Bull. EC 10-1992, point 1.3.162.

⁵ OJ C 241, 21.9.1992; Bulletin EC 7/8-92, point 1.3.224.

⁶ COM (92) 316; Bull. EC 7/8-1992, point 1.3.223.

⁷ OJ L 213, 29.7.1992; Bull. EC 7/8-1992, points 1.3.227 and 1.3.228; OJ L 300, 16.10.1992; Bull. EC 10-1992, point 1.3.60; OJ L 331, 17.11.1992; Bull. EC 11-1992, point 1.3.224; OJ L 370, 19.12.1992; Bull. EC 12-1992.

⁸ OJ L 367, 31.12.1991; Twenty-fifth General Report, point 580.

Monitoring

569. On 30 September following discussion of its Report on the monitoring of the common fisheries policy,¹ favourably received by the public authorities concerned and by the fishing industry, the Commission adopted a proposal* for the total recasting of Council Regulation (EEC) No 2241/87² so as to ensure compliance with the new common fisheries policy contained in the proposal already submitted to the Council.³ The aims of the proposed new system includes global and integrated monitoring of the common fisheries policy, definition of the most suitable levels for the implementation of inspection tasks, and implementation of the Community instruments needed to guarantee the effectiveness and transparency of the controls carried out by the national authorities.

570. The Commission also continued to monitor compliance with TACs and quotas in Community waters and in certain international waters, which led to the closing of 62 fisheries during the year, following exhaustion of a TAC or quota. A number of preliminary infringement procedures relating to overfishing were initiated, and procedures relating to overfishing in previous years (1987, 1988, 1990) were pursued in 1992. The Commission also monitored compliance with conservation measures, fisheries agreements with non-Community countries and international agreements, as well as continuing its surveillance of fisheries in the regulatory area of the NAFO.

571. Furthermore, the Commission contributed to the financing of programmes presented by the Member States for the acquisition and improvement of means of monitoring and inspection⁴ under Council Decision 89/631/EEC,⁵ which the Council amended on 20 July* to allow for the financing of such programmes in the Mediterranean pending the adoption of Community rules on the conservation and management of fishery resources applicable to Mediterranean waters.

¹ Bull. EC 6-1992, point 1.3.184.

² OJ L 207, 29.7.1987.

³ Point 559 of this Report.

⁴ OJ L 30, 6.2.1992; OJ L 236, 19.8.1992.

⁵ OJ L 364, 14.12.1989; Twenty-third General Report, point 598.

External resources

572. In order to resolve the dispute with Canada over the causes of the deterioration of fishery resources inside the Canadian 200-mile zone, on 2 June¹ the Commission temporarily suspended fishing for cod in the NAFO area of the Grand Banks known as zone 2J+3KL, pending the meeting of the scientific council of NAFO requested by the Council on 3 April.² At its annual meeting, NAFO decided on a moratorium on fishing for northern cod outside the Canadian 200-mile zone. On 14 December,³ the Council authorized the Commission to negotiate a new fisheries agreement to normalize relations with Canada in this area. The agreement was initialled on 21 December.³

573. On 14 September, the Commission proposed the establishment of a licensing system for fishing activities in the regulatory area defined by the NAFO convention carried out by vessels flying the flag of a Member State or registered in the Community.

574. In December the Council adopted Regulation (EEC) No 3927/92⁴ laying down certain conservation and management measures in the regulatory area defined by the NAFO convention and Regulation (EEC) No 3928/92⁵ introducing a pilot observation programme for Community vessels operating in that area.

575. On 19 December the Council also adopted Regulation (EEC) No 3924/92 laying down for 1993 certain measures for the conservation and management of fisheries resources applicable to vessels registered in the Faeroes⁴ and Regulation (EEC) No 3925/92 allocating for 1993 certain catch quotas among the Member States for vessels fishing in Faeroese waters. It took similar measures *vis-à-vis* Sweden.⁴

576. On 30 November an important fisheries agreement was initialled with Argentina.⁶ This is the first fisheries agreement with a country in Latin America and was negotiated as a 'second generation'-type agreement. A new fisheries agreement with Morocco was signed and concluded in December in order to

¹ OJ L 151, 3.6.1992; Bull. EC 6-1992, point 1.3.191.

² Bull. EC 4-1992, point 1.3.171.

³ Bull. EC 12-1992.

⁴ OJ L 397, 31.12.1992; Bull. EC 12-1992.

⁵ OJ L 399, 31.12.1992; Bull. EC 12-1992.

⁶ Bull. EC 11-1992, point 1.3.122.

ensure the continuity and stability of fishing opportunities for the Community fleet as well as the conservation and rational exploitation of fish stocks.

577. On 14, 16 and 17 July fisheries agreements were initialled between the Community and Estonia, Latvia and Lithuania.¹ On 12 October, the Council adopted a decision authorizing the Commission to negotiate the termination by mutual consent of fisheries agreements concluded by the former German Democratic Republic with the Faeroes and Norway,² and on 12 November it adopted Decision 92/530/EEC cancelling the fishing agreement between the former German Democratic Republic and Sweden.³ An agreement between the Community and Iceland on fisheries and the maritime environment was initialled on 27 November⁴ and the Commission adopted a proposal on the conclusion of the agreement on 8 December.⁵

578. The Council decided on the provisional implementation of new protocols to the fisheries agreements with Madagascar,⁶ Angola,⁷ Guinea,⁸ Mozambique⁹ and Senegal.¹⁰ It also decided to conclude the protocols to the fisheries agreements with Guinea-Bissau,¹¹ the Comoros Islands,¹² Guinea¹³ and Morocco,¹⁴ while the Commission proposed the conclusion of protocols to the agreements with Madagascar,¹⁵ Angola,¹⁶ and Mozambique.¹⁷ On 3 April the Council adopted a decision authorizing the Commission to negotiate a protocol to the Convention for the conservation of North Atlantic salmon.¹⁸

579. On 23 March the Council shared out the additional catch quotas between the Member States for vessels fishing in Swedish waters and on 12 October¹⁹ it adopted Regulation (EEC) No 2984/92 amending Regulation (EEC) No 3884/

¹ Bull. EC 7/8-1992, point 1.3.233.

² Bull. EC 10-1992, point 1.3.166.

³ OJ L 334, 19.11.1992; Bull. EC 11-1992, point 1.3.228.

⁴ Bull. EC 11-1992, point 1.3.226.

⁵ OJ C 346, 30.12.1992; COM(92) 531; Bull. EC 12-1992.

⁶ OJ L 282, 26.9.1992; Bull. EC 9-1992, point 1.2.139.

⁷ OJ L 223, 8.8.1992; Bull. EC 7/8-1992, point 1.3.230.

⁸ OJ L 107, 24.4.1992; Bull. EC 3-1992, point 1.2.201.

⁹ OJ L 107, 24.4.1992; Bull. EC 3-1992, point 1.2.203.

¹⁰ OJ L 218, 1.8.1992; Bull. EC 7/8-1992, point 1.3.235.

¹¹ OJ L 42, 18.2.1992; Bull. EC 1/2-1992, point 1.3.242.

¹² OJ L 288, 3.10.1992; Bull. EC 9-1992, point 1.2.138.

¹³ OJ L 379, 23.12.1992; Bull. EC 12-1992.

¹⁴ OJ C 407, 31.12.1992; Bull. EC 12-1992.

¹⁵ OJ C 201, 8.8.1992; Bull. EC 6-1992, point 1.3.234.

¹⁶ OJ C 188, 25.7.1992; Bull. EC 7/8-1992, point 1.3.231.

¹⁷ Bull. EC 1/2-1992, point 1.3.244.

¹⁸ Bull. EC 4-1992, point 1.3.178.

¹⁹ OJ L 300, 16.10.1992; Bull. EC 10-1992, point 1.3.165.

91 allocating, for 1992, certain catch quotas between Member States for vessels fishing in the Norwegian exclusive economic zone and in the fishing zone around Jan Mayen.¹ On 18 December² the Commission proposed to amend Regulation (EEC) No 2984/92 to allocate a new catch quota granted by Norway. On 19 December the Council fixed and allocated the catch quotas in Greenland waters available for 1993.³

580. The Commission took part in the International Conference on Responsible Fishing, held from 6 to 8 May⁴ in Cancún, which recommended the drafting of an international code of conduct and the promotion of international cooperation with a view to ensuring in particular the conservation of the living resources of the high seas. The Community participated, either as a member or as an observer, in the work of several international fisheries organizations: the fourth conference on the conservation and management of marine stocks in the central Bering Sea, held from 13 to 16 April; the 12th meeting of the Fishery Committee for the Eastern Central Atlantic (Cecaf), held from 27 April to 1 May; the ninth annual meeting of the North Atlantic Salmon Conservation Organization (Nasco), held from 7 to 13 June;⁵ the 44th annual meeting of the International Whaling Commission (IWC), held from 29 June to 3 July; the 18th annual meeting of the International Baltic Sea Fishery Commission (IBSFC), held from 7 to 11 September; the 14th meeting of the Northwest Atlantic Fisheries Organization (NAFO), held from 14 to 18 September;⁶ the 11th meeting of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR), held from 26 October to 6 November; the 10th annual meeting of the North-East Atlantic Fisheries Commission (NEAFC), held from 18 to 20 November and the eighth extraordinary meeting of the International Commission for the Conservation of Atlantic Tunas, held from 9 to 13 November.

Market organization

581. On 17 December the Council adopted Regulation (EEC) No 3759/92 on the common organization of the market in fishery products.* While preserving the principles of the common organization of markets laid down in Council

¹ OJ L 367, 31.12.1991; Twenty-fifth General Report, point 601.

² COM(92) 581; Bull. EC 12-1992.

³ OJ L 397, 31.12.1992; Bull. EC 12-1992.

⁴ Bull. EC 5-1992, point 1.1.187.

⁵ Bull. EC 6-1992, point 1.3.190.

⁶ Bull. EC 9-1992, point 1.2.143.

Regulation (EEC) No 3796/81,¹ this Regulation aims to adapt the support mechanisms to developments in production and marketing conditions.

582. On 9 June the Council adopted a Regulation laying down common marketing standards for preserved tuna and bonito and defining the precise trade designation of products marketed under these two names.²

583. In view of the crisis affecting the tuna market, compensation was granted to producers' organizations for tuna delivered to the canning industry for the periods from 1 July to 30 September 1991,³ 1 October to 31 December 1991⁴ and 1 January to 31 March 1992⁵ respectively.

584. As part of the implementation of the programme of options specific to the remote and insular nature of the most remote regions of the Community,⁶ the Council and the Commission adopted a number of measures to facilitate implementation of the common fisheries policy there.

585. On 3 December the Council determined prices for the 1993 fishing year and quotas and autonomous suspensions to facilitate supply to the Community processing sector.⁷

Structural policy

586. Structural measures and assistance are henceforth covered in the new section of this Report on economic and social cohesion.

State aid

587. As required by Articles 92 and 93 of the EEC Treaty, the Member States notified 23 draft aid schemes in the fisheries and aquaculture sector. The Commission also examined two draft aid schemes from 1991 which had not been notified. The Commission raised no objection to 17 schemes (6 for 1991 and 11 for 1992). However, it decided to initiate the Article 92(2) scrutiny procedure in respect of 10 schemes (1 for 1990 and 9 for 1991). Lastly, it decided to terminate the procedure in respect of 6 schemes (2 for 1989 and 4 for 1991).

¹ OJ L 379, 31.12.1981; Fifteenth General Report, point 445.

² OJ L 163, 17.6.1992; Bull. EC 6-1992, point 1.3.192.

³ OJ L 106, 24.4.1992; Bull. EC 4-1992, point 1.3.175.

⁴ OJ L 172, 27.6.1992; Bull. EC 6-1992, point 1.2.277.

⁵ OJ L 310, 27.10.1992.

⁶ Point 490 *et seq.* of this Report.

⁷ OJ L 380, 24.12.1992; Bull. EC 12-1992.

Section 15

Environment

Priority activities and objectives

588. *The two key events in environment policy in 1992 were the adoption by the Commission of the fifth action programme on the environment in March and the holding of the United Nations Conference on Environment and Development (Unced) in Rio de Janeiro in June.*

The fifth action programme, which was approved by the Council on 15 December, focuses on sustainable development. It will be the cornerstone for the development and implementation of environment policy throughout the 1990s, and reflects a radical change of approach. This programme, targeted on all those involved with the environment, emphasizes integration and coordination with other Community policies, sets specific targets, describes the means to be employed and indicates the roles of the principal players. The central theme of the programme is that the objectives set cannot be attained by action at Community level alone but only by a coordinated response in which all levels of society share the responsibility, combined with deeper dialogue with all the parties involved. Consequently, the approach adopted marks a move away from the purely legislative approach to a strategy combining economic and fiscal instruments with other kinds of general action.

The approach taken in the fifth action programme fits in closely with the philosophy and goals agreed at international level by the Unced Conference. The Community's credibility and effectiveness in the international arena depend on its ability to adopt progressive environmental measures on its own territory. In Rio the Community and the Member States recognized their wider responsibilities to play a leading role in promoting concerted action at global level. The process started at Rio aims at gearing policies towards environmentally sound sustainable development.

Further progress was made in the legislative field. In particular, the Council adopted measures on titanium dioxide pollution, cross-frontier movement of waste, air pollution by ozone, and the creation of a financial instrument for the environment (LIFE), an eco-label and the conservation of natural habitats and wild flora and fauna. The Commission in turn adopted far-reaching new proposals on, for example, an energy/CO₂ tax, an eco-audit scheme for industry,

the reuse of packaging waste, the incineration of hazardous waste, and measures to control emissions of volatile organic compounds. At the same time great emphasis was placed on implementing and monitoring the existing legislation.

General

Fifth Community action programme on the environment

589. On 18 March the Commission adopted the fifth Community action programme on the environment 'Towards sustainability',¹ which was endorsed by the European Parliament² on 19 November and by the Economic and Social Committee³ on 1 July. The programme was accompanied by a report on the state of the environment in the Community. The programme lays down priorities which will set the Community on course for environmentally sustainable development which meets the needs of the present without compromising the ability of future generations to meet their own needs. Strong emphasis is placed on integration of environmental concerns into other policy areas targeting, in particular, industry, energy, transport, agriculture and tourism, and guidelines and objectives are set, particularly performance targets. Four categories of instruments are proposed to attain these objectives: legislation, market-based instruments, including economic and tax incentives, general supporting measures (improved data, scientific research, technological development, information and training) and financial support mechanisms. The programme also covers global issues such as climate change, biodiversity and depletion of the ozone layer. On 15 December the Council adopted a resolution⁴ approving the broad lines of the programme.

*Application of Community law (legal and other aspects)*⁵

590. Work on enforcement of the Community's environmental legislation was stepped up in 1992. Most of the complaints received concerned environmental

¹ COM(92) 23; Bull. EC 3-1992, point 1.2.115.

² OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.3.151.

³ OJ C 287, 4.11.1991; Bull. EC 7/8, point 1.3.145.

⁴ Bull. EC 12-1992.

⁵ Fuller details of application of the Community legislation by the Member States will be given in the 10th Report on the application of Community law (to be published in 1993).

impact assessments, nature protection and water pollution. The Commission organized numerous meetings with the Member States to improve communication with the national administrations. To follow up Directive 91/692/EEC standardizing and rationalizing reports on the implementation of certain Directives relating to the environment,¹ the Commission approved an initial set of questionnaires concerning the Directives on the protection of water quality.²

591. On 8 April Parliament adopted a resolution on the application of European environmental legislation.³ On 10 July Parliament also adopted a resolution on the failure to decide a seat for the European Environment Agency, in which it reaffirmed the urgent need for a decision.⁴ On 16 December the Council adopted conclusions on the application and monitoring of Community environmental legislation.⁵

Taking the environment into account in other policies

592. On 19 February and 4 November respectively the Commission adopted a Green Paper on the impact of transport on the environment,⁶ and a communication on industrial competitiveness and protection of the environment.⁷ On 9 June Parliament adopted a resolution on the impact of Community regional policy on the environment.

Economic and fiscal instruments

593. To follow up its communication on a Community strategy to limit carbon dioxide emissions and to improve energy efficiency,⁸ on 27 May the Commission adopted a proposal for a Directive introducing a tax on carbon dioxide emissions and energy.* The aim is to encourage consumers to make more rational use of energy and to switch to the cleanest fuels. This tax will apply to all fossil fuels and to electricity generated by large hydroelectric plants

¹ OJ L 377, 31.12.1991; Twenty-fifth General Report, point 625.

² OJ L 247, 27.8.1992.

³ OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.3.113.

⁴ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.3.146.

⁵ Bull. EC 12-1992.

⁶ Point 645 of this Report.

⁷ Point 249 of this Report.

⁸ Bull. EC 5-1992, point 1.1.113.

and nuclear power stations, but not to renewable energy sources or to feedstocks for industry. The tax will be determined and established at Community level. However, the arrangements for charging and collecting it will be left to the Member States, to whom the revenue from the tax will accrue, although they will be required to apply the principle of tax neutrality. The tax will be based partly on the calorific value of the fuel and partly on the carbon content and will be phased in. The Member States will be free to apply higher rates. On 14 December the Council adopted conclusions on this subject.¹

Financial instruments

594. To help to develop and implement the Community's environment policy and legislation, on 18 May the Council adopted Regulation 1973/92 establishing a financial instrument for the environment (LIFE)* which will provide financial assistance for preparatory measures, demonstration schemes, awareness campaigns, incentives, technical assistance and measures necessary for the maintenance or restoration of priority natural habitats and species. An estimated total of ECU 400 million will be needed to implement LIFE from 1991 to 1995.

Public awareness, information and training

595. A series of measures were taken in 1992, notably a particularly active information campaign on the Community's participation in Unced² and further exchanges with the Commission's non-institutional partners (non-governmental organizations, regional and local authorities, industry, etc.), above all in connection with the proposal for a fifth action programme on the environment.³ The Council and the Ministers of Education also adopted conclusions on the development of environmental education.⁴

International cooperation

596. The European Community participated, as a full member⁵ alongside the Member States, in the United Nations Conference on Environment and Development (Unced) in Rio de Janeiro from 3 to 14 June.⁶

¹ Bull. EC 12-1992.

² Points 596 and 597 of this Report.

³ Point 588 of this Report.

⁴ Point 410 of this Report.

⁵ Bull. EC 3-1992, point 1.2.120.

⁶ Bull. EC 6-1992, point 1.3.127.

Mr Delors attended this Conference, which not only adopted a comprehensive package of agreements to tackle the world's mounting environment problems but was also the occasion for an unprecedented 'Earth Summit' attended by over 100 world leaders. The Conference provided a solid basis for progress towards sustainable development, even though the outcome did not entirely live up to the original expectations of the European Community as expressed in the Council's conclusions¹ of 5 May and in the European Parliament resolutions of 13 February and 15 May.² In its Report to Unced the Commission highlighted the Community's commitment to sustainable development compatible with the demands of the environment. It reiterated this position in its communication to the Council on clean and efficient energy for development.³ The Council adopted conclusions on the subject on 18 November.⁴

The Conference adopted Agenda 21, an action programme which aims at laying the foundations for sustainable development by the year 2000 at local, national and international level, plus the Rio Declaration containing a 27-point statement of principles to mark the transition to sustainability and, finally, a Declaration of principles on forests, a non-binding statement of principles for a global consensus on the management, conservation and sustainable development of forests of all types. Agreements were also reached on convening several international conferences on overlapping stocks (stocks of fish moving between the exclusive economic zone and the high seas) and highly migratory fish species, plus a consensus in favour of preparing a Global Convention on Desertification. Finally, the Climate Change Convention and the Convention on Biological Diversity⁵ were signed.

597. In Lisbon on 26 and 27 June, the Heads of State or Government of the Community announced that the Community and its Member States were prepared to adopt an eight-point plan to implement the measures agreed upon at Rio.⁶ On 10 September the Commission proposed⁷ an initial prompt response to the results of Unced and stressed the need for a broad reassessment of the Community strategy on sustainable development and to prepare for the 47th General Assembly of the United Nations,⁸ with a view, in particular, to

¹ Bull. EC 5-1992, point 1.1.116.

² OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.3.154; OJ C 150, 15.6.1992; Bull. EC 5-1992, point 1.1.121.

³ Bull. EC 5-1992, point 1.1.119.

⁴ Bull. EC 11-1992, point 1.3.150.

⁵ Point 626 of this Report.

⁶ Bull. EC 6-1992, point I.14.

⁷ Bull. EC 9-1992, point 1.2.99.

⁸ Point 1009 of this Report.

setting up a high-level Sustainable Development Commission, which will be responsible for following up the measures decided at Rio.

598. Parliament called on the Member States to launch several initiatives to ensure implementation of the agreements adopted in Rio.¹

599. Following on from the Council conclusions² identifying the Global Environment Facility (GEF) as the most appropriate financial instrument for dealing with global environmental problems, on 5 May the Commission adopted a recommendation for a Council Decision concerning the participation of the European Community in this Facility.³

600. On 24 March the Commission adopted a proposal for a Council Decision concerning the conclusion, on behalf of the Community, of the Convention on Environmental Impact Assessment in a Transboundary Context, under the auspices of the United Nations Economic Commission for Europe.⁴ The Economic and Social Committee endorsed this proposal on 23 September.⁵

601. Under the Transit Agreement signed between the Community and Austria,⁶ on 27 November the Council adopted a Regulation establishing a system for allocating transit rights ('eco-points') to heavy goods vehicles crossing Austria* in order to protect the environment from the pollution caused by this traffic.

602. On 26 March the Council decided to authorize the Commission to participate in the negotiations for an International Convention on Damage resulting from Activities dangerous to the Environment.⁷

603. Finally, the action taken under the Phare programme⁸ focused primarily on reinforcement of the institutions responsible for the environment, on improving the capacity for managing and formulating environment policy and on implementing a regional nuclear safety programme.

¹ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.3.147.

² Twenty-fifth General Report, point 626.

³ Bull. EC 5-1992, point 1.1.120.

⁴ OJ C 104, 24.4.1992; Bull. EC 3-1992, point 1.2.122.

⁵ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.2.100.

⁶ Point 678 of this Report.

⁷ Bull. EC 3-1992, point 1.2.126.

⁸ Point 756 *et seq.* of this Report.

Industry and the environment, civil protection

Environmental control of products, industrial installations and biotechnology

604. In the course of the year a series of texts were adopted on these subjects. In particular, on 23 March the Council adopted Regulation (EEC) No 880/92 on the award of a Community eco-label.* This fits in with the new approach of harnessing market forces with the aim of promoting the production and use of cleaner products and of keeping consumers more fully informed of their ecological impact. On 23 July the Council also adopted Regulation (EEC) No 2455/92 concerning Community exports and imports of certain dangerous chemicals,* which introduces the principle of 'prior informed consent' compatible with the procedure established by the United Nations Environment Programme (UNEP) and the Food and Agriculture Organization (FAO). This Regulation will make it possible to apply to exports the rules laid down in Directive 67/548/EEC relating to the classification, packaging and labelling of dangerous substances,¹ as amended for the seventh time by Council Directive 92/32/EEC.*

605. To encourage companies to introduce a systematic approach to environmental management and to improve their environmental performance, on 9 March the Commission adopted a proposal for a Council Regulation allowing voluntary participation by companies in the industrial sector in a Community eco-audit scheme.*

606. In addition, under the Directive on the release of genetically modified organisms, on 11 February the Commission adopted a Decision² concerning the summary information format referred to in Article 12 of Directive 90/220/EEC.³

Emissions from industrial installations and products

607. On 15 December the Council formally adopted Directive 92/112/EEC on procedures for harmonizing the programmes for the reduction and eventual elimination of pollution caused by waste from the titanium dioxide industry.*

¹ OJ L 196, 16.8.1967.

² OJ L 60, 5.3.1992; Bull. EC 1/2-1992, point 1.3.157.

³ OJ L 117, 8.5.1990; Twenty-fourth General Report, point 523.

This Directive replaces Directive 89/428/EEC which the Court of Justice declared void in its judgment of 11 June 1991.¹

Waste management

608. In the context of the removal of frontier controls on 1 January 1993 as part of the completion of the internal market and in order to align Community legislation on the Basle Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, on 20 October the Council reached agreement on the proposal for a Regulation on the supervision and control of shipments of waste within, into and out of the European Community.* This Regulation expressly permits the Member States to prohibit some or all shipments of waste intended for disposal in the Community and to third countries and implements the principles of disposal as close as possible to the production site, of priority to reuse and of self-sufficiency. Also on 10 February the Council adopted a Decision authorizing the Commission to negotiate a draft OECD Decision on the monitoring of waste intended for reprocessing.²

609. To reduce the adverse impact of packaging on the environment and harmonize the national regulations on the subject, on 15 July the Commission adopted a proposal for a Directive* setting the targets of recovering 90% of packaging waste and of recycling 60% of the materials contained in packaging. These targets are to be attained within 10 years of the final date for implementation of the Directive.

610. Finally, on 20 March the Commission adopted a proposal for a Directive on the incineration of hazardous waste,* which lays down a series of measures and methods of avoiding incineration of such waste or minimizing its impact on public health and the environment.

Civil protection

611. On 18 March the Convention on the Transboundary Impacts of Industrial Accidents was signed in Helsinki, under the auspices of the United Nations Economic Commission for Europe.³ On 17 November the Commission

¹ OJ C 180, 11.7.1991; Twenty-fifth General Report, point 1317.

² Bull. EC 1/2-1992, point 1.3.158.

³ Bull. EC 3-1992, point 1.2.130.

amended¹ its recommendation for a Decision of 12 May on negotiations on a Convention on the Prevention of Industrial Disasters.²

Quality of the environment and natural resources

Protection of water, coastal areas, the environment and tourism

612. On 25 February the Council formally adopted two resolutions which it had approved in December 1991,³ one on the future Community groundwater policy,⁴ the other on the European coastal zone.⁵

613. On 18 March the Commission signed, on behalf of the Community, the Convention on the Protection and Use of Transboundary Watercourses and International Lakes.⁶ Together with Germany and the Czech and Slovak Federal Republic, the Commission also signed a Memorandum on the adoption of the Immediate Action Programme⁷ under the Convention on the International Commission for the Protection of the Elbe.⁸ Finally it put to the Council, on 21 May, a proposal concerning the approval of an Additional Protocol to this Convention.⁹ On 13 July the Council authorized the Commission to negotiate a Convention on the Protection and Use of the Danube.¹⁰ On 23 July it adopted a Decision on the signature of the Convention on the Protection of the Oder.¹¹ Parliament adopted a resolution on water quality in the Meuse on 9 April.¹²

614. Acting on behalf of the Community, on 22 September the Commission signed¹³ the Convention for the Protection of the Marine Environment of the North-East Atlantic (revising the Oslo and Paris Conventions)¹⁴ and the

¹ COM(92) 473; Bull. EC 11-1992, point 1.3.57.

² Bull. EC 5-1992, point 1.1.126.

³ Twenty-fifth General Report, points 649 and 650.

⁴ OJ C 59, 6.3.1992; Bull. EC 1/2-1992, point 1.3.161.

⁵ OJ C 59, 6.3.1992; Bull. EC 1/2-1992, point 1.3.162.

⁶ Bull. EC 3-1992, point 1.2.131.

⁷ Bull. EC 5-1992, point 1.1.131.

⁸ OJ L 321, 23.11.1991.

⁹ OJ C 185, 22.7.1992; Bull. EC 5-1992, point 1.1.130.

¹⁰ Bull. EC 7/8-1992, point 1.3.154.

¹¹ Bull. EC 7/8-1992, point 1.3.150.

¹² OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.3.118.

¹³ Bull. EC 9-1992, point 1.2.102.

¹⁴ OJ L 194, 25.5.1975.

Convention on the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention, as revised in 1992).¹ On 6 April the Commission adopted a proposal for a Decision,² which was subsequently endorsed by the Economic and Social Committee,³ approving certain amendments to the Agreement for Cooperation in Dealing with Pollution of the North Sea by Oil and other Harmful Substances,⁴ on 6 May it adopted a proposal for a Council Decision⁵ concerning the signature of a Protocol for the Protection of the Mediterranean Sea against Pollution resulting from Exploration and Exploitation of the Continental Shelf and the Seabed and its Subsoil (Barcelona Convention),⁶ and on 23 December it adopted a proposal for a Decision⁷ concerning the conclusion of a Cooperation Agreement for the Protection of the Coasts and Waters of the North-East Atlantic against Pollution (Lisbon Agreement). Parliament adopted a resolution on the environmental damage caused by oil spills from ships on 16 September⁸ and another resolution on the risks of a disaster in the Baltic and the North Sea on 12 March.⁹ In addition, in June the Commission published its ninth (1991) report on the quality of bathing water,¹⁰ in which it focused on harmonization and comparability of the data.

Protection of nature, the environment and agriculture

615. To help maintain biological diversity in Europe, on 18 May the Council adopted Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora* and on 12 June Parliament adopted a resolution on the implementation of the Berne Convention in the European Community,¹¹ in which it called upon the Commission to identify sites of importance to the species listed in the Convention.

616. To take account of the conclusions reached at the Eighth Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Cites) attended by representatives of the Community in

¹ Bull. EC 5-1992, point 1.1.128.

² OJ C 114, 5.5.1992; Bull. EC 4-1992, point 1.3.115.

³ OJ C 287, 4.11.1992; Bull. EC 7/8-1992, point 1.3.152.

⁴ OJ L 188, 16.7.1984; Eighteenth General Report, point 360.

⁵ Bull. EC 5-1992, point 1.1.129.

⁶ OJ L 240, 19.9.1977.

⁷ COM(92) 564; Bull. EC 12-1992.

⁸ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.103.

⁹ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.2.133.

¹⁰ Bull. EC 6-1992, point 1.1.133.

¹¹ OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.3.135.

Kyoto from 2 to 13 March,¹ on 30 June the Commission adopted Regulation (EEC) No 1970/92² amending Council Regulation (EEC) No 3626/82 on the implementation of this Convention in the Community.³ On 18 May the Commission adopted a Decision⁴ on the signature of the Agreement for the Conservation of Small Cetaceans of the Baltic and North Seas.⁵ The Commission adopted a recommendation for a Decision on negotiating accession by the Community to the International Convention on the Regulation of Whaling.⁶

617. On the basis of Council Regulation (EEC) No 3907/91 on action by the Community relating to nature conservation (Acnat)⁷ and of Council Regulation (EEC) No 1973/92 establishing a financial instrument for the environment (LIFE),⁸ the Commission granted financial support totalling ECU 36 million for 37 nature conservation projects.

618. In a resolution adopted on 13 March,⁹ Parliament regretted the environmental, social and cultural damage caused by the Winter Olympic Games in Albertville. Also, on 12 March¹⁰ it called on the Commission to take emergency measures in favour of the Santerém district of Portugal, which was ravaged by seasonal flooding and fires and constant damage by industrial effluent and domestic sewage.

Urban environment, air quality, transport, noise

619. On 21 September the Council adopted Directive 92/72/EEC on air pollution by ozone* with a view to establishing a harmonized procedure for monitoring ozone concentrations, exchanging information and informing and warning the population, backed up by mechanisms to coordinate the action taken or planned in the Community against photochemical pollution. On 19 March* and 23 December* the Commission put to the Council proposals to amend Directive 70/220/EEC on the approximation of the laws of the Member

¹ Bull. EC 3-1992, point 1.2.136.

² OJ L 201, 20.7.1992; Bull. EC 6-1992, point 1.3.134.

³ OJ L 384, 31.12.1982; Sixteenth General Report, point 374.

⁴ Bull. EC 5-1992, point 1.1.127.

⁵ Bull. EC 4-1992, point 1.3.116.

⁶ Point 565 of this Report.

⁷ OJ L 370, 31.12.1991; Twenty-fifth General Report, point 660.

⁸ Point 594 of this Report.

⁹ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.2.135.

¹⁰ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.2.134.

States relating to measures to be taken against air pollution by emissions from motor vehicles.¹

620. On 30 July the Commission adopted a proposal for a Council Directive on the control of volatile organic compound (VOC) emissions resulting from the storage of petrol and its distribution from terminals to service stations (the so-called 'Stage I' Directive)* which aims at bringing about a 90% reduction in VOC emissions caused by these activities in the Community within 10 years. On 10 February the Council adopted a Decision on the signing of a Protocol to the Convention on Long-range Transboundary Air Pollution concerning the Control of Emissions of Volatile Organic Compounds or their Transboundary Fluxes.² The Community signed this Protocol in April. Also on 3 September the Commission put to the Council a proposal on accession by the Community to the Protocol concerning the Control of NO_x Emissions or their Transboundary Fluxes.³ On 17 December the Commission adopted a recommendation for a Decision⁴ on negotiating a second Protocol to the Geneva Convention on Combating Sulphur Emissions and a second stage of the Protocol on Combating NO_x Emissions.

621. On 18 December the Commission adopted a proposal for a Directive* amending Directive 88/609/EEC on the limitation of emissions of certain pollutants into the air from large combustion plants.⁵

622. Throughout the year the Commission monitored progress with implementation of the Green Paper on the urban environment.⁶ The group of experts called for by the Council resolution of December 1990⁶ met four times to advise the Commission on the form and content of the measures to be taken in this field.

623. On 2 March the Council adopted Directive 92/14/EEC on the limitation of the operation of aeroplanes covered by Part II, Chapter 2, Volume 1 of Annex 16 to the Convention on International Civil Aviation, second edition (1988).* The aim is to restrict the operation of aircraft in this category and gradually to withdraw them from the register.

¹ OJ L 76, 6.4.1970; Fourth General Report, point 28.

² Bull. EC 1/2-1992, point 1.3.164.

³ Bull. EC 9-1992, point 1.2.106.

⁴ Bull. EC 12-1992.

⁵ OJ L 336, 7.12.1988; Twenty-second General Report, point 577.

⁶ Twenty-fourth General Report, point 536.

*Global environment,
climate change, geosphere and biosphere*

624. Quotas for imports into the Community of controlled substances that deplete the ozone layer, other than chlorofluorocarbons (CFCs), between 1 January and 31 December 1992 were set by Commission Decision 92/94/EEC.¹ On 30 December the Council adopted Regulation (EEC) No 3953/92* amending Regulation (EEC) No 594/91² in order to speed up the phasing-out of substances that deplete the ozone layer. The aim is to put an end to use of all controlled substances by the end of 1995. On 23 March the Council adopted a Decision³ on participation by the Community in the negotiations concerning the adjustments and amendments to the Montreal Protocol on Substances that deplete the Ozone Layer,⁴ after Parliament had called for revision of this Protocol on 12 March.⁵ On 15 December the Council also adopted conclusions on this amendment to the Protocol.⁶

625. To follow up the conclusions adopted by the Council in October 1990⁷ setting a target of stabilizing carbon dioxide emissions in the Community at the 1990 levels by the year 2000, on 3 June the Commission adopted a communication on a Community strategy to limit carbon dioxide emissions and to improve energy efficiency.⁸ To achieve this result, it proposed a strategy based on reducing energy demand, increasing energy efficiency and promoting fuel-switching. As part of this strategy, the Commission adopted a proposal on the Altener programme and a proposal for a Directive to limit carbon dioxide emissions and to improve energy efficiency.⁹ In another move to encourage all sectors of the economy to change their behaviour, the Commission submitted a proposal for a Directive introducing a tax on carbon dioxide emissions and energy.¹⁰ Finally, on 29 April the Commission adopted a proposal for a Council Decision¹¹ on a monitoring mechanism for carbon dioxide and other greenhouse gas emissions,* which provides for evaluation of the national programmes to be drawn up by the Member States, a data-reporting system and the compilation of an inventory of greenhouse gas emissions.

¹ OJ L 35, 12.2.1992.

² OJ L 67, 14.3.1991; Twenty-fifth General Report, point 668.

³ Bull. EC 3-1992, point 1.2.116.

⁴ OJ L 297, 31.10.1988; Twenty-first General Report, point 484.

⁵ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.2.118.

⁶ Bull. EC 12-1992.

⁷ Twenty-fourth General Report, point 537.

⁸ Bull. EC 6-1992, point 1.3.136.

⁹ Points 690 and 708 of this Report.

¹⁰ Point 593 of this Report.

¹¹ Bull. EC 4-1992, point 1.3.119.

626. On 14 and 21 December respectively, the Commission adopted two proposals for Council Decisions on the conclusion of the framework Convention on Global Climate Change¹ and the Convention on the Conservation of Biological Diversity,² both of which were signed at the Rio Summit by the Community and the 155 countries participating.

627. On 13 February Parliament adopted a resolution on the need for a Convention on the Protection of Forests.³ The Commission was involved in the first phase of the pilot programme for the protection of the Amazon region. On the initiative of Parliament, the Community budget for tropical forests for 1992 was raised from ECU 2 million to ECU 52 million.⁴

¹ COM(92) 508; Bull. EC 12-1992.

² COM(92) 509; Bull. EC 12-1992.

³ OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.3.163.

⁴ Point 943 of this Report.

Section 16

Consumers

Priority activities and objectives

628. *The year 1992 was decisive in the implementation of the three-year action plan (1990-92),¹ with the adoption by the Council of the Directive on general product safety and a common position on the proposal for a Directive on unfair terms in consumer contracts.*

629. *In the context of the Community strategy to improve consumer protection, on 13 July the Council adopted a resolution on future priorities for the development of consumer protection policy,² in which it called on the Commission to propose measures to give consumers more information and better health and safety protection, and to safeguard their economic interests. The desire to improve consumer protection and information was also reflected in the European Parliament's resolution on the consumer protection and public health requirements to be taken into account in the completion of the internal market,³ and the supplementary own-initiative opinion adopted by the Economic and Social Committee on 27 November.⁴*

Consumer representation

630. *The Consumers Consultative Council (CCC),⁵ composed of representatives of the main European consumers organizations, national organizations, the disabled and the elderly, delivered opinions on matters of relevance to consumers. For its part, the Commission maintained its financial support for national consumers organizations, particularly in southern Europe and Ireland.⁶*

¹ Twenty-fourth General Report, point 541.

² OJ C 186, 23.7.1992; Bull. EC 7/8-1992, point 1.3.237.

³ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.2.211.

⁴ OJ C 19, 25.1.1993; Bull. EC 11-1992, point 1.3.233.

⁵ Twenty-fifth General Report, point 674.

⁶ Twenty-fifth General Report, point 675.

Consumer information and education

631. Six new consumer information centres were opened, with Commission support, to provide better information for consumers who make cross-border purchases,¹ bringing the total to 10.

632. The Commission increased its financial support for organizations which carry out comparative tests, to encourage them to take more account of the single market. One of the first tangible results of this policy was the publication in November 1992 of a first test report in which the Community is treated as a single market.

633. A Eurobarometer survey conducted in April on the use made by consumers of information given on product labels showed that 84.5% of those questioned were in favour of harmonization of information on consumer product labels.

Health and physical safety of consumers

634. To ensure that only safe products are placed on the market, the Council adopted, on 29 June, Directive 92/59/EEC on general product safety,* which incorporates the current system for the rapid exchange of information on dangerous products. The Directive formalizes the Member States' management role, requiring them, by 29 June 1994, to set up the requisite resources and infrastructure to ensure that the general safety requirement is met.

635. In application of Decision 89/45/EEC,² the Commission adopted, on 7 April, the second two-yearly report³ on the Community system for the rapid exchange of information on dangerous products, in which it found that the system was working satisfactorily, and made proposals for it to be integrated into the system set up under the new Directive 92/59/EEC on general product safety.

636. Pending the entry into force of this Directive, on 23 November the Commission adopted a proposal for a Decision* concerning the establishment of a Community system for the exchange of information on products which

¹ Twenty-fifth General Report, point 677.

² OJ L 17, 21.1.1989; Twenty-third General Report, point 545.

³ Bull. EC 4-1992, point 1.3.180.

fail to conform to Community or national rules, i.e. products which, without presenting a serious and immediate danger, none the less risk compromising the health and safety of consumers; on 27 November, it adopted a recommendation¹ inviting Member States to set up the requisite infrastructures with a view to identifying dangerous products at the Community's external borders.

637. Although Council Decision 90/534/EEC concerning the Ehlass (European home and leisure accident surveillance system) demonstration project² expired on 30 November 1991, the Commission ensured that the information collection infrastructure continued to function in 1992.

638. On 18 February and 21 October respectively Council Directive 76/768/EEC on the approximation of the laws of the Member States relating to cosmetic products³ was adapted by the Commission to technical progress for the 14th⁴ and 15th⁵ times. On 17 December the Council adopted a common position on a proposal for a Directive amending the Directive for the sixth time.*

Economic and legal interests of consumers

639. As a first step towards the standardization of consumer protection, on 22 September the Council adopted a common position on the proposal for a Directive on non-negotiated unfair terms in contracts concluded between a consumer and a professional.*

640. On 20 May the Commission adopted a proposal for a Directive designed to protect purchasers party to a timeshare contract,* the aim being to put a stop to the widespread abuse, to ensure that consumers have the necessary information before they sign the contract, and to give them a set period after signature during which they can withdraw from the contract.

641. On 7 April the Commission adopted a proposal for a Directive concerning the protection of consumers in respect of distance selling,* the aim being

¹ Bull. EC 11-1992, point 1.3.236.

² OJ L 296, 27.10.1990; Twenty-fourth General Report, point 547.

³ OJ L 262, 27.9.1976; Tenth General Report, point 124.

⁴ OJ L 70, 17.3.1992.

⁵ OJ L 325, 11.11.1992.

to establish a minimum regulatory framework regardless of the means of communication used. In its recommendation 92/295/EEC¹ accompanying the proposal, the Commission called on professionals to establish codes of practice on the privacy of consumers, the dissemination and presentation of solicitations for custom, the fairness of sales promotion, and the financial security of consumers who make advance payments when placing an order.

¹ OJ L 156, 10.6.1992; Bull. EC 4-1992, point 1.3.179.

Section 17

Transport

Priority activities and objectives

642. *This was a pivotal year for the common transport policy. Consistent attention was paid not only to finalizing the bases of the single market in transport services but also to preparing for the future, with the design and implementation of a new overall strategy to meet the new challenges that transport must face after 1992.*

The internal market in transport is now largely complete. With the adoption by the Council of the provisions on maritime cabotage, and the finalization of the common air transport policy, the common transport policy has completed the final — and most arduous — stage towards the attainment of freedom to provide services: the opening-up of national markets to non-residents. Other significant steps were to develop infrastructures: the Commission put forward proposed master plans for road networks, inland waterways and combined transport. It also sent the Council a proposal for a directive for integrating air traffic control equipment in the short term. Furthermore, economic progress in the Community is particularly dependent on the ability of the present and future transport system to move people and goods as required. On these grounds the Commission published a White Paper to strengthen, finalize and consolidate the common transport policy in the years to come.

General strategy

The White Paper on the future development of the common transport policy

643. The completion of the internal market; structural changes in the European economy; the coming of democracy to Central Europe: all these make the working-out of a single market in transport one of the necessary, though not sufficient, conditions for countering the adverse effects of growth in demand for transport in Europe. To meet these challenges the Community has hammered out a comprehensive new strategy designed to ensure that transport in Europe

will continue to do its job, in economic and social terms, while preserving an environment-friendly context. The White Paper on the future development of the common transport policy, adopted by the Commission on 2 December, is designed to reduce the continuing disparities between modes of transport, in particular through a fairer distribution of costs and by other forms of action which will bring about healthy competition and enhanced complementarity between modes.¹ The Commission has undertaken, moreover, to promote the establishment of trans-European networks and the interconnection of national networks, to put in hand new research programmes in order to improve performance and safety and improve compliance with social and environmental constraints. Lastly, the Community wishes to affirm its role and position in relations with non-member countries by giving special importance to a framework of Community agreements and procedures, by developing a policy on a scale matching the whole of Europe, and by strengthening its participation and standing in international forums.

644. Parliament adopted two resolutions on 12 June, concerning Horizon 2000: European transport and transport in the Mediterranean area respectively, restating the challenges facing Community transport policy and its objectives.² On 15 December it also adopted a resolution on delays in completing the internal market for transport.³

Transport and the environment

645. With the aim of formulating a Community strategy in this field, on 19 February the Commission adopted a Green Paper on the impact of transport on the environment in which it first took stock of the adverse effects of the various modes of transport on the environment and reviewed trends and forecasts relating to transport demand and traffic volume, then outlined a common strategy for developing transport in an environmentally compatible way.⁴ The Green Paper was welcomed by the Economic and Social Committee⁵ and Parliament.⁶

¹ COM(92) 494; Bull. EC 12-1992.

² OJ C 176, 13.7.1992; Bull. EC 6-1992, points 1.3.78 and 1.3.79.

³ Bull. EC 12-1992.

⁴ COM(92) 46; Bull. EC 1/2-1992, point 1.3.111.

⁵ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.2.64.

⁶ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.64.

646. Regarding noise control more specifically, the Council adopted Directive 92/14/EEC on the limitation of the operation of aeroplanes covered by Annex 16 to the Convention on International Civil Aviation.¹

Research and technological development

647. Under Euret, the Community research programme, whose original appropriation in the 1992 budget was boosted to ECU 26.8 million, nine contracts were signed during the first quarter of the year, permitting 120 businesses to collaborate in shared-cost research projects on rail, air, maritime and multi-modal transport.²

Observation of markets

648. On 26 March the Council adopted a resolution³ on the extension of the system for observing the markets for the carriage of goods by rail, road and inland waterway originally instituted by the Council resolution of 18 June 1986.⁴

Infrastructure

Transport networks

649. In view of the importance which the Treaty on European Union attaches to the development of major infrastructure networks, and noting the present imbalance between the volume of traffic and the amount of investment in the Community, the Commission adopted a communication on 10 June⁵ in which it proposed both an amendment of Regulation (EEC) No 3359/90⁶ for an action programme in the field of transport infrastructure,* and indicative master plans for a trans-European road network* and a European inland waterway

¹ Point 623 of this Report.

² OJ L 8, 11.1.1991; Twenty-fifth General Report, point 729.

³ OJ C 86, 7.4.1992; Bull. EC 3-1992, point 1.2.74.

⁴ OJ C 160, 27.6.1986; Twentieth General Report, point 698.

⁵ COM(92) 231; Bull. EC 6-1992, point 1.3.73.

⁶ OJ L 326, 24.11.1990; Twenty-fourth General Report, point 559.

network.* On the same day it also adopted a communication setting out a master plan for a European combined-transport network.¹

650. In its resolution of 18 September on transport and regional development Parliament took particular note of the fact that the under-development of transport infrastructure networks in the outlying regions of the Community was a factor hampering their economic development.²

Financial support for projects of Community interest

651. Under Regulation (EEC) No 3359/90 for an action programme in the field of transport infrastructure the Commission adopted decisions granting financial support to 27 transport infrastructure projects of Community interest to a total of ECU 140.682 million.³

Multimodal transport

Development of combined transport

652. On 10 June, following the conclusions of the Maastricht European Council on trans-European transport networks, and in the context of the policy for intermodal transport laid down by the Council in October 1990,⁴ the Commission adopted a communication on the establishment of a European combined transport network and the conditions under which it would operate.⁵ In that document, in order to provide a general indicative framework, it announced the PACT programme (Pilot actions for combined transport), in which in particular it submitted to the Council a proposal for a decision on the establishment of a combined transport network in the Community.* The Commission's proposals for amending Council Directive 75/130/EEC on certain types of combined road/rail carriage of goods⁶ and Council Regulation (EEC) 1107/70 on the granting of aid for transport by rail, road and inland waterways⁷

¹ Point 652 of this Report.

² OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.66.

³ OJ L 326, 24.11.1990; Twenty-fourth General Report, point 559; point 649 of this Report.

⁴ Twenty-fourth General Report, point 586.

⁵ Bull. EC 6-1992, point 1.3.73.

⁶ OJ L 48, 22.2.1975; Ninth General Report, point 367.

⁷ OJ L 130, 15.6.1970; Fourth General Report, point 284.

were adopted by the Council on 7 December and are now embodied in Council Directive 92/106/EEC* and Council Regulation (EEC) No 3578/92.*

Inland transport

Railways

653. To provide information on the activities and plans of the Community's railway companies, and shape the planks of Community policy in this field, the Commission submitted the seventh biennial report on the economic and financial situation of the railways to the Council on 30 June. On 17 September Parliament adopted a resolution calling on the railway companies and Member States to safeguard the InterRail system.¹

Road transport

Admission to the occupation; market access

654. On 26 March, as a further step towards opening up the international road haulage market and replacing the quota system, the Council adopted Regulation (EEC) No 881/92* on access to the market in the carriage of goods by road within the Community to or from the territory of a Member State or passing across the territory of one or more Member States, which brings in a system of Community authorizations based on qualitative criteria.

655. On 27 April the Commission adopted a Decision bringing in a 10% increase, for the period from 1 July 1992 to 31 December 1992, in the Community cabotage quota for national road haulage services performed by non-resident carriers.²

656. In keeping with one of the basic principles of the internal market for the carriage of passengers by road, the Council brought in Regulation (EEC) No 684/92,* which institutes freedom to provide services in the field of the international carriage of passengers by bus and coach. By way of back-up the

¹ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.67.

² OJ L 128, 14.5.1992.

Commission brought in Regulation (EEC) No 1839/92, which lays down detailed rules for amending the Council Regulation with regard to documentation covering the international carriage of passengers.¹

657. A further step to open up the market in the carriage of passengers by road was taken on 23 July when the Council adopted Regulation (EEC) No 2454/92* laying down the conditions under which non-resident carriers may operate national road passenger transport services within a Member State; this lays down a series of stages for introducing cabotage in road passenger transport.

658. On 17 December the Council also adopted Regulation (EEC) No 3912/92 on the abolition of controls at the Community's internal frontiers relating to means of transport registered in non-Community countries.*

659. A resolution on congestion and urban transport was adopted by Parliament on 12 June.² In it Parliament proposed improvements to infrastructure and land-use planning.

Taxation

660. Prior to the institution of final arrangements for charging transport infrastructure costs to certain commercial vehicles* based on the principle of territoriality, the Commission proposed transitional arrangements for setting minimum rates of charge for certain commercial vehicles exceeding 12 tonnes and giving Member States the option of introducing user charges for motorways (stickers, tolls, etc.).

661. The Commission also adopted, on 30 September, a proposal for a Directive on value-added tax on passenger transport.³

Technical aspects

662. On 10 February the Council adopted Directive 92/6/EEC* on the installation and use of speed limitation devices for certain categories of motor vehicles.

¹ OJ L 251, 29.8.1992.

² OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.3.83.

³ Point 151 of this Report.

663. On the same date the Council also adopted Directive 92/7/EEC* amending Directive 85/3/EEC¹ on the weight, dimensions and certain other technical characteristics of certain road vehicles, which lays down the principles for equivalence between mechanical suspension and air suspension systems. In order to bring in two amendments to Directive 77/143/EEC on roadworthiness tests for motor vehicles and their trailers² the Council, on 22 June, adopted Directive 92/54/EEC* specifying which braking system components are to be checked and the probable causes of failure, and Directive 92/55/EEC* laying down limit values for exhaust emissions for spark-ignition (petrol) engine vehicles and for smoke opacity for compression-ignition (diesel) engine motor vehicles.

664. On 21 December the Commission adopted Regulation (EEC) No 3688/92³ adapting to technical progress Council Regulation (EEC) No 3821/85 on recording equipment in road transport.⁴

Inland waterways

665. In accordance with Council Regulation (EEC) No 1101/89 on structural improvements in inland waterway transport, the Commission sent a report on the effects of measures in this field to the Council and Parliament on 15 July.⁵

666. It also adopted Regulation (EEC) No 3912/92 on the abolition of controls at the Community's internal frontiers relating to means of transport registered in non-Community countries.*

Social conditions

667. To improve social conditions and road safety, and ensure fair competition, the Commission sent a proposal to the Council on 20 March⁶ for introducing the concept of 'working time' into Regulations (EEC) Nos 3820/85 and 3821/85 on driving time and rest periods in road transport.⁷ On 8 July

¹ OJ L 2, 3.1.1985; Eighteenth General Report, point 493.

² OJ L 47, 18.2.1977.

³ OJ L 374, 22.12.1992; Bull. EC 12-1992.

⁴ OJ L 370, 31.12.1985.

⁵ OJ L 116, 28.4.1989; Twenty-third General Report, point 634.

⁶ Bull. EC 3-1992, point 1.2.78.

⁷ OJ L 309, 21.11.1985; Nineteenth General Report, point 627.

Parliament called on the Commission to take steps to regulate transport drivers' working hours in particular.¹

Sea transport

Implementation of the common policy

668. To promote the principle of freedom to provide services and freedom of access to ocean trades, the Commission either opened or continued discussions with non-Community countries, Japan, the Republic of Korea and China in particular. Progress in relations with China was particularly good and it undertook not to discriminate against Community operators. To promote freedom to provide services, the Commission also secured the abolition from 31 March of harbour dues levied by Japan for the 'Harbour Management Fund'.² In relations with Korea, major concessions were secured for Community shipowners for investment and access to road and rail transport markets, which are particularly important for the carriage of containers to the final destination.

669. The Commission also continued its examination of a number of complaints under Regulation (EEC) No 4056/86.³ The one relating to joint shipowners' committees set up by France and several West and Central African countries led to a decision on 1 April putting an end to their operations.⁴

670. On 7 December the Council adopted Regulation (EEC) No 3577/92* on the application of the principle of the freedom to provide services to maritime transport within Member States subject to specific derogations. The Regulation liberalizes maritime cabotage for Community shipowners operating ships either registered in a Member State and flying its flag or on the Euros register of shipping (once this is set up), subject to such ships fulfilling all the requirements for cabotage in the Member State in question. With regard to crew composition, the Regulation lays down different standards for continental (coastwise) cabotage and island cabotage, and according to tonnage.

¹ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.3.96.

² Twenty-fifth General Report, point 716.

³ OJ L 378, 31.12.1986; Twentieth General Report, point 711.

⁴ Point 203 of this Report.

Safety at sea

671. On 25 February the Council adopted Decision 92/143/EEC* on radionavigation systems for Europe. It recommends the development of the Loran C (radio-location) system, without prejudice to the development of satellite-based systems.

672. On 8 December the Council gave its agreement to a proposal for a Directive on minimum requirements for ships entering or leaving Community seaports and carrying dangerous or polluting goods. The main aim of the proposal is to ensure that the authorities designated by the Member States are informed that ships have such goods on board and possess further information on them to enable action to be taken should an incident occur.

Air transport

Implementation of the common policy

673. On 3 June the Commission adopted a report on Member States' aids in the aviation sector; over the year it also examined State aids and other capital injections for airlines.

Finalization of the common policy

674. On 22 June the Council of Ministers approved the third air transport package, intended to adapt the common air transport policy to the challenges of the single market. Regulations (EEC) No 2408/92* on market access and No 2409/92* on fares and rates are the final stage in the liberalization of intra-Community air services, though with the exception of cabotage services, where certain restrictions will remain until 1 April 1997. What is more, Regulation (EEC) No 2407/92* on the licensing of air carriers guarantees that only airlines under Community control, and with adequate technical and economic capability, will be able to take advantage of the opening-up of the European market.

675. On 8 December the Council rounded off Community legislation for establishing the internal market by adopting a political agreement on the allocation of time slots.

Air traffic management

676. The Commission adopted on 22 July a proposal for a Directive* aimed at harmonizing and integrating air traffic management equipment in service in the Member States in the short term. In its conclusions of 7 December the Council called for closer cooperation between the Community and Eurocontrol in defining the next generation's system.

In its resolution of 18 September Parliament stressed the need for a common policy for infrastructure, safety, and harmonization of technical standards.¹

Technical aspects

677. To improve competition between air carriers and information for users, the Commission adopted on 23 September a proposal for amending Regulation (EEC) No 2299/89 on a code of conduct for computerized reservation systems.²

International cooperation

Transit through non-Community countries

678. On 27 and 30 November³ the Council adopted decisions on the conclusion of bilateral agreements on transit road and rail goods traffic with Austria and Switzerland which were signed at the same time as the Treaty on the European Economic Area in Oporto on 2 May.⁴ On 23 September⁵ and 30 October⁶ respectively, the Economic and Social Committee and Parliament delivered favourable opinions on these agreements, which come into force on 1 January 1993. The Commission put to the Council on 25 March a proposal for a decision to conclude both agreements,⁷ and on 29 July it added to its original proposal so as to permit the administrative arrangements provided for in both agreements to be concluded.⁸ These administrative arrangements

¹ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.68.

² OJ L 220, 29.7.1989; Twenty-third General Report, point 639.

³ OJ L 373, 21.12.1992; Bull. EC 11-1992, points 1.3.103 and 1.3.104.

⁴ Point 789 of this Report.

⁵ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.2.69.

⁶ OJ C 305, 23.11.1992; Bull. EC 10-1992, point 1.3.71.

⁷ COM(92) 107; Bull. EC 3-1992, point 1.2.82.

⁸ COM(92) 350; Bull. EC 7/8-1992, point 1.3.99.

were approved by the Commission on 22 December.¹ The administrative arrangement with Switzerland envisages a system under which 15 000 transit authorizations could be obtained annually. The administrative arrangement with Austria institutes the ecopoints system. In this connection the Council adopted on 27 November Regulation (EEC) No 3637/92 on the system for allocating transit rights (ecopoints) to vehicles with a total laden weight exceeding 7.5 tonnes, registered in a Member State and in transit via Austria.²

679. Acting on a proposal from the Commission, the Council authorized it on 26 October to negotiate an agreement with Slovenia to settle issues relating to transit, and to initiate cooperation on infrastructure.³ The agreement would resemble in substance the one signed on 24 June 1991 with the former Yugoslavia, which was not ratified, and its aim is to provide freedom of transit for Community traffic through Slovenia.⁴

680. Under the Europe Agreements with the Czech and Slovak Federal Republic and Hungary, agreements in the form of exchanges of letters amending the exchanges of letters between the EEC and those countries on Community transit and transport infrastructure were signed on 1 July and 3 July respectively,⁵ and concluded on 7 December⁶ the Economic and Social Committee and Parliament having delivered favourable opinions on these agreements on 23 September⁷ and 20 November⁸ respectively.

681. With regard to Romania two exchanges of letters on the subject of Community transit and transport infrastructure were initialled on 17 November.

682. On 23 June the Council adopted Decision 92/384/EEC concerning the conclusion of an agreement with Norway and Sweden to make all Community legislation relating to air transport apply in those countries.⁹

683. On 7 December the Council decided to open negotiations between the Community and non-Member countries on the carriage of passengers and goods by inland waterway.¹ On 11 December the Commission adopted a

¹ Bull. EC 12-1992.

² Point 601 of this Report.

³ Bull. EC 10-1992, point 1.3.72.

⁴ OJ C 181, 12.7.1991; Twenty-Fifth General Report, point 732.

⁵ Point 746 of this Report.

⁶ OJ L 407, 31.12.1992.

⁷ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.2.70.

⁸ OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.3.102.

⁹ OJ L 200, 18.7.1992; Bull. EC 6-1992, point 1.3.86.

recommendation for a decision relating to the opening of negotiations on same type of transport by road.¹

684. On 12 June Parliament adopted a resolution on action to be taken in respect of a Pan-European transport policy.² It called on the Commission in particular to organize a second conference on the same subject towards the end of 1993.

Air traffic rights

685. On 21 October the Commission adopted a communication on external relations in air transport in which it observed that at present relations are on a bilateral basis and proposed that Member States be allowed, during a transitional period expiring in 1998, to continue to negotiate bilateral agreements under a Community procedure whenever this proves possible and to conduct negotiations at Community level whenever necessary.³

¹ Bull. EC 12-1992.

² OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.3.87.

³ COM(92) 434; Bull. EC 10-1992, point 1.3.68.

Section 18

Energy

Priority activities and objectives

686. *In the run-up to completion of the internal market, the Community made further progress towards removing the obstacles to the free movement of energy products and services in the Community. In particular, the Commission adopted two proposals for Directives on the internal market in natural gas and electricity to follow up the initial package of measures adopted by the Council on the transit of natural gas and electricity through transmission grids and on the transparency of the prices charged to end-users.*

To break down the last major obstacles to completion of the internal market in oil, the Commission put to the Council a proposal giving undertakings equal access to oil and gas extraction. Also, in recognition of oil's important role in the Community's energy balance, the Commission adopted a communication on the oil market and the refining industry in the Community defining the objectives and the means to be deployed, particularly to control consumption, and a proposal for a Directive providing for appropriate measures to be taken in the event of difficulties in the supply of crude oil and petroleum products to the Community.

To combat the dangers posed by greenhouse gases, the Commission formulated a Community strategy to limit carbon dioxide emissions and proposed the introduction of a Community energy/CO₂ tax, and the implementation of a series of energy measures, some under the SAVE programme already in progress and others under the new Altener programme concerning the promotion of renewable energy sources.

687. *Finally, the Commission continued its work on the negotiation of a legally binding Basic Agreement to implement the European Energy Charter and sustained its efforts to assist the Central European countries and the independent States of the former Soviet Union, notably in the nuclear field.*

Community energy strategy

Promotion of energy technology (Thermie)

688. As part of the Thermie programme,¹ on 22 July the Commission granted² financial support totalling ECU 104 million to 145 projects to promote technologies concerning the rational use of energy, renewable energy sources, solid fuels, and oil and gas. Also, on 13 November it decided to support a project to build a combined-cycle coal-gasification electricity generation plant, for which a first instalment of ECU 15 million was granted.

689. The organizations established in 1991 to promote energy technologies (Opets)³ and, in particular, to implement the Thermie programme in the Member States disseminated over 200 technological innovations on the various markets for energy generation and consumption. In addition, 12 energy promotion centres, set up in the capital cities of most of the countries of Central Europe and of the independent States of the former Soviet Union, started almost 80 specific projects to encourage transfers of technology and to improve the energy situation in the countries concerned.

Promotion of energy efficiency (SAVE)

690. As part of the SAVE programme,⁴ the Council adopted Directive 92/42/EEC* on the efficiency requirements for new hot-water boilers fired with liquid or gaseous fuels on 21 May and, on 22 September, Directive 92/75/EEC* which will put consumers in a position to choose the most energy-efficient domestic appliances, thanks to a label indicating their consumption of energy and other resources. To continue this programme, which is designed to improve energy efficiency by 20%, on 22 January the Commission adopted a communication indicating the medium and long-term structural measures which it intends to take.⁵ In particular, on 13 May it adopted a proposal for a Directive on a series of measures aiming at limiting carbon dioxide emissions and improving energy efficiency in buildings, transport and industry.*

¹ OJ L 185, 17.7.1990; Twenty-fourth General Report, point 608.

² Bull. EC 7/8-1992, points 1.3.101 to 1.3.103.

³ Twenty-fifth General Report, point 751.

⁴ OJ L 307, 8.11.1991; Twenty-fifth General Report, point 781.

⁵ OJ C 23, 30.1.1992; Bull. EC 1/2-1992, point 1.3.118.

Energy and the environment

691. To follow up its communication on a Community strategy to limit carbon dioxide emissions and to improve energy efficiency,¹ the Commission adopted a proposal for a Directive aiming at limiting carbon dioxide emissions and improving energy efficiency,¹ and a proposal for a Decision for a mechanism for monitoring the national programmes to limit emissions of carbon dioxide and other greenhouse gases,¹ a proposal for a Directive introducing a tax on carbon dioxide emissions and energy,² which was also the subject of conclusions adopted by the Council, and a proposal for a Decision concerning the Altener programme on the promotion of renewable energy sources.³

692. At the United Nations Conference on Environment and Development (Unced), a series of recommendations to promote sustainable development were adopted, including several concerning the energy sector in particular.

Security of supply

693. In its communication of 24 June entitled 'Towards greater stability in Community oil supplies'⁴ the Commission analysed the principal causes of instability on the world oil market and assessed the future risks, as well as examining the strategies pursued by the leading industrialized countries and discussing crisis measures and security stocks in this context.

Internal energy market

Internal market in gas and electricity

694. Following the first step⁵ towards completion of the internal market in gas and electricity, on 22 January the Commission adopted two further proposals for Directives concerning common rules for the internal market in electricity and natural gas.* The aim is to create the conditions for liberalization and opening-up of these markets by putting an end to exclusive rights to

¹ Point 625 of this Report.

² Point 593 of this Report.

³ Point 708 of this Report.

⁴ Bull. EC 6-1992, point 1.3.91.

⁵ OJ L 313, 13.11.1990; OJ L 147, 12.6.1991; OJ L 185, 17.7.1990; Twenty-fifth General Report, point 741.

generate electricity and to construct electricity lines and gas pipelines, by applying the concept of unbundling which requires vertically-integrated undertakings to separate the management and accounting of their operations and by imposing an obligation on transmission and distribution companies to offer access to their network to certain large consumers and distributors (third-party access or TPA). On 30 November the Council adopted conclusions¹ recognizing the importance of completing the internal market in energy but calling on the Commission to consider amending its proposals.

695. Continuing the work on trans-European networks, on 25 March the Commission adopted a communication² on electricity and natural gas transmission infrastructures in the Community, the objectives of which (security of supplies, balanced operation of the internal market and greater economic and social cohesion) were reaffirmed by the Council on 21 May.³

Oil and gas prospecting and extraction

696. On 25 March* the Commission adopted a proposal for a Directive aiming at giving firms equal access to oil and natural gas extraction and at ensuring the free movement of these products between the Member States.

Standardization

697. In a communication of 9 June on technical harmonization and standardization in the energy sector,⁴ the broad lines of which were approved⁵ by the Council on 30 November, the Commission emphasized the importance of standardization to the completion of the internal energy market and concluded that more needed to be done in this area.

Economic and social cohesion and infrastructure

698. The Commission continued its work on regional and urban energy planning. In conclusions adopted on 21 May on energy planning in the European Community at regional level⁶ the Council emphasized the need for closer

¹ Bull. EC 11-1992, point 1.3.111.

² Bull. EC 3-1992, point 1.2.85.

³ Bull. EC 5-1992, point 1.1.83.

⁴ Bull. EC 6-1992, point 1.3.89.

⁵ Bull. EC 11-1992, point 1.3.112.

⁶ Bull. EC 5-1992, point 1.1.82.

coordination with the existing energy programmes (SAVE¹ and Thermie²) and with the Member States' own measures. On 12 March Parliament adopted a resolution on a common energy policy³ in which it called on the Commission to apply the principle of economic and social cohesion to the energy sector.

Sectoral aspects

Oil and petroleum products

699. On 14 April the Commission adopted a communication to the Council on the oil market and the refining industry in the Community,⁴ the broad lines of which were approved by the Council on 30 November,⁵ and which sets three objectives in this field: to control energy consumption, to pursue an internal oil strategy and to create an efficient, competitive oil industry.

The dialogue between producers and consumers was deepened and strengthened, particularly through the establishment of closer ties with the Organization of Petroleum Exporting Countries (OPEC), the Organization of Arab Petroleum Exporting Countries (Oapec) and the Gulf Cooperation Council (GCC).

Natural gas

700. In addition to the proposals for Directives on common rules for the internal market in natural gas and on electricity and natural gas transmission infrastructures in the Community,⁶ the Commission adopted a proposal for a Directive on the conditions for granting and using authorizations for oil and gas prospecting, exploration and extraction.⁷

¹ OJ L 307, 8.11.1991; Twenty-fifth General Report, point 781.

² OJ L 185, 17.7.1990; Twenty-fourth General Report, point 688.

³ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.2.87.

⁴ Bull. EC 4-1992, point 1.3.77.

⁵ Bull. EC 11-1992, point 1.3.114.

⁶ Point 695 of this Report.

⁷ Point 696 of this Report.

Solid fuels

701. On 27 March the Commission adopted its annual report on the market for solid fuels in the Community in 1991 and the outlook for 1992.¹ The ECSC Consultative Committee gave its opinion in April.² On 23 September the Commission adopted a revised version of the report.³

702. Pursuant to Decision No 2064/86/ECSC establishing Community rules for State aid to the coal industry,⁴ the Commission authorized the granting of aid by Germany,⁵ Belgium⁶ and France⁷ to their coal industries for 1992. On 25 November the Commission adopted a draft Decision concerning new Community rules for State aid to the coal industry⁸ designed to bring greater transparency to the aid systems and to phase out aid.

703. On 11 March Parliament adopted a resolution on coal and the internal energy market,⁹ and on 19 November a resolution on coal policy,¹⁰ in which it stressed the importance of coal as a strategic resource. On 19 November the ECSC Consultative Committee adopted a resolution on coal policy in the internal market.¹¹

Electricity

704. The measures taken to implement the Council recommendation on the development of auto-production of electricity¹² were described in a report from the Commission to the Council¹³ which concluded that, in spite of the good progress made, a number of obstacles to private generation still remain.

705. The Commission continued its work on the programme for improving the efficiency of electricity use (PACE).¹⁴ In particular, it consulted the industry

¹ Bull. EC 3-1992, point 1.2.88.

² Bull. EC 4-1992, point 1.3.82.

³ Bull. EC 9-1992, point 1.2.73.

⁴ OJ L 177, 1.7.1986; Twentieth General Report, point 737.

⁵ OJ L 310, 27.10.1992; OJ L 21, 29.1.1993.

⁶ OJ L 22, 31.1.1992.

⁷ OJ L 310, 27.10.1992.

⁸ Bull. EC 11-1992, point 1.3.106.

⁹ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.2.89.

¹⁰ OJ C 337, 21.12.1992; Bull. EC 12-1992.

¹¹ Bull. EC 11-1992, point 1.3.116.

¹² OJ L 355, 7.12.1988; Twenty-second General Report, point 777.

¹³ Bull. EC 7/8-1992, point 1.3.106.

¹⁴ OJ L 157, 9.6.1989; Twenty-third General Report, point 681.

and the national authorities on their standards for the electrical efficiency of domestic appliances.

706. The Phare¹ and Tacis² programmes to assist the Central European countries and the independent States of the former Soviet Union gave high priority to electricity projects.

Nuclear energy

707. The Commission continued its talks with the various economic operators in the nuclear industry to reach a joint decision on the specifications of future reactors. A similar approach was initiated for the nuclear fuel industry. Negotiations with a view to the conclusion of an Agreement between the EAEC and the United States were actively pursued and on 23 September the Commission adopted a proposal for a Decision³ authorizing it to conclude three Cooperation Agreements with the Russian Federation on controlled thermonuclear fusion, nuclear safety and trade in nuclear materials.

New and renewable energy sources

708. On 13 May the Commission adopted a proposal for a Council Decision concerning the promotion of renewable energy sources in the Community (Altener programme).^{*} This five-year programme, with a total budget of ECU 40 million, will focus among other things on legislation and standardization to promote the market in renewable energy sources. The Altener programme is an integral part of the Community strategy to limit carbon dioxide emissions⁴ which it aims to reduce by 180 million tonnes by 2005.

Relations with third countries producing or importing energy

European Energy Charter

709. Following on from the signature of the European Energy Charter in The Hague on 17 December 1991,⁵ in 1992 negotiations started on a legally binding Basic Agreement setting out the general rules on trade in energy, conditions of

¹ Point 756 *et seq.* of this Report.

² Point 773 *et seq.* of this Report.

³ Bull. EC 9-1992, point 1.2.74.

⁴ Point 625 of this Report.

⁵ Twenty-fifth General Report, point 761.

competition, access to capital, transmission and transit, transfers of technology, environmental protection, intellectual property, conditions for investment and the procedure for settling disputes. Working parties were set up to negotiate sectoral agreements on oil and gas, nuclear safety and energy efficiency between all the countries of Europe, the 11 independent States of the former Soviet Union, Canada, Australia and Japan. In conclusions¹ adopted on 30 November the Council welcomed the progress already made.

Technical assistance to the countries of Central Europe and the independent States of the former Soviet Union

710. As part of the international energy cooperation programme nine projects were funded from a total budget of ECU 1.7 million.

711. In 1992 the Commission started to implement the 1991 Tacis programme in the energy sector, to which a total of ECU 115 million was allocated, of which ECU 17 million was for the electricity industry, ECU 17 million for the oil and gas sector and ECU 21 million for energy saving. In addition, in 1992 the Tacis programme directly granted some ECU 40 million to non-nuclear energy. This programme includes a separate section on nuclear safety, aimed principally at improving the safety of the nuclear power stations in operation. In the specific case of Russia, the Commission collaborated closely with the World Bank to draft a consistent legal framework for the oil and gas industry. It also worked in close collaboration with the European Bank for Reconstruction and Development.

712. Restructuring programmes for the energy industry have been introduced in almost every country in Central Europe under the Phare programme, and the Commission has approved a regional energy programme. The projects involved cover technical assistance costing a total of ECU 40 million, in addition to the emergency aid granted under the Phare programme specially to cover the imports of electricity into Bulgaria in the winter of 1991-92 (ECU 10 million) and the regional programme on nuclear safety. The G24's Working Party on Energy continued to play its coordinating role, concentrating, in particular, on emergency aid and on the new countries receiving aid from the Phare programme, i.e. the Baltic States and Albania.

¹ Bull. EC 11-1992, point 1.3.120.

Euratom Supply Agency

713. In 1992, as in previous years,¹ users of natural uranium, enriched uranium and nuclear fuel cycle services, with the exception of the reprocessing of highly enriched uranium, had a steady, diversified supply, much of it covered by deliveries under the long-term contracts still in force.

714. The supply of nuclear fuel in the Community is reasonably secure in the short to medium term. In the longer term, a reduction in the number of sources of supplies of natural uranium, due to further closures of companies, could pose a risk to the security of supply, which would therefore be better guaranteed by the conclusion of long-term contracts at prices covering production costs, with the possibility of concluding specific contracts to cover needs.

715. The predominant feature on the Community market in nuclear fuels was the willingness of the independent States of the former Soviet Union to increase their share of the market in natural uranium and in conversion and enrichment services. This penetration of the Community market for natural uranium by materials from the former Soviet Union was apparent mainly on the secondary market, particularly in swap transactions, loans or spot purchases. On the basis of the contracts submitted or concluded by the Euratom Supply Agency, the former Soviet Union's share of the natural uranium market in 1992 was expected to be over 20%.

716. Natural uranium producers, converters and enrichers in the Community continued to express concern to the Agency and the Commission about their future viability which, they felt, was under threat from low-cost supplies from the former Soviet Union which were eroding their market share. Each contract submitted to the Agency was rigorously examined to appraise, in particular, its potential impact on the Community's overall future security of supply and to ensure that it posed no threat to the viability of the Community's nuclear fuel cycle industry and to steady supplies and equal access to them by users.

¹ Twenty-fifth General Report, point 785.

*Section 19***Euratom safeguards**

717. In 1992 the Euratom Safeguards Directorate conducted physical and accounting checks on average stocks of 270 tonnes of plutonium, 13 tonnes of highly enriched uranium and 212 000 tonnes of low-enrichment uranium, natural uranium, depleted uranium, thorium and heavy water. These materials were held in over 800 nuclear installations in the Community and gave rise to some 650 000 operator entries concerning physical movements and stocks. As in the past, the checks also covered equipment subject to external commitments under Cooperation Agreements with non-member countries. The anomalies and irregularities detected by the Directorate were followed up rigorously by additional inspections; some are still being looked into.

718. Although there has been no drop in the number of man-days of inspection throughout the Community, a shift is occurring towards new activities (UP₃ reprocessing plant at La Hague, verification of the basic characteristics at the Thorp reprocessing plant in the United Kingdom) together with a decrease in certain traditional activities, chiefly in Italy and Germany. This trend accurately reflects developments in nuclear capacity in the Member States.

719. Serious irregularities detected during inspections carried out in an installation in 1991 and confirmed by Euratom verification of the physical inventory prompted the Commission to impose a sanction on 4 March 1992 pursuant to Article 83 of the Euratom Treaty.¹ The Commission called upon the operator to rectify the situation before the installation concerned resumed operation and to inform it of the measures taken to ensure that the materials measurement and accounting systems are equivalent to those normally maintained in similar installations. The application of these measures is dealt with in several reports from the operator. Their effectiveness was carefully verified by the Euratom Safeguards Directorate, which ascertained that the situation had improved substantially. The operator had to conduct a further physical inventory, which took place in September. The on-the-spot verifications by inspectors and an initial assessment of the findings in Luxembourg proved to be conclusive.

720. A report covering the operation of Euratom safeguards in 1989 and 1990² was published in January. Its aim is to provide a comprehensive survey

¹ OJ L 88, 3.4.1992.

² SEC(92) 80 final.

of these activities in the civil nuclear fuel cycle, including research and other related activities. In it the Commission made a detailed analysis of the various operational aspects and set out guidelines for the years ahead. In conclusions¹ adopted on 5 October, the Council encouraged the Commission to continue its work along the lines proposed in the report.

721. A further noteworthy event in 1992 was the adoption of the new partnership approach, the framework for which was formally set out in a document signed in April by the Commission and the International Atomic Energy Agency (IAEA). The aim is to redefine procedures for the application of joint Euratom-IAEA safeguards in certain Community installations in compliance with the Verification Agreement which has been in force since 1973 (Infcirc 193), on the basis of the following principles:

- (i) maintenance of Euratom's tasks, as set out in the Euratom Treaty (on different bases from those of the IAEA and involving safeguards in a wider area), and of Euratom's precedence, as recognized in the 1973 Verification Agreement;
- (ii) provision to the IAEA of documents and the findings of Euratom inspections;
- (iii) performance of a number of joint inspections to enable the IAEA to rationalize its inspection activities and reduce their cost;
- (iv) setting-up of highly automated systems in order to reduce human intervention wherever possible;
- (v) organization of inspections to enable the IAEA to draw independent conclusions.

At the initial meetings, practical procedures meeting the political and technical requirements of the parties concerned were identified for conducting inspections of the most common types of installation (reactors) in partnership.

On 15 December the Commission adopted, subject to the Council's approval, a proposal² to amend Regulation (EEC) No 3227/76 concerning the application of the provisions on Euratom safeguards,³ in order to strengthen the international safeguards and non-proliferation arrangements.

¹ Bull. EC 10-1992, point 1.3.73.

² Bull. EC 12-1992.

³ OJ L 363, 31.12.1976; Tenth General Report, point 462.

722. The highly automated safeguard systems installed at the UP₃ reprocessing plant at La Hague were evaluated. The experience acquired enabled several improvements to be made and was useful in the context of projects which are under study (Melox, France; Siemens-MOX 2, Germany; MDF, United Kingdom) or are nearing completion (UP₂-800, France; Thorp, United Kingdom).

723. On several occasions in 1992 the Euratom Safeguards Directorate took action in relation to cases of trafficking in nuclear materials from the East. In all cases, the materials seized were of little strategic value, either qualitatively or quantitatively.

724. Bilateral negotiations between the United States and the Community were initiated, with the active participation of the Euratom Safeguards Directorate, with a view to reaching a new agreement governing all transfers of nuclear materials, technology and equipment and promoting industrial, commercial and research and development cooperation. Bilateral meetings were held with delegations from other non-member countries, particularly with a Russian delegation, in connection with possible assistance to Russia and the Commonwealth of Independent States (CIS) to deal with problems specifically connected with safeguards on special fissile materials. Very open discussions allowed the Euratom Safeguards Directorate to become better acquainted with specific features of the nuclear capacity of the former Soviet Union, chiefly with regard to the mixed (civil/military) nature of the installations, and to acquire detailed information on the legal instruments and operational bodies that are being established in order to provide a sufficiently high level of materials safeguards. For its part, the Euratom Safeguards Directorate offered the services of its specialists to assist in training future CIS inspectors and, in cooperation with the IAEA, to provide advice in connection with setting up suitable national systems.

Section 20

Nuclear safety

Priority activities and objectives

725. *The safety of installations, and particularly of nuclear power stations in the countries of Central Europe and the former Soviet Union, was again the focal point of international attention this year. The members of the Group of the seven most industrialized countries (G7), meeting in Munich from 6 to 8 July, recommended that the task of coordination in the field of nuclear safety assigned to the Group of 24 (G24) and already put in hand for the countries of Central Europe be extended to cover the new independent States of the former Soviet Union and that this coordination be made more effective. In this context, the Commission was entrusted with chairing and providing the Secretariat for the G24 Working Group on questions of nuclear safety. It also continued to implement expanded programmes of Community assistance to the countries of Central Europe and the former Soviet Union in the field of nuclear safety, the cumulative cost of which amounted to almost ECU 200 million by the end of 1992.*

726. *Within the Community, the activities relating to nuclear safety were continued along the lines laid down in 1986 following the Chernobyl accident,¹ and were even intensified in such areas as radiation protection, nuclear-installation safety and radioactive-waste management.*

Radiation protection

727. In order to take account of increased knowledge in this field and of the experience acquired, in particular after the Chernobyl accident, the Commission adopted on 6 July a proposal* to amend the Council Directive laying down the basic standards for the protection of the health of the general public and workers against the dangers of ionizing radiation, as last amended by Directive 84/467/Euratom.² On 23 July,* it also adopted a proposal for a Regulation on

¹ Twentieth General Report, points 759 and 762.

² OJ L 246, 17.9.1980; OJ L 265, 5.10.1984.

shipments of radioactive substances within the Community with the aim of enabling the competent national authorities to continue applying rigorous supervision measures to such substances in the new situation arising from the abolition of controls at the internal frontiers of the Community.

728. Pursuant to Article 33 of the Euratom Treaty, the Commission made four recommendations on draft national regulations. In accordance with Article 37 of the Treaty, it also delivered five opinions concerning plans for the disposal of radioactive waste from various types of nuclear installations.¹

Plant safety

729. In response to the report presented by the Commission² on the implementation of the resolution of 22 July 1975 on the technological problems of nuclear safety,³ the Council adopted a new resolution on 18 June,⁴ in which it requested that cooperation and consultation between the Community's safety authorities on safety criteria and requirements be intensified, that research on nuclear safety be extended to the countries of Central Europe and to the former Soviet Union, and that measures be taken to apply a safety system in those countries recognized throughout the Community. In line with these requests, the Commission set up the 'Concert' Working Group comprising representatives of the safety authorities in the Community countries and the abovementioned countries.

730. Parliament, which on 9 April adopted a resolution on nuclear safety in the countries of Central Europe and the Commonwealth of Independent States,⁵ and on 9 July adopted a resolution on the new nuclear fuel reprocessing plant (Thorp) at Sellafield in the United Kingdom,⁶ adopted on 17 September a resolution on the safety of nuclear installations in the Member States of the Community.⁷

¹ OJ L 121, 6.5.1992; OJ L 189, 9.7.1992; OJ L 128, 14.5.1992; OJ L 344, 26.11.1992; OJ L 138, 21.5.1992.

² Bull. EC 1/2-1992, point 1.3.165.

³ OJ C 185, 14.8.1975; Ninth General Report, point 302.

⁴ OJ C 172, 8.7.1992; Bull. EC 6-1992, point 1.3.137.

⁵ OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.3.120.

⁶ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.3.161.

⁷ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.2.108.

Radioactive waste

731. On 3 February, the Council adopted Directive 92/3/EEC* on the supervision and control of shipments of radioactive waste between Member States and into and out of the Community, which makes all shipments of radioactive waste subject to a prior-authorization system. Taking account of technological progress and new requirements affecting the points listed in the Community plan of action in the field of radioactive waste¹ initiated in 1980, it also decided, in a resolution of 15 June,² to implement a new Community plan of action covering the period from 1993 to the end of the century.

Transport of radioactive materials

732. On 19 November, the European Parliament adopted a resolution on the transport of plutonium.³

International action

733. The Lisbon European Council discussed the safety of nuclear power stations in the countries of Central Europe and the former Soviet Union and requested the Commission to increase the amounts available for Community bilateral assistance in this field.⁴ The Commission has been extremely active in guiding the technical assistance programmes towards a strategy of applying the most effective measures to improve the safety of nuclear power stations of Soviet design, particularly by involving the Community's industrial undertakings in them. In its conclusions of 7 December⁵ the Council said these efforts should continue, emphasizing the need to act quickly.

734. Furthermore, at the Munich Summit,⁶ the members of the Group of Seven concluded that a multilateral programme of action would have to be initiated in order to eliminate the hazards arising from the abovementioned power stations and recommended that the coordinating role of the Group of 24 be extended to cover the countries of the former Soviet Union. They also

¹ OJ C 51, 29.2.1980; Fourteenth General Report, point 484.

² OJ C 158, 25.6.1992; Bull. EC 6-1992, point 1.3.138.

³ OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.3.160.

⁴ Bull. EC 6-1992, point I.19.

⁵ Bull. EC 12-1992.

⁶ Point 799 of this Report.

gave their support to the setting-up, should the need arise, of a multilateral assistance fund.

735. For its part, the Commission continued to contribute actively to work at the IAEA on the preparation of a Convention on Nuclear Safety, the preliminary stages of which began in 1991.¹ On 22 July, it also adopted two Decisions and a Regulation on the conclusion of an Agreement between the Community, the United States, Japan and the Russian Federation establishing an International Science and Technology Centre (ISTC).²

736. On 23 June,³ moreover, an Agreement on international cooperation concerning research into the consequences of the accident at Chernobyl was signed by the Community and the Ministers responsible for Chernobyl-related matters in the Republics of Belarus, Russia and Ukraine. On 29 October, the European Parliament adopted a resolution calling for the immediate shut-down of all Chernobyl-type reactors.⁴

¹ Twenty-fifth General Report, point 808.

² Bull. EC 7/8-1992, point 1.4.16.

³ Point 323 of this Report.

⁴ OJ C 305, 23.11.1992; Bull. EC 10-1992, point 1.3.107.

Chapter IV

External relations

Section 1

Priority activities and objectives

737. *The Community is the focus of the aspirations of most other European countries, and it demonstrated its willingness to face the challenge of enlargement and receive new Member States into the fold when the Edinburgh Council of 11 and 12 December agreed that negotiations with Austria, Sweden and Finland could get under way in early 1993, to be followed by similar talks with Norway once the Commission had delivered its opinion on that country's application; the sole proviso was that these negotiations could not be concluded until all the Member States had ratified the Treaty on European Union. The Agreement creating the European Economic Area (EEA), which was signed in Oporto on 2 May and will enter into force once the necessary amendments arising from the outcome of the Swiss referendum have been negotiated in the diplomatic conference provided for in the Agreement and the ratification procedures have been completed, will give fresh impetus to the special relationship linking the Community and the EFTA countries, a relationship which is based on proximity, shared democratic and economic values and a common European identity.*

The Community continued to build on its relations with the countries of Central and Eastern Europe, thus enabling them to prepare for participation in the European integration process. New Europe Agreements were negotiated with Bulgaria and Romania, to add to those signed in 1991 with the Visegrad countries, namely Poland, Hungary and the Czech and Slovak Federal Republic. These Agreements are designed to consolidate the progress made as regards respect for democratic principles and the introduction of economic systems based on competition and private enterprise. In addition to the progressive

establishment of a free trade area, the Agreements provide for political dialogue to be put on an institutionalized footing and a highly symbolic first meeting in this context took place in October between the Prime Ministers of the Visegrad countries and the Presidents of the Council and the Commission. The Edinburgh Council welcomed the Commission report entitled 'Towards a new association with the countries of Central and Eastern Europe', which propounds practical steps to be taken in the framework of the Europe Agreements to develop political and commercial relations between the Community and Central and Eastern Europe, together with further measures going beyond that framework. Political dialogue, as agreed in the joint declarations, is also a salient feature of relations with Albania and the Baltic States, with which the Community signed trade and cooperation agreements this year, preparing the ground for possible association agreements in the future. Under the Phare programme, which this year was extended to Slovenia, ECU 1 billion was allocated in 1992 to projects with the aim of ensuring a degree of continuity for existing initiatives and avoiding the dispersal of the available funds over too broad a spectrum. The emphasis here was on the privatization and restructuring of State enterprises, the promotion of the private sector, and the development of the financial and labour markets. In response to requests for macroeconomic assistance from Albania, the Baltic States, Bulgaria and Romania, and in addition to initiatives taken by the IMF, the Council approved medium-term loans designed to help these countries to improve their balance of payments situations.

The Commission also received negotiating directives from the Council with a view to concluding partnership and cooperation agreements with each of the independent States of the former Soviet Union, thus paving the way for closer links and broader cooperation with those countries. These agreements, which are more ambitious in scope than the trade and cooperation agreement previously concluded with the Soviet Union, should also declare the contracting parties' commitment to the principles of the CSCE and to respect for human rights. To channel the expertise of military scientists into non-military applications, an agreement setting up an International Science and Technology Centre (ISTC) in Moscow was signed by the United States, Japan, the Russian Federation and the European Community. The Commission also decided to establish and finance an international association for the promotion of cooperation with the scientists of the independent States of the former Soviet Union.

Resolved to maintain its support for the measures taken by these States to create the requisite environment for the introduction of market economies and democracy, the Community continued to implement its Tacis programme, which was decided on in 1991 and had a budget of ECU 450 million in 1992. Indicative programmes identifying priority sectors were signed with each

independent State, allowing work to continue on projects in these sectors, namely human resources development, food production and distribution, support for business and the development of the energy, transport, telecommunications and nuclear safety sectors. This last sector received a package of ECU 100 million.

The Community continued to build on the food aid strategy developed over the past few years. The following four programmes have already been carried out or are in the process of being carried out: an ECU 250 million grant of foodstuffs; an ECU 500 million credit guarantee for the purchase of agricultural and food products; ECU 200 million in emergency aid primarily targeting Moscow and St Petersburg; and an ECU 1.25 billion loan made available to the independent States to enable them to import agricultural and food products and drugs. Triangular operations involving the Central and East European countries were organized as part of the two loans.

The new Mediterranean policy became fully operational with the Council's adoption of the requisite legislative package in June. Implementation proceeded apace, notably through the speeding up of the dismantling of tariff barriers for certain agricultural products and increased support for projects of a regional nature, notably in the environmental field. Fourth-generation financial protocols were concluded with nearly all the countries concerned, thus allowing work to get under way on the first projects. A new approach was adopted towards relations with the Maghreb countries, replacing the old concept of development cooperation with the idea of partnership, thus reflecting the Community's long-term commitment to help relaunch the Maghreb economy. This led to the conclusion of new EC-Maghreb agreements and the introduction of new technical assistance programmes, new social and cultural dialogue and improved sectoral dialogue. In this context, negotiating directives with a view to the conclusion of such an agreement with Morocco were presented to the Council.

The continuing conflict in former Yugoslavia was a constant source of concern to the Community, which repeatedly called on the parties concerned to work towards a peaceful outcome by participating fully in the negotiations carried out under the aegis of the Geneva, London and The Hague peace conferences. In line with the relevant UN Security Council resolutions, the Council imposed a blanket economic embargo on Serbia and Montenegro, considered the main aggressors in the conflict, while maintaining normal relations with the republics cooperating in the peace process. A cooperation agreement was negotiated with Slovenia, a forerunner of a series of agreements that will be concluded with

those former Yugoslav republics that meet the political and economic conditions stipulated by the Community.

The Community expressed its solidarity with the victims of this conflict by mounting a major operation to meet their most urgent needs as regards food, medical supplies and shelter, allocating nearly ECU 300 million in humanitarian aid and despatching a European task force to provide back-up for relief workers on the ground, notably the UNHCR.

This European task force is responsible to the new European Office for Emergency Humanitarian Aid (ECHO) which has made available Community funds and Commission staff as a Community response to the former Yugoslavia's humanitarian assistance needs. ECHO has, since its inauguration on 1 April 1992, been providing an integrated Community response to humanitarian aid.

Relations with the Middle East countries this year were characterized by the continuing work on the implementation of the free trade agreement with the Gulf Cooperation Council and by the Commission's active participation in the multilateral negotiations launched as part of the Middle East peace process.

In spite of the numerous calls made on it from other quarters, the Community remained solicitous as regards the implementation of the fourth Lomé Convention. Virtually all the national indicative programmes, and all seven regional indicative programmes provided for under Lomé IV were signed, and a start made on the implementation of the projects selected. Special attention was given to the new priorities of the environment, the role of women, decentralized cooperation and promotion of the private sector, with the emphasis on support for structural adjustment. Wherever necessary, the Community reaffirmed the link between development cooperation and respect for human rights.

The Community continued to strengthen its ties with the Latin American countries, making due allowance for the political and institutional changes taking place in that part of the world. This led to an extension of the scope of the institutionalized dialogue conducted at ministerial level with a view to increasing exchanges of information and identifying sectors suitable for cooperation and increased dialogue, while encouraging regional integration in Latin America. The pace of the meetings with the Rio and San José groups of countries was stepped up this year, negotiations were begun with a view to concluding agreements with the Central American countries, and an interinstitutional agreement was reached with Mercosur. The Community also renewed its contractual links with Paraguay, Uruguay and Brazil by concluding third generation agreements with those countries, incorporating spheres of activity

such as economic and industrial activity and cooperation for the development of human resources and the protection of the environment.

As from this year, financial and technical cooperation with the Latin American and Asian countries is also governed by Regulation (EEC) No 443/92, which lays down new priorities for economic cooperation and requires that account be taken of the human dimension of development, of human rights and of the environment. Investment through joint ventures between Community companies and Latin American, Asian and Mediterranean businesses will be promoted by an instrument set up for that purpose, EC International Investment Partners. An agreement, involving a total of ECU 750 million over a three-year period, was also reached to allow the EIB to make loans in Asia and Latin America for projects of mutual interest.

The Community also broadened the scope of its cooperation with the countries of Asia. A new agreement with India was initialled, the contents of which reflected that country's progress towards a more open market economy, and trade and cooperation agreements were signed with Macao and Mongolia. It has not yet been possible to start negotiations for an agreement with Asean, because of the Community's concern for the human rights situation in East Timor.

During the course of the year, the Community continued to strengthen considerably its relations with the United States and the application of the mechanisms provided for in the Transatlantic Declaration of November 1990 was stepped up. The political dimension of these relations gained fresh impetus, leading to greater convergence in the two parties' positions on international relations. Progress towards greater European integration, the changes in Eastern Europe and the concerted action taken by the Community and its Member States with the United States — all these factors helped consolidate transatlantic solidarity and demonstrated to the United States that the Community plays an important role as a pillar of stability in Europe. At the same time, the Community held in-depth discussions on economic questions with the US administration. High-level meetings took place throughout the year within the framework of the Transatlantic Declaration, and the parties continued to build up a broad network of cooperation and contacts. This constructive dialogue enabled the Community and the USA to resolve a number of problems with balanced and mutually acceptable arrangements, although several issues remain outstanding.

The Transatlantic Declaration issued by the Community with Canada strengthened the close links already established between the two parties by the framework cooperation agreement signed in 1976. The strengthening of the relation-

ship was reflected in numerous meetings and talks at political level, and has already borne fruit in the field of bilateral relations.

The joint declaration issued by the Community and Japan in July 1991 has strengthened relations between the two parties, especially as regards cooperation in science and technology and the environment. However, the trade deficit remains substantial, and has continued to grow over the past few months. The Community is more concerned than ever that the Japanese market should be opened up to foreign trade and investment, and it is with this objective in mind that the Commission drew up a communication to the Council setting out a coordinated, overall strategy based on the appropriate macroeconomic and exchange policies, the strict application of antitrust legislation in respect of Japan, industrial cooperation, and trade promotion.

At multilateral level, the Community pursued its determined efforts to help ensure the success of the Uruguay Round trade talks. The political agreement reached between the Community and the United States on agriculture in November opened the way for the multilateral negotiations to reconvene in Geneva, although it did not prove possible to achieve the balanced, overall agreement to which the Edinburgh Council of 11 and 12 December reaffirmed its commitment before the end of the year.

The Community also saw its influence grow in the United Nations as a result of its acceding to the FAO and its role in UnCED and Unctad VIII.

In 1992 the number of diplomatic missions accredited to the European Communities by non-member countries rose to 150.

For its part, the Commission set up delegations in Buenos Aires, Prague, Sofia and Abuja. It is preparing to open delegations in Alma Ata, Bucharest, Helsinki, Kiev, Ljubljana, Santa Fé de Bogotá, Tbilisi and Tirana, and an office in Hong Kong. This will take the number of external delegations to 116.

Section 2

Enlargement of the Community

738. While the groundwork to prepare the entry into force of the Treaty on European Union continued, the Community embarked on a detailed examination of ways of meeting the challenge of an enlarged Community.

739. Having noted that any European State whose system of government was founded on the principle of democracy could apply to become a member of the Union, the Maastricht European Council called on the Commission to examine the questions raised by the possibility of the accession of new members to the Community and to submit the result of its deliberations to the Lisbon European Council.¹ In the report subsequently adopted, 'Europe and the challenge of enlargement', the Commission started from the assumption that, as the European Council had stated, accession to the Union in future would be on the basis of the Treaty on European Union.² In this context a set of criteria was drawn up with which applicant States should comply. Having first satisfied the three basic conditions of European identity, democratic status and respect for human rights, candidates for accession must not only accept the *acquis communautaire* in its entirety, subject to transitional and temporary arrangements, but also be able to implement it. This presupposes that the country concerned possesses a functioning and competitive market economy and an adequate legal and administrative framework. Applicant States should also accept, and have the capacity to implement, the common foreign and security policy as it evolves over the coming years. On the basis of these criteria the Commission has identified certain countries which might require a period of preparation prior to membership and others with which negotiations for accession could already be opened, on the clear understanding that such negotiations must be carried on in such a way as to contribute to the strengthening of the Union and not to dilute the Community's achievements.

740. In the light of this document, the Lisbon European Council of 26 and 27 June invited the institutions to speed up preparatory work on negotiations with the EFTA countries seeking membership, stating that official negotiations could begin as soon as the Treaty on European Union had been ratified and

¹ Bull. EC 12-1991, point 1.4.

² Supplement 3/92 — Bull. EC.

agreement achieved on the second package of financial and structural measures. It further stated that this enlargement was possible on the basis of the institutional provisions contained in the Treaty on European Union and attached declarations.¹

741. In the case of Turkey, the European Council considered that cooperation should be stepped up in line with the prospect laid down in the association agreement of 1964, including a political dialogue at the highest level.² Building on the existing Association Agreements³ and their applications for membership,⁴ relations with Cyprus and Malta should be similarly developed by intensifying the political dialogue.

The European Council also reiterated the Community's willingness to develop close cooperation with the countries of Central Europe within the framework of the Europe Agreements, by intensifying top-level political dialogue and by supporting the efforts of the countries aspiring to membership of the Union so as to help them prepare for accession.⁵

742. In response to the European Council's request, the Commission adopted opinions on Sweden's application for accession on 31 July,⁶ and on Finland's application on 4 November,⁷ stating that the accession of these countries, as signatories to the European Economic Area Agreement, should not pose any insuperable problems of an economic nature.⁸ Nevertheless, the Commission considered that each of the two countries should provide specific and binding assurances of its political commitment and legal capacity to fulfil its obligations with regard to foreign and security policy. In the conclusions to the opinions, the Commission stated that, on the whole, the Community would benefit from the accession of Sweden and Finland.

743. On 12 December the Edinburgh European Council decided that the negotiations for the accession of Austria, Sweden and Finland would begin early in 1993. It also called on the Council to take decisions on opening accession negotiations with Norway as soon as the Commission had given its opinion. With regard to Switzerland, the Commission was asked, in drawing

¹ Bull. EC 6-1992, point I.4.

² OJ 217, 29.12.1964.

³ OJ L 133, 21.5.1973; OJ L 61, 14.3.1971; Fifth General Report, point 410.

⁴ Twenty-fourth General Report, points 722 and 724.

⁵ Point 746 of this Report.

⁶ Bull. EC 7/8-1992, point 1.4.1.

⁷ Bull. EC 11-1992, point 1.4.1.

⁸ Point 789 of this Report.

up its opinion, to take account of the point of view of the Swiss authorities following the referendum of 6 December.

744. On 23 September the Economic and Social Committee adopted an own-initiative opinion, in which it stated that negotiations should not begin prior to ratification of the Treaty on European Union and that the integration of the Community, its progressive enlargement and the cohesion of the European Union were vital to the continent's future stability.¹

¹ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.3.1.

Section 3

Central European countries and independent States of the former Soviet Union

Central European countries

General survey

745. This year the Community increased its support for the process of political and economic reform in the Central European countries by giving them easier access to the Community market, by implementing emergency and humanitarian aid programmes, financial and technical cooperation, and by granting loans in support of macroeconomic policies. The Commission continued to act as coordinator of aid from the G24 group of countries, while the European Investment Bank made several loans to the Central European countries,¹ for which a democracy fund and a special scientific cooperation programme were also approved.²

Europe Agreements and other Agreements

746. The Europe Agreements signed in December 1991³ with Poland, Hungary and the Czech and Slovak Federal Republic were submitted to Parliament, which gave its assent to the first two on 16 September,⁴ the Agreement with the Czech and Slovak Federal Republic being excluded on the grounds of the impending dissolution of that country. On 11 May the Commission was authorized by the Council to negotiate identical Agreements with Bulgaria and Romania⁵ which were the subject of an Economic and Social Committee opinion delivered on 25 November;⁶ the Agreement with Romania and the Interim Agreement were initialled on 17 November,⁷ with the Commission

¹ Point 56 of this Report.

² Point 322 of this Report.

³ Twenty-fifth General Report, point 823.

⁴ OJ C 284, 2.11.1991; Bull. EC 9-1992, point 1.3.11.

⁵ Bull. EC 5-1992, point 1.2.12.

⁶ OJ C 19, 25.1.1993; Bull. EC 11-1992, point 1.4.10.

⁷ Bull. EC 11-1992, point 1.4.12.

proposing their conclusion on 21 December,¹ while the Agreement with Bulgaria and the Interim Agreement were initialled on 22 December.² The Europe Agreements, which will replace the existing trade and commercial and economic cooperation Agreements³ with the countries concerned, are mixed-type agreements, concluded for an indefinite period. In addition to commercial aspects, they also cover political and cultural matters and are designed, eventually, to pave the way for the integration of the countries concerned into the Community. The implementation of these agreements is directly linked to the continuing political and economic reform process in those countries. On 2 December the Commission approved a report on a new partnership with the Central European countries, outlining the long-term outlook for cooperation.²

747. The Community's relations with Albania and the Baltic States were formally secured with the signing, on 11 May 1992, of new trade and economic cooperation Agreements.⁴ The conclusion of these Agreements was duly approved by Parliament,⁵ and decisions concluding them were adopted by the Council on 26 October and 21 December respectively.⁶ They are accompanied by joint declarations concerning political dialogue, and prepare the ground for the conclusion of Association Agreements in due course.

748. In an own-initiative opinion delivered on 25 November on consultation mechanisms in the Central European countries, the Economic and Social Committee proposed the setting up of Joint Consultative Committees involving the ESC and the countries concerned.⁷

Trade arrangements

749. Pending the ratification of the Europe Agreements, trade relations with Poland, Hungary and the Czech and Slovak Federal Republic are governed by the Interim Agreements concluded by the Council⁸ on behalf of the EEC following their endorsement by Parliament,⁹ and by the Commission on behalf

¹ COM(92) 510 and 511; Bull. EC 12-1992.

² Bull. EC 12-1992.

³ Twenty-second General Report, point 906; Twenty-third General Report, point 790; Twenty-fourth General Report, points 675 and 680; Twenty-fifth General Report, point 683.

⁴ Bull. EC 5-1992, point 1.2.11.

⁵ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.3.5.; OJ C 21, 25.1.1993; Bull. EC 12-1992.

⁶ OJ C 343, 25.11.1992; Bull. EC 10-1992, point 1.4.11.; OJ L 403, 31.12.1992; Bull. EC 12-1992.

⁷ OJ C 19, 25.1.1993; Bull. EC 11-1992, point 1.4.7.

⁸ OJ L 114, 115 and 116, 3.4.1992; Bull. EC 1/2-1992, point 1.4.9.

⁹ OJ C 39, 17.2.1992; Bull. EC 1/2-1992, point 1.4.9.

of the ECSC.¹ The life of these Agreements was extended on 7 December,² following a Parliament opinion delivered in November.³ Since their entry into force on 1 March, more than half the goods imported into the Community from these countries have been exempt from duty, and quantitative restrictions have been lifted on all products except textiles⁴ and coal. In a few years' time the Community market will be entirely open to all products imported from the three countries, with the exception of agricultural produce, for which considerable concessions have nevertheless been granted. Poland, Hungary and Czechoslovakia will introduce reciprocal arrangements, although over a longer period of time. In view of these new trade arrangements, on 27 February and 5 June respectively the Council adopted Regulation (EEC) No 517/92,⁵ removing the three countries from the list of those subject to the Community rules concerning State-trading countries,⁶ and Regulation (EEC) No 1509/92, removing them from the list of those entitled to benefit from the generalized system of preferences.⁷

750. Pending the entry into force of the Interim Agreements, trade with Bulgaria and Romania is governed by a trade and commercial and economic cooperation Agreements, supplemented by the unilateral concessions granted by the Community in 1990 and 1991 in support of the political and economic reform process.⁸

751. Since 1 December trade relations with Albania have been governed by a trade and commercial and economic cooperation Agreement.⁹ Neither specific nor 'non-specific' quantitative restrictions on imports from State-trading countries have been applied either to Albania or to the Baltic States since 1991.¹⁰ Trade in textiles¹¹ and fisheries products¹² is subject to specific arrangements.

752. On 3 February the Council extended the generalized system of preferences to the Baltic States and Albania, having already done so in the case of Bulgaria

¹ OJ C 80, 31.3.1992; Bull. EC 1/2-1992, point 1.4.10.

² OJ L 408, 31.12.1992; Bull. EC 12-1992.

³ OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.4.11.

⁴ Point 998 of this Report.

⁵ OJ L 56, 29.2.1992; Bull. EC 1/2-1992, point 1.4.13.

⁶ OJ L 138, 31.5.1990; OJ L 262, 31.12.1991.

⁷ Point 934 of this Report.

⁸ OJ L 262, 26.9.1990; Twenty-fourth General Report, point 670; Twenty-fifth General Report, point 821.

⁹ Point 747 of this Report.

¹⁰ OJ L 362, 31.12.1991; Twenty-fifth General Report, point 821.

¹¹ Point 1000 of this Report.

¹² Point 577 of this Report.

in 1991, when it also extended the scope of its application in respect of Romania, which was already a beneficiary.¹

Coordination of the Group of 24

753. In the course of the year the Commission continued to carry out its mandate to coordinate economic aid from the group of 24 Western countries to the Central European countries. Following the suspension of aid to former Yugoslavia in November 1991,² on 7 October this aid was extended to Slovenia, which had become eligible for the Phare programme, by a Council Decision dated 7 August.* To date, overall economic aid from the G24 has reached a total of ECU 33.95 billion (including ECU 13.9 billion in grants), while the international financial institutions have contributed a further ECU 13 billion. These totals include new contributions amounting to ECU 4.9 billion committed during the course of the year, plus debt write-offs conceded by a number of G24 countries to certain Central European countries.

754. The G24 continued with its macroeconomic financial assistance programme, which is designed to cut certain countries' balance of payments deficits. The contributions requested from the G24 by Albania, the Baltic States, Bulgaria and Romania amounted to a total of around ECU 1 billion. In response to these requests, the Council decided to make additional loans to Bulgaria and Romania, one loan to each of the Baltic States and a grant to Albania.³ In a report dated 16 September the Commission gave a positive assessment of the implementation of this type of aid to the Central European countries in 1991.⁴

755. In a resolution dated 12 June the European Parliament emphasized the need for financial stimulus and for protection for foreign investment in the Central European countries.⁵

Operation Phare

756. Appropriations committed under the 1992 budget to the Phare programme totalled ECU 1 billion.⁶ The programmes approved by the Management Committee were selected on the basis of the experience gained over the

¹ Twenty-fourth General Report, point 670.

² Twenty-fifth General Report, point 816.

³ Point 48 of this Report.

⁴ COM(92) 400; Bull. EC 9-1992, point 1.3.4.

⁵ OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.4.5.

⁶ Twenty-third General Report, point 786.

past few years, and with a view to securing continuity, avoiding too great a dispersal of the funds, and increasing the opportunities for co-financing projects with the EIB, EBRD, World Bank and other financial institutions. Particular attention was paid to the new recipient countries' needs in the fields of institutional development, human resources and social policy. The emphasis in the indicative programmes was on the privatization and restructuring of State-owned companies, promotion of the private sector and the development of financial markets and labour markets in agriculture, industry and services. Aid was also channelled into reform programmes in sectors such as nuclear energy and safety, the environment, the promotion of civil society, support for social policy, regional development and the development of the legal, institutional and physical infrastructure. This aid took a number of forms, including technical assistance, studies, training projects, supplies and financial assistance for sectoral programmes. More than 60 national programmes, representing a total of ECU 741 million, were approved (see Table 13). In response to a Parliament initiative, and with the aim of promoting democracy, Phare also set up a programme for the development of non-governmental organizations.¹

757. Following on from the successes of last year,² the scope of the regional cooperation programmes was extended to embrace transport, telecommunications, energy, nuclear safety, the war against drugs, industrial property, customs, standards, statistics and environmental protection. Thirteen regional programmes were approved, for a total of ECU 115 million (see Table 13). The Tempus and ACE programmes were renewed and extended to Slovenia.³ Part of the Phare budget was used to supply emergency food and medical aid to Albania, to provide food aid and continue a programme targeting children in Romania, and to finance emergency aid to Bosnia-Herzegovina. The share of the total budget allocated to this type of aid was raised to 15%.⁴

758. On 16 November⁵ the Council confirmed that the programme would be continued as part of a multiannual strategy linked, where appropriate, to the implementation of the Europe Agreements, and with increased emphasis on investment in the small business sector. The Commission established the programme's priorities for 1993-97 on the basis of these guidelines.

¹ Bull. EC 7/8-1992, point 1.4.10.

² Twenty-fifth General Report, point 818.

³ Point 427 of this Report.

⁴ Bull. EC 11-1992, point 1.4.5.

⁵ Bull. EC 11-1992, point 1.4.6.

TABLE 13
Operation Phase — Financial aid granted in 1992

(million ECU)

Beneficiary country	Sector										Total	
	Agriculture	Private sector development, SMEs	Financial sector	Environment and nuclear safety	Social development, labour and health	Education, training, research and development	Infrastructure: energy, telecommunications, transport, etc.	Public administration and institutions, including customs, statistics, foreign trade	Integrated regional development measures	Humanitarian and emergency aid		General technical assistance facility and others
Albania	15.0					1.2	4.4			85.0	4.4	110.0
Bulgaria	10.0			11.0	15.0	8.0	21.0		22.5			87.5
CSFR		31.0			4.0	25.0	10.0				30.0	100.0
Estonia						1.0					9.0	10.0
Hungary	5.0	11.0		10.0	26.0	21.0		14.5	10.0		1.0	98.5
Latvia						1.5					13.5	15.0
Lithuania		9.5				1.5					9.0	20.0
Poland	23.0			18.0		42.0		52.5	60.0		4.5	200.0
Romania	32.0	40.0	5.0	5.0	15.0	13.0				22.0	20.0	152.0
Slovenia						2.3					6.7	9.0
Other ex-Yugoslavia										49.5		49.5
Regional cooperation				46.0		24.0	35.0	4.0			7.0	116.0
Other programmes											48.0	48.0
Total	85.0	91.5	5.0	90.0	60.0	140.5	70.4	71.0	92.5	156.5	153.1	1 015.5

Particular aspects

Albania

759. Dr Berisha, the President of the Republic, and Mr Meksi, the Prime Minister, met Mr Delors on 5 May, on the eve of the signing of the trade and cooperation Agreement between the EEC and Albania.¹ Mr Andriessen visited Tirana on 21 and 22 July for the G24 Conference on aid to Albania,² which

¹ Bull. EC 5-1992, point 1.2.14.

² Bull. EC 7/8-1992, point 1.4.6.

was also the subject of Council conclusions.¹ The conference participants undertook to cover the country's food requirements until the next harvest and decided to give priority to the development of agriculture, to enable Albania to become self-sufficient in food again.

760. Alarmed by the critical economic situation, and anxious to help relaunch Albanian industry, on 15 May the Council adopted Decision 92/277/EEC, awarding a grant of ECU 20 million to finance a programme to import essential goods into Albania from countries receiving economic aid under the Phare programme.² On 15 June the Council adopted Regulation (EEC) No 1567/92 concerning the supply of food products worth a total of ECU 45 million,³ and 27 October saw the adoption of Council Regulation No 3106/92,* granting a further ECU 40 million in emergency aid for the supply of agricultural products. These measures supplemented Community financing provided under the Phare programme⁴ and in the context of balance of payments aid.⁵ On 23 December the Commission further proposed extending the activities of the European Investment Bank to Albania.⁶

Bulgaria

761. The negotiations for the conclusion of a Europe agreement with Bulgaria were the subject of wide-ranging discussions when Mr Ganev, the Foreign Minister, and Mr Ebkhenazy, the Deputy Prime Minister, visited the Commission.⁷

762. In addition to the financing committed under the Phare programme,⁴ Bulgaria was also granted a medium-term loan of ECU 110 million in balance of payments support.⁵ On 23 April, the G24 and the World Bank jointly arranged a meeting focusing exclusively on Bulgaria.

Hungary, Poland, and the Czech and Slovak Federal Republic (Visegrad countries)

763. In addition to the numerous projects carried out under the Phare programme,⁴ the signing of the Europe Agreements in December 1991 and the entry into force of the Interim Agreements together significantly strengthened

¹ Bull. EC 7/8-1992, point 1.4.5.

² OJ L 144, 26.5.1992; Bull. EC 5-1992, point 1.2.15.

³ OJ L 166, 20.6.1992, Bull. EC 6-1992, point 1.4.6.

⁴ Point 756 *et seq.* of this Report.

⁵ Points 48 to 50 of this Report.

⁶ Bull. EC 12-1992.

⁷ Bull. EC 3-1992, point 1.3.15.

the Community's ties with these three countries.¹ At their joint request, the political dialogue provided for under the Agreements has already been instigated, the aim being to achieve greater convergence of the parties' positions, to improve mutual understanding and to promote security and stability in Europe. Two ministerial meetings took place, the first in Prague² on 5 May and the second in Luxembourg on 5 October.³ In addition to the many bilateral meetings arranged between the Community and these countries,⁴ on 28 October the Prime Ministers, Foreign Ministers and Finance Ministers of Poland, Hungary and the Czech and Slovak Federal Republic visited London,⁵ where they met Mr Major, the UK Prime Minister and President of the Council, together with Mr Delors and Mr Christophersen: their discussions focused on strengthening political dialogue and developing economic relations with a view to the three countries eventually acceding to the Community.

764. The first meetings of the Joint Committees set up under the Interim Agreements took place in Brussels on 21 May (Czech and Slovak Federal Republic), 22 June (Hungary) and 29-30 June (Poland).

765. On 17 September Parliament adopted resolutions concerning Hungary's debt⁶ and economic and trade relations between the European Community and Poland.⁷

Romania

766. The Europe Agreement¹ establishing an association between the Community and Romania was initialled on 17 November.⁸

767. To help Romania achieve food security, the Commission decided to use funds from the Phare budget to guarantee the delivery from the Czech and Slovak Federal Republic of 90 000 tonnes of breadmaking wheat; this delivery is the second such triangular operation the Commission has carried out with a

¹ Point 746 of this Report.

² Bull. EC 5-1992, point 1.2.17.

³ Bull. EC 10-1992, point 1.4.6.

⁴ Bull. EC 3-1992, point 1.3.16; Bull. EC 6-1992, point 1.3.95; Bull. EC 9-1992, point 1.3.14.; Bull. EC 10-1992, points 1.4.17 and 1.4.18.

⁵ Bull. EC 10-1992, point 1.4.7.

⁶ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.3.12.

⁷ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.3.13.

⁸ Bull. EC 11-1992, point 1.4.12.

Central European country.¹ Romania was also on several occasions the recipient of financing under the Phare programme² and of an ECU 80 million medium-term loan in support of its balance of payments.³

Baltic States (Estonia, Latvia and Lithuania)

768. On 23 September Mr Delors met Mr Landsbergis, the Lithuanian president, while Mr Andriessen played host to Mr Godmanis, the Latvian Prime Minister, on 7 July.⁴ Their discussions focused primarily on the trade and cooperation Agreements concluded on 21 December with all three Baltic States.⁵ On 26 November the Estonian President, Mr Meri, had talks with Mr Delors, Mr Andriessen and Mr Christophersen.

769. To counter the dearth of agricultural and food products in the Baltic States, on 7 August the Council adopted Regulation No 2335/92* granting a second tranche of food aid worth a total of ECU 45 million.

770. In addition to the technical assistance provided under the Phare programme,² Lithuania, Latvia and Estonia also received loans to help improve their balance of payments situations.³ On 23 October the Commission further proposed that the Community guarantee loans granted by the European Investment Bank to the Baltic States.⁶

Independent States of the former Soviet Union

Aid

771. The European Community continued to pursue its policy of supplying aid to the independent States of the former Soviet Union with a view to supporting the process of political and economic reform undertaken in the countries concerned. Three conferences were held, in Washington, Lisbon and

¹ Twenty-fifth General Report, point 827.

² Point 756 *et seq.* of this Report.

³ Points 48 to 50 of this Report.

⁴ Bull. EC 9-1992, point 1.3.10.

⁵ Point 747 of this Report.

⁶ COM(92) 401; Bull. EC 10-1992, point 1.6.10.

Tokyo, to address precisely this issue. Community support primarily took the form of technical assistance and food and medical aid. Following on from a Commission communication,¹ on 16 March the Council adopted conclusions concerning the economic situation of the former Soviet Union and the outlook for international aid.² Parliament also contributed to the debate with a resolution adopted on 17 September.³

Conferences on aid

772. The main objective of the conference held in Washington on 22-23 January⁴ was to improve the coordination of international aid to the former Soviet Union. In practical terms, this led to the setting up of five working groups (energy, food aid, accommodation, medical aid and technical assistance), which produced plans of action and coordination in each of the sectors concerned. At the conference held in Lisbon on 23 and 24 May⁵ the participants stressed the importance of technical assistance, the safety of nuclear installations and the need to coordinate aid on the ground in order to ensure that the implementation of aid measures made due allowance for the specific requirements of each independent State. The Tokyo conference of 29-30 October⁶ confirmed the approach adopted at the previous two conferences with regard to the most effective ways of providing Western humanitarian and technical assistance more in line with the requirements of the independent States of the former Soviet Union.

Technical assistance

773. The national coordinators group for the Tacis programme (EC technical assistance to the Commonwealth of Independent States and Georgia) met for the first time at ministerial level in Brussels from 14 to 18 September.⁷ The purpose of this programme is to provide technical assistance in a number of key sectors with a view to creating the right environment for a market economy and a democratic society. The programme's budget for 1992 was ECU 450 million, the objective being to improve local skills and know-how. Tacis is

¹ Bull. EC 3-1992, point 1.3.4.

² Bull. EC 3-1992, point 1.3.5.

³ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.3.15.

⁴ Bull. EC 1/2-1992, point 1.4.4.

⁵ Bull. EC 5-1992, point 1.2.8.

⁶ Bull. EC 10-1992, point 1.4.8.

⁷ Bull. EC 9-1992, point 1.3.3.

conceived and carried out as a decentralized programme, closely involving the recipients of aid in the preparation and implementation of the projects that concern them.

774. The Commission also signed indicative programmes with each of the independent States, identifying the priority areas on which the programme would focus. The following sectors were highlighted: human resources development, food production and distribution, support for business, energy, transport, telecommunications and nuclear safety. National Tacis coordinating units were set up with a budget of ECU 15 million to manage the day-to-day running of the programme.¹

775. In spite of the many difficulties arising from the break-up of the Soviet Union, the Commission moved quickly to sign contracts and launch projects financed under the 1991 budget in the CIS and Georgia.

776. On 3 June the Commission decided to set up a multidisciplinary technical assistance fund with a budget of ECU 10 million, the purpose of which will be to finance small-scale technical cooperation and training activities.² The Commission also decided to set up a similar fund to improve cooperation between the Commission and the European Bank for Reconstruction and Development.

777. In December³ the Commission approved a package totalling ECU 379.97 million to finance 15 national programmes (four for Russia and one each for the other independent States), one regional programme covering a number of States and a regional programme to improve nuclear safety. On 25 November* the Commission proposed that the Council extend Regulation (EEC) No 2157/91 on technical assistance, allowing for the recent changes in the former Soviet Union and adding Mongolia to the list of recipient countries.⁴

Food and medical aid

778. This year the Commission completed the distribution of ECU 250 million in food aid approved in December 1990⁵ but postponed owing to the political situation in the former Soviet Union.

¹ Bull. EC 11-1992, points 1.4.15 and 1.4.16.

² Bull. EC 6-1992, point 1.4.10.

³ Bull. EC 12-1992.

⁴ OJ L 201, 24.7.1991; Twenty-fifth General Report, point 820.

⁵ Twenty-fourth General Report, point 684.

779. In the wake of the break-up of the Soviet Union, on 10 February the Council decided that the ECU 500 million credit guarantee granted in 1991¹ to enable the then Soviet Union to buy agricultural and food products in the European Community and in Central Europe should be extended to Russia only, it being understood that the share allocated to the other independent States under the ECU 1 250 million loan would be adjusted accordingly. Triangular operations with Central Europe accounted for 16% of the supplies financed by the loan, the authorized platform having been fixed at 25%.

780. As regards the implementation of the medium-term ECU 1 250 million loan approved by the Council on 16 December 1991,² on 13 July the Council noted that nine independent States of the former Soviet Union had met the conditions making them eligible for the loan.³ While deploring the fact that the negotiations with Russia concerning the guarantees required to secure adequate legal certainty had not yet reached a satisfactory conclusion, on 13 July the Council nevertheless decided to release ECU 150 million of the loan allocated to enable Russia to purchase medical products.³ On 19 October⁴ the Council asked the Commission to release the remaining ECU 349 million of Russia's share of the loan, to be used to secure supplies of food and agricultural products. Talks with Azerbaijan and Uzbekistan are still under way, with the objective of securing their recognition of their liability for part of the former Soviet Union's debt, which the Council has made a precondition for the granting of any loans.

781. On 10 February the Council adopted Regulation (EEC) No 330/92* allocating ECU 100 million in food aid, the second instalment decided on in December 1991 of a ECU 200 million food aid programme for the cities of Moscow and St Petersburg.¹ On 9 September,⁵ in the light of the European Parliament resolution of 8 July,⁶ the Commission adopted a communication on the finalization of this programme. The Commission also approved an emergency aid package of ECU 2.5 million for the people of Armenia and Azerbaijan affected by the conflict in Nagorno-Karabakh.

¹ Twenty-fifth General Report, point 844.

² OJ L 64, 10.3.1992; Twenty-fifth General Report, point 844.

³ Bull. EC 7/8-1992, point 1.4.14.

⁴ Bull. EC 10-1992, point 1.4.20.

⁵ Bull. EC 9-1992, point 1.3.16.

⁶ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.4.15.

Bilateral relations

782. In the light of the assurances provided by the new independent States which had undertaken to meet the conditions required for their recognition, the Community and its Member States decided to recognize Tadjikistan and Kyrgyzstan on 15 January,¹ and Georgia on 23 March,² following the recognition of the other new States on 31 December 1991.³ To formalize its contractual relations with each of the new States during the period leading up to the conclusion of new agreements, the Commission suggested an exchange of letters confirming their intention of carrying out their obligations under the old trade and cooperation Agreement between the EEC and the Soviet Union.⁴

783. The Commission also issued two communications, one on 9 January,⁵ the other on 26 February,⁶ assessing the measures taken since 1985 in support of the implementation of political and economic reforms and proposing new forms of cooperation and assistance for the independent States of the former Soviet Union.

784. On 5 October the Council adopted a decision authorizing the Commission to negotiate partnership and cooperation Agreements with the independent States of the former Soviet Union.⁷ The contents and implementation of the Agreements were to be determined in line with the political and economic circumstances of the countries concerned, and the extent of their relations with the Community. The new Agreements will be wider in scope than the trade and cooperation Agreement with the former Soviet Union, paving the way for closer links and broader cooperation.⁴ The new Agreements will declare the parties' commitment to the principles of the CSCE and to respect for human rights.

785. On 26 February the Commission adopted a communication on the development of industrial cooperation with the Central European countries and the independent States of the former Soviet Union, proposing the development of programmes to support industrial cooperation.⁸

¹ Bull. EC 1/2-1992, point 1.5.11.

² Bull. EC 3-1992, point 1.4.9.

³ Twenty-fifth General Report, point 1097.

⁴ OJ L 68, 15.3.1990; Twenty-fourth General Report, point 685.

⁵ Bull. EC 1/2-1992, point 1.4.2.

⁶ Bull. EC 1/2-1992, point 1.4.3.

⁷ Bull. EC 10-1992, point 1.4.19.

⁸ Bull. EC 1/2-1992, point 1.4.6.

786. An Agreement setting up an International Science and Technology Centre (ISTC) was concluded by the United States of America, Japan, the Russian Federation, the European Economic Community and the European Atomic Energy Community on 21 December.¹ The ISTC's brief is to channel the know-how of military research scientists and technicians of the former Soviet Union into non-military projects. In a resolution adopted on 11 March, the European Parliament stressed the importance of making the ISTC operational as quickly as possible.² On 17 December the Commission approved the statute of the international association for the promotion of cooperation with the scientists of the independent States of the former Soviet Union.³

787. Bilateral relations were significantly stepped up this year. Mr Gassanov, the Prime Minister of Azerbaijan, visited the Commission on 20 February. On an official visit from 23 to 29 February, Mr Andriessen met Mr Shushkevich, President of the Supreme Soviet of Belarus, Mr Kravchuk, President of Ukraine, Mr Mutalov, Prime Minister of Uzbekistan, and Mr Nazarbayev, President of the Republic of Kazakhstan. Mr Chikvadze, the Foreign Minister of Georgia, visited the Commission on 3 March,⁴ followed by the Russian Foreign Minister, Mr Kozyrev, on 9 March.⁵ On 25 March⁶ Mr Andriessen visited Moscow, where he met Mr Yeltsin, President of the Russian Federation, Mr Gaidar, Acting Prime Minister, and Mr Shevardnaze, President of the Georgian Council of State. On a further visit, from 26 April to 1 May, he also saw Mr Akayev, President of Kyrgyzstan, Mr Nabiye'v, President of Tadjikistan, and Mr Niyazov, President of Turkmenistan.⁷ Mr Delors visited Moscow on 29 May, when he had talks with Mr Yeltsin and Mr Gaidar.⁸ Mr Shokhin, Deputy Prime Minister of the Russian Federation, visited the Commission on 9 and 10 September,⁹ when he met Mr Delors and Mr Andriessen. Mr Delors subsequently also received Mr Kravchuk, the President of Ukraine, on 14 September,¹⁰ and Mr Shushkevich, the President of Belarus, on 17 September. On a visit from 5 to 8 June¹¹ Mr Cardoso e Cunha presided at the official inauguration of the Community energy centres in Moscow and St Petersburg,¹² while on 23

¹ OJ L 409, 31.12.1992; Bull. EC 12-1992.

² OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.3.10.

³ Bull. EC 12-1992.

⁴ Bull. EC 3-1992, point 1.3.19.

⁵ Bull. EC 3-1992, point 1.3.11.

⁶ Bull. EC 3-1992, point 1.3.12.

⁷ Bull. EC 4-1992, point 1.2.9.

⁸ Bull. EC 5-1992, point 1.4.5.

⁹ Bull. EC 9-1992, point 1.3.17.

¹⁰ Bull. EC 9-1992, point 1.3.18.

¹¹ Bull. EC 6-1992, point 1.3.94.

¹² Points 711 and 712 of this Report.

September the Commission proposed that the Council conclude cooperation Agreements with Russia on controlled thermonuclear fusion, nuclear safety and matters relating to trade in nuclear equipment.¹

Trade arrangements

788. On 30 March² the Council adopted Regulation (EEC) No 848/92 establishing the trade arrangements governing imports from the independent States and extending to these countries the waiver previously granted to the USSR, lifting all specific quantitative restrictions from 1 August 1991.³ On 21 December the Council adopted a regulation with the aim of including these countries in the list of those entitled to benefit from the generalized system of preferences (GSP).⁴

¹ Point 707 of this Report.

² OJ L 89, 14.4.1992; Bull. EC 3-1992, point 1.3.71.

³ Twenty-fifth General Report, point 822.

⁴ Point 935 of this Report.

Section 4

European Free Trade Association

Relations with EFTA

789. The Agreement on the establishment of the European Economic Area (EEA) was initialled on 14 April,¹ and signed in Oporto on 2 May,² following two opinions delivered by the Court of Justice on the conformity of the draft agreement with the Treaty of Rome.³ The ratification procedures in the Community Member States and the EFTA contracting parties are under way. The European Parliament gave its assent on 28 October.⁴ However, as a result of the Swiss referendum on 6 December, the EEA Agreement cannot enter into force on 1 January 1993 as planned. Following the Council meeting on 21 December, work was started urgently to draw up a protocol amending the EEA Agreement and allowing it to enter into force as soon as possible. The establishment of the European Economic Area will usher in a new phase in relations between the Community and its Member States and the EFTA contracting parties, and also constitutes a particularly important element in the new architecture of Europe. The European Economic Area is intended to give fresh impetus to the special relationship between the European Community, its Member States and the EFTA States, a relationship which is built on their proximity, the importance of their economic relations, their common values of democracy and of a market economy and their common European identity. The EEA Agreement is based on the free trade relations established by the free trade Agreements concluded in 1972 and 1973 between the Community and each of the EFTA States.⁵ The aim of the Agreement is to establish a dynamic and homogeneous integrated economic entity based on common rules and equal conditions of competition, thereby leading to the integration of the economies of the countries involved. The EFTA States will take over existing Community legislation in the fields of the 'four freedoms', subject to a few exceptions and transitional periods in certain sectors. Special arrangements for agriculture,

¹ Bull. EC 4-1992, point 1.4.1.

² Bull. EC 5-1992, points 1.2.1 and 2.2.1.

³ Twenty-fifth General Report, point 846; point 1212 of this Report.

⁴ OJ C 305, 23.11.1992; Bull. EC 10-1992, point 1.4.1.

⁵ Sixth General Report, point 14; Seventh General Report, point 489.

fisheries and transport¹ have been laid down in bilateral agreements, which will enter into force on the same date as the EEA Agreement.

Apart from the implementation of the four freedoms, the EEA Agreement also provides for relations between the Community and the EFTA countries to be reinforced and extended in areas which have an impact on business activity. These are the 'horizontal' policies, notably social policy, consumer protection, environment, statistics and company law. Cooperation will also be extended to other areas, within the framework of Community 'flanking' policies covering fields such as research and development, the environment, social policy, information, education, the audiovisual sector, youth, small business, tourism and civil protection.

With the aim of helping to reduce economic and social imbalances, the EFTA countries agreed, in addition to certain arrangements on agriculture and fisheries, to establish a financial mechanism for providing financial assistance to regions in Greece, Portugal, Spain and the island of Ireland which fulfilled the criteria of objective 1 of the Community's structural Funds.

The institutional framework of the EEA comprises: the EEA Council, which will provide political impetus for the implementation of the Agreement and lay down general guidelines for the Joint Committee; the EEA Joint Committee, which will be responsible for the implementation of the Agreement; the EEA Joint Parliamentary Committee and the EEA Consultative Committee, which will be a forum for contacts between Members of Parliament and representatives of the social partners.

790. On 27 November the Commission adopted a proposal for a Regulation on certain modalities for application of the Agreement on the European Economic Area.

Bilateral relations with the EFTA countries

791. Bilateral relations between the Community and Austria were marked by a series of visits during the year. The President of Austria, Mr Klestil, visited the Commission for talks with Mr Delors on 29 September,² while Mr Mock, the Foreign Minister, had talks with Mr Andriessen, Mr Bangemann and

¹ Point 678 *et seq.* of this Report.

² Bull. EC 9-1992, point 1.3.2.

Mr Matutes on 6 May.¹ Mr Lacina, the Finance Minister, met Mr Andriessen, Mr Schmidhuber and Mrs Scrivener on 7 May², while the Chancellor, Mr Vranitzky, visited Strasbourg on 10 June,³ where he had talks with Mr Delors, Mr Andriessen and Mr Van Miert as well as with the President of the European Parliament, Mr Klepsch. Sir Leon Brittan visited Vienna on 1 June, where he held discussions with Mr Mock, Mr Vranitzky, Mr Schüssel, the Economic Affairs Minister, and Mr Ditz, State Secretary at the Finance Ministry.⁴

792. The bilateral Agreements on trans-Alpine road transit between the Community and Austria and the Community and Switzerland were signed on 5 May on the occasion of the signing of the European Economic Area Agreement and concluded by the Council on 27 and 30 November.⁵

793. On 20 May Switzerland presented a formal application for accession to the European Communities and on 15 June the Council called on the Commission to deliver an opinion.⁶ Mr Felber, the President and Foreign Minister of the Swiss Confederation, and Mr Delamuraz, the Head of the Department of Public Economy, had talks with Mr Delors on 28 April.⁷

794. Finland presented a formal application for accession to the European Communities on 18 March and the Commission delivered its opinion on 4 November.⁸ Mr Christophersen visited Finland from 21 to 24 May, where he had talks with Mr Koivisto, the President of Finland, Mr Aho, the Prime Minister, and Mr Viinanen, Finance Minister.⁹ Mr Koivisto, along with Mr Salolainen, the Deputy Prime Minister, and Mr Väyrynen, the Foreign Minister, visited Mr Delors and Mr Andriessen on 29 October.¹⁰

795. On 5 May Iceland signed a bilateral fisheries Agreement with the Community. This Agreement is in the form of an exchange of letters and falls within the framework of the establishment of the European Economic Area.¹¹ Mr Hannibalsson, the Foreign Minister, visited the Commission for talks with Mr Andriessen in January.

¹ Bull. EC 5-1992, point 1.2.4.

² Bull. EC 5-1992, point 1.2.5.

³ Bull. EC 6-1992, point 1.4.3.

⁴ Bull. EC 6-1992, point 1.4.2.

⁵ Point 678 *et seq.* of this Report.

⁶ Bull. EC 6-1992, point 1.2.2.

⁷ Bull. EC 4-1992, point 1.4.3.

⁸ Point 742 of this Report.

⁹ Bull. EC 5-1992, point 1.2.6.

¹⁰ Bull. EC 10-1992, point 1.4.3.

¹¹ Point 577 of this Report.

796. Mr Andriessen visited Liechtenstein on 23 October, where he held talks with the reigning Prince, Hans Adam II, and with the Head of Government.¹

797. On 25 November Norway also submitted a formal application for accession to the European Communities.² Mr T. Stollenberg, the Foreign Minister, had talks at the Commission on 25 May with Mr Andriessen and Mr Millan.³ Mr Godal, the Minister of Trade and Shipping, also visited the Commission on 31 March⁴ and 28 July.⁵ Mrs Brundtland, the Prime Minister of Norway, met Mr Delors in February and in November.² On 5 May an Agreement on fisheries in the form of an exchange of letters was signed with Norway on the occasion of the signing of the European Economic Area Agreement.⁶

798. On 31 July the Commission adopted an opinion on Sweden's application for accession to the Community.⁷ Mr Bildt, the Prime Minister, and Mr Dinkelspiel, the European Affairs Minister, met Mr Delors and Mr Andriessen on 22 and 23 October.⁸ On 5 May Sweden signed a bilateral fisheries Agreement in the form of an exchange of letters with the Community, which falls within the framework of the establishment of the European Economic Area.⁹

¹ Bull. EC 10-1992, point 1.4.4.

² Bull. EC 11-1992, point 1.4.3.

³ Bull. EC 5-1992, point 1.2.7.

⁴ Bull. EC 3-1992, point 1.3.3.

⁵ Bull. EC 7/8-1992, point 1.4.2.

⁶ Point 789 of this Report.

⁷ Point 742 of this Report.

⁸ Bull. EC 10-1992, point 1.4.5.

⁹ Bull. EC 5-1992, point 1.2.1.

Section 5

Relations with the United States, Japan and other industrialized countries

Western Economic Summit

799. The 18th Western Economic Summit was held in Munich from 6 to 8 July.¹ The members of the Group of Seven major industrialized countries (G7) set about defining a 'new partnership' with the rest of Europe and the rest of the world as shared values gradually took root. They welcomed the onward march of democracy in Central Europe and urged more opening-up of markets to products from the countries concerned, and expansion of private investment. They also expressed the Western countries' very strong commitment to see that humanitarian aid supplies got through in the former Yugoslavia. Regarding the independent States of the former Soviet Union, the Seven confirmed their support for the reforms in hand and the institution of a multilateral action programme coordinated by the EBRD and G24 in the field of nuclear safety. Other commitments were assumed towards developing countries, in particular with regard to debt; implementation of the conclusions of the Rio Conference on the Environment² was deemed a priority objective. The participants expressed the hope that the Uruguay Round negotiations would be completed before the end of the year. They also welcomed the reform of the common agricultural policy. In the discussion of the economic situation, followed by the adoption of a declaration entitled 'Working together for growth in a safer world', the measures needed to ensure stronger, sustainable, non-inflationary growth based on sound monetary and financial policies and lower interest rates were reviewed.

800. Finance Ministers and central bank governors from the seven major industrialized countries met on 19 September³ to exchange views on the international monetary crisis; they reaffirmed the Munich Summit's commitment to non-inflationary strengthening of world growth.

¹ Bull. EC 7/8-1992, points 1.4.35 and 2.2.1 to 2.2.4.

² Points 596 and 597 of this Report.

³ Bull. EC 9-1992, point 1.3.28.

United States

801. Relations between the United States and the Community in the past year were marked by a substantial strengthening of the dialogue between them, in accordance with the basic commitments under the Transatlantic Declaration.¹

802. In the political field the results have been striking: the parties have consulted one another and reached broadly convergent conclusions on a wide range of subjects, such as the situation in the Middle East, in the Commonwealth of Independent States and Central Europe, and cooperation within the United Nations and the Conference on Security and Cooperation in Europe (CSCE). This enhanced coordination showed that the United States recognizes the process by which the Community seeks to express its identity in the fields of foreign policy and security in Europe.

803. In the economic field, transatlantic trade continued to grow, the Community and the United States being each other's biggest trading partners. Estimated bilateral trade between the USA and the Community in 1992 was ECU 160 billion, with cross-investment estimated to exceed ECU 350 billion. The United States' trade balance with the Community is currently in surplus, estimated at ECU 9 billion, in contrast with the deficits of the 1980s. Bilateral dialogue in this field has also been stepped up, through regular, close discussions between the Community and the US Administration, so promoting openness and mutual understanding, despite a number of disputes. In the long term these exchanges are intended to encourage convergence between regulations with an impact on the economy in the Community and the United States, in order, as far as possible, to prevent problems arising in the first place.

804. As part of the bilateral meetings instituted by the Transatlantic Declaration, Mr Cavaco Silva and Mr Major, successive Presidents of the European Council, and Mr Delors, President of the Commission, met President Bush on 22 April² and 18 December.³ On 21 January⁴ Mr Andriessen, Vice-President of the Commission, and the Portuguese Minister for External Relations, Mr Deus Pinheiro, met Mr Baker, the US Secretary of State. Other meetings brought together the Twelve's foreign ministers and Mr Andriessen, on the one hand, and Mr Baker or Mr Eagleburger, on the other. Discussions centred on political

¹ Twenty-fourth General Report, point 693.

² Bull. EC 4-1992, point 1.4.16.

³ Bull. EC 12-1992.

⁴ Bull. EC 1/2-1992, point 1.4.36.

and economic issues of the moment, such as the situation in Yugoslavia, Central Europe, the former Soviet Union and the Middle East, the future of Europe and the progress of European integration, and the Uruguay Round trade negotiations. A large number of *ad hoc* meetings were also held, particularly between Mr Andriessen and Mr Mac Sharry, on the one hand, and Mrs Hills, the US Trade Representative, and Mr Madigan, the Secretary of Agriculture, on the other, in particular on the Uruguay Round and agricultural matters.¹

805. On the sidelines of the Uruguay Round negotiations on the GATT public procurement code, the Community and the USA opened bilateral discussions on telecommunications with a view to reaching an agreement applying the principles of non-discrimination and openness to the field of public procurement in telecommunications. Exploratory talks were opened in Brussels for negotiating mutual recognition agreements on conformity assessment.² A closer dialogue also developed on competition, standards and certification, higher education and continuing education, science and technology, the environment, customs cooperation, and statistics.

806. In the process the Commission stressed that the unilateral elements of the US Trade Act (Section 301) were incompatible with GATT rules and principles, and sought from the US authorities a clear commitment to make their actions in the trade sphere subject to GATT rules. On this subject Parliament adopted the resolution of 17 September on economic and trade relations between the European Community and the United States.³

807. In February the United States threatened the Community with possible retaliatory trade measures should the Directive on public procurement (excluded sectors)⁴ be applied in a discriminatory fashion towards it in the fields of telecommunications and heavy electrical equipment. The Community and certain Member States are also under trade surveillance pursuant to the special provisions of Section 301 in relation to intellectual property rights.

808. Faced with law-making moves designed to strengthen the unilateral aspects of US trade legislation and to impose that country's views, laws and policies on its trading partners, particularly with reference to the Cuban Democracy Act (23 October 1992), which extends to other countries the

¹ Bull. EC 7/8-1992, point 1.4.37.

² Point 983 of this Report.

³ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.3.29.

⁴ OJ L 297, 29.10.1990; Twenty-fourth General Report, point 121.

unilateral trade embargo imposed on Cuba by the USA 30 years ago, the Community set out its strong opposition in the clearest possible terms to the US authorities. The United States' chief barriers to trade and investment were also described in a further report published by the Commission in April,¹ and a Parliament resolution;² Parliament also expressed its views on Nafta, the free-trade Agreement between the USA, Canada and Mexico, in December.³

809. The Commission also asked for a GATT panel to be set up to look into the trade embargo imposed by the USA on certain Community tuna products.⁴

810. Differences of view between the Community and the USA on agriculture have made it harder to settle certain agricultural issues, despite some progress. The USA continued in particular to apply retaliatory measures, along the lines of those adopted in January 1989,⁵ against the Directive prohibiting the use in stockfarming of certain substances having a hormonal effect.⁶ However, the dispute about the removal of certain US slaughterhouses⁴ from the approved list allowing exports to the Community was settled to the satisfaction of both sides. Discussions nevertheless continued on how to interpret the Memorandum of Understanding on imports into the Community of corn gluten feed from the USA.⁴ Talks also continue about wine and the protection and recognition of spirit appellations.⁴

811. Another GATT panel, convened at US request, found in March that the new Community oilseed arrangements⁷ adopted in 1991 continued to reduce the benefits falling to the Community's trading partners in accordance with Article II of the General Agreement, though violation of Article III(4) had ceased. The Community therefore called for consultations under Article XXVIII to renegotiate its tariff concessions with its trading partners. As the USA had contemplated unilateral retaliatory action, bilateral discussions were held, resulting in a mutually acceptable solution at the end of November.⁸

812. The dispute between the Community and the USA about trade in civil aircraft, however, was settled by a balanced agreement satisfactory to both parties.⁹

¹ Bull. EC 4-1992, point 1.4.17.

² OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.3.29.

³ OJ C 21, 25.1.1993; Bull. EC 12-1992.

⁴ Twenty-fifth General Report, point 857.

⁵ Twenty-third General Report, point 754.

⁶ OJ L 382, 31.12.1985; Nineteenth General Report, point 203.

⁷ OJ L 356, 24.12.1991; Twenty-fifth General Report, point 857.

⁸ Point 967 of this Report.

⁹ Point 1008 of this Report.

Japan

813. Relations between the Community and Japan were marked by further progress in cooperation and dialogue envisaged by the EC-Japan Joint Declaration adopted in July 1991.¹ The second Community-Japan Summit was held in London on 4 July,² between Mr Major, British Prime Minister and President of the Council, Mr Delors, President of the Commission, and Mr Miyazawa, Prime Minister of Japan. They took stock of the year's progress in trade, the environment, industry, scientific research, social affairs, competition policy and energy. They reaffirmed their shared attachment to freedom, democracy, the rule of law, human rights, promotion of free trade and the development of a prosperous and healthy world economy. Parliament spoke along the same lines in a resolution adopted on 8 July.³ In the course of annual high-level discussions, held in Brussels on 9 and 10 March, the Commission and the Japanese Government exchanged views in depth on Community-Japan bilateral trade and the question of bilateral sectoral arrangements between Japan and the USA. They also reviewed the encouraging progress in cooperation between the EEC and Japan.

814. Mr Andriessen, Vice-President of the Commission, visited Japan from 16 to 18 December.⁴ His talks with members of the Government mainly covered the latest developments in the Uruguay Round negotiations.

815. When visiting Tokyo⁵ between 16 and 21 February, Sir Leon Brittan met Mr Watanabe, Minister of Foreign Affairs, and other members of the Government, with whom he discussed in particular various matters relating to competition and the Uruguay Round negotiations. Ms Papandreou met Mr Kando, Minister of Labour, and Mr Yamashita, Minister of Health, on 23 September.⁶

816. On 15 June⁷ the Council, on the basis of a Commission communication,⁸ approved conclusions on relations between the Community and Japan in which it endorsed the concept of a consistent and comprehensive approach

¹ Twenty-fifth General Report, Point 859.

² Bull. EC 7/8-1992, point 1.4.36.

³ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.4.38.

⁴ Bull. EC 12-1992.

⁵ Bull. EC 1/2-1992, point 1.4.37.

⁶ Bull. EC 9-1992, point 1.2.81.

⁷ COM(92) 219; Bull. EC 6-1992, point 1.4.23.

⁸ COM(92) 219; Bull. EC 5-1992, point 1.2.27.

which takes account of macroeconomic matters, sectoral issues (in services in particular), structural obstacles, industrial cooperation, export promotion, public procurement, and cooperation in science and technology, social affairs, the environment, energy and culture. To give practical expression to this approach the Council called on the Commission to analyse statistically the development of trade with Japan in goods and services.

817. The Community's first annual high-level consultations with Japan on environmental cooperation were held in Tokyo on 16 and 17 January, producing a list of possible fields for cooperation. At a second meeting held in Brussels on 3 and 4 December, the progress made so far was discussed. The second Community-Japan consultations, on development aid, were held in Brussels on 9 and 10 July, leading to a consensus on a number of issues, including human rights, democracy and structural adjustment. The two sides exchanged views on the Community's development policy after the Treaty on European Union, and the consequences of Unced at Rio.

818. The Japanese economy went through a period of adjustment in 1992, combined with a further slowdown. This was brought about partly by a tightening of monetary policy, in order to control inflation (of asset values in particular), and the Government recently adopted a number of measures designed to stimulate domestic demand and keep the financial system stable. The economic slowdown caused the level of Japanese imports to stagnate, despite high oil imports. Japanese exports, however, particularly to the Community, are still growing strongly. The Community's trade deficit with Japan worsened, totalling about USD 28 billion for the first 10 months of the year, i.e. a 19.3% increase compared to the same period in 1991. The rise was due partly to an increase in Japan's exports to the Community (office and video equipment and cars), partly to a slowdown in its imports from the Community (chiefly cars, but also textiles and alcoholic beverages).

Other industrialized countries

Canada

819. Relations between Canada and the Community, originally governed by the 1976 Framework Agreement for Commercial and Economic Cooperation,¹ subsequently by the 1990 Declaration on EC-Canada Relations,² were consoli-

¹ OJ L 260, 24.9.1976; Tenth General Report, point 541.

² Twenty-fourth General Report, point 712.

dated this year by ever-closer cooperative and consultative measures in many fields. On 23 April,¹ Mr Delors, President of the Commission, and Mr Cavaco Silva, Prime Minister of Portugal, met Mr Mulroney, Prime Minister of Canada, in the context of the biannual meetings under the Transatlantic Declaration, enabling both sides to reaffirm the importance attached by them to bilateral relations. A further meeting took place in Ottawa on 17 December. On 20 September,² Mr Andriessen, Vice-President of the Commission, met Mrs McDougall, Secretary of State for External Affairs, and Mr Wilson, Minister of International Trade, for the annual consultations at ministerial level. The meeting gave both sides an opportunity to take stock of bilateral cooperation in such fields as science, technology and the environment, and to note with satisfaction the possibility of negotiations being opened in 1992, with a view to concluding an agreement on science and technology and an agreement for mutual recognition of type testing and certification.

820. The Community's constructive policy for the conservation, management and control of fish stocks led in 1992 to a comprehensive agreement being concluded at international level on fishing in international waters outside the Canadian 200-mile exclusive economic zone.³ The new propensity to cooperate in this field, and on animal-health regulations, should enable Canada to settle its bilateral differences with the Community on fisheries and timber exports. Canada nevertheless continued, despite a contrary recommendation from the GATT panel convened in 1987,⁴ to apply countervailing duties on the Community's exports of beef and veal. And there has been no significant progress towards removing discriminatory practices in the beer sector.

821. In 1992 the Community was still Canada's biggest partner, after the USA, both in trade, with estimated bilateral trade of ECU 16 billion, and direct investment (CAD 31 billion). Direct investment by Canada in the Community, at over CAD 18 billion, accounted for 20% of Canada's aggregate direct investment.

Australia

822. This year saw the completion of a number of initiatives and the consolidation of earlier progress towards better bilateral relations. In particular, Mr Evans, Minister for Foreign Affairs and Trade, and Mr Kerin, Minister for

¹ Bull. EC 4-1992, point 1.4.18.

² Bull. EC 9-1992, point 1.3.32.

³ Point 572 of this Report.

⁴ Twenty-first General Report, point 891.

Trade and Overseas Development, took part with Mr Andriessen and Mr Pandolfi, Vice-Presidents of the Commission, in the 10th round of ministerial consultations held in Brussels on 16 March.¹ Discussion focused chiefly on economic and political developments in the Community, Asia and the Pacific, the Uruguay Round, and a number of bilateral issues, in particular Australian anti-dumping legislation. Both sides signed a memorandum extending BC-Net (Business Cooperation Network) to Australia.² The Australian Ministers also held talks with Mr Delors, President of the Commission, and on 17 March Mr Evans met Mr J. de Deus Pinheiro, Portuguese Minister of Foreign Affairs, in Lisbon in the context of the political dialogue set up in 1990.³

823. The Council authorized the Commission to negotiate with Australia the Community's first scientific and technical cooperation agreement with a non-European industrialized country.⁴ A joint working party on industrial cooperation was also set up to strengthen the exchange of views on industrial policy and programmes, as was a high-level working party on energy. Cooperation on the environment and on development aid continued. Australia welcomed the reform of the common agricultural policy and substantial progress was made towards the conclusion of an agreement on trade in wine and the protection of wine designations which the Council authorized the Commission to negotiate on 14 December.⁵

824. The Community is still Australia's second-largest supplier and its 11th export market, and its leading trading partner for services; the Community is also the chief source of cumulative investment and the second home for Australian overseas investment.

New Zealand

825. The cooperative relations between New Zealand and the Community took their normal course throughout the year. At the technical level, consultations were held on several occasions about specific aspects of agricultural and veterinary policy, and the working of the Protocol on cooperation in the milk sector concluded under GATT. Cooperation also continued in the fields of science and technology, and development aid. Mr Burdon, Minister of Trade,

¹ Bull. EC 3-1992, point 1.3.32.

² Point 236 of this Report.

³ Twenty-fourth General Report, point 716.

⁴ Point 324 of this Report.

⁵ Bull. EC 12-1992.

met Mr Mac Sharry, Member of the Commission, on 30 September; they discussed the prospects for the Uruguay Round trade negotiations and conditions governing the importation of New Zealand milk products and sheepmeat into the Community.

South Africa

826. The Community and its Member States continued to provide open support for the negotiating process begun under the Convention for a Democratic South Africa (Codesa), designed to transform South Africa into a multi-party, non-racial democracy. On 27 January, as part of the policy of encouraging the process of transition to democracy, the Council adopted Regulation (EEC) No 219/92 repealing Regulation (EEC) No 3302/86¹ suspending imports of gold coins (krugerrands) and Decision No 92/56/ECSC repealing Decision 86/459/ECSC¹ suspending imports of certain iron and steel products originating in the Republic of South Africa.² The Community and its Member States also decided, on 6 April, under European political cooperation, to raise the oil embargo on South Africa and lift the ban on sporting, cultural and scientific links with that country.³ Both Commission⁴ and Parliament⁵ warmly welcomed the referendum held on 17 March in South Africa to continue and expedite the process of democratization.

827. The Community was an observer at the second plenary meeting of Codesa in Johannesburg on 15 and 16 May. Owing to the breakdown of constitutional negotiations on that occasion, and further serious outbreaks of political violence in the country, the Community and its Member States stepped up their pressure throughout the year on all parties concerned.³

828. Contact was resumed between the South African Government and the Commission at ministerial level, after a break of several years. Mr Bangemann met Mr Botha, Minister of Foreign Affairs, in February.⁶ Mr Viljoen, Minister of Constitutional Development, met Mr Andriessen, Vice-President of the Commission, in Brussels on 17 June, and Mr Keys, Minister of Trade, Industry and Finance, met Mr Bangemann, Mr Marín and Mr Andriessen, Vice-Presi-

¹ Twenty-fifth General Report, point 872.

² OJ L 24, 1.2.1992; Bull. EC 1/2-1992, point 1.4.38.

³ Point 1058 of this Report.

⁴ Bull. EC 3-1992, point 1.3.31.

⁵ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.3.30.

⁶ Bull. EC 1/2-1992, point 1.4.39.

dents of the Commission, on 30 June.¹ Following discussions in September between the Community troika, Mr Andriessen, Vice-President of the Commission, and all the parties to the constitutional negotiations, 20 Community observers were deployed in South Africa in October as part of the international observer mission coordinated by the United Nations. Archbishop Desmond Tutu and a delegation of South African VIPs met Mr Delors, President of the Commission, and Mr Andriessen, Vice-President of the Commission, on 1 December.²

¹ Bull. EC 6-1992, point 1.4.24.

² Bull. EC 12-1992.

Section 6

Relations with Mediterranean and Middle East countries

Mediterranean countries

829. This year saw a start to implementation of the new Mediterranean policy, the hallmark of which is a consistent political approach designed to help foster peace among the peoples of the region and their harmonious development.¹ Three Regulations laying the bases of this policy were adopted by the Council on 29 June, namely Regulation (EEC) No 1763/92* concerning financial cooperation in respect of all Mediterranean non-member countries, this being additional to the cooperation provided for in the financial protocols concluded with each of these countries; Regulation (EEC) No 1762/92* on the detailed implementation of financial cooperation under those protocols; Regulation (EEC) No 1764/92* improving the arrangements for the import into the Community of certain agricultural products originating in Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria or Tunisia.

830. All 1992 budget appropriations for cooperation with Mediterranean non-member countries, ECU 64 million, have been committed, mainly for operations concerning regional cooperation, the environment, culture/communications, demography and risk capital.

Turkey

831. EC-Turkey relations continued on a good footing in the spirit of the Commission communication of June 1990.² At its Lisbon meeting of 26 and 27 June³ the European Council agreed on the need to step up cooperation and develop relations with Turkey on the lines set out in the 1964 Association Agreement, notably through political dialogue at the highest level.⁴ This view was supported by the Association Council, which decided at its meeting in

¹ Twenty-fourth General Report, point 718.

² Twenty-fourth General Report, point 719.

³ Bull. EC 6-1992, point I.4.

⁴ OJ L 217, 29.12.1964.

Brussels on 9 November to put the dialogue on an institutional footing.¹ Turkey reaffirmed its commitment to making progress towards setting up a customs union, a step which was encouraged by Parliament.² The state of the association and the development of democracy in Turkey were also on the agenda of meetings of the EEC-Turkey Joint Parliamentary Committee in Istanbul on 29 and 30 June and in Brussels from 25 to 27 November.³

832. On a visit to Turkey from 19 to 21 January, Mr Bangemann met the Prime Minister, Mr Demirel, and other members of the Government.⁴ Talks centred on the completion of the customs union and Turkey's accession application, and a joint cooperation programme was signed for the current year. Talks continued when Mr Matutes visited Ankara on 6 and 7 July,⁵ and when Mr Delors and Mr Demirel met on 24 November.⁶

833. On 3 February the Council adopted Decision 92/134/EEC on the conclusion of a Cooperation Agreement with Turkey on medical and health research.⁷

Cyprus

834. Cyprus's application for Community membership was the main item on the agenda of the meeting of the EEC-Cyprus Association Council in Brussels on 21 December.⁸ It was also the focus of debate at the sittings of the EEC-Cyprus Joint Parliamentary Committee in Brussels on 19 March,⁹ in Nicosia on 14 July and in Strasbourg on 16 December. The problem of the division of Cyprus was also discussed.

835. The President of Cyprus, Mr Vassiliou, had a meeting on 30 September with Mr Delors and Mr Matutes, with whom he discussed his country's application for accession and the state of bilateral relations.¹⁰

¹ Bull. EC 11-1992, point 1.4.26.
² OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.4.28.
³ Bull. EC 11-1992, point 1.4.27.
⁴ Bull. EC 1/2-1992, point 1.4.35.
⁵ Bull. EC 7/8-1992, point 1.4.32.
⁶ Bull. EC 11-1992, point 1.4.29.
⁷ Point 298 of this Report.
⁸ Bull. EC 12-1992.
⁹ Bull. EC 3-1992, point 1.3.21.
¹⁰ Bull. EC 9-1992, point 1.3.26.

Malta

836. Talks at the seventh meeting of the EEC-Malta Association Council in Luxembourg on 6 April focused on the satisfactory state of relations between the two and Malta's application for Community membership.¹

837. Malta's application for accession was discussed when Sir Leon Brittan met the Maltese Prime Minister, Mr Adami, in Malta on 19 and 20 January, as were the problems raised by the liberalization of the country's economy.² Mr Adami had further meetings, in Brussels, on 5 June with Mr Andriessen,³ on 24 September with Mr Schmidhuber⁴ and on 13 November with Mr Delors.⁵ The talks covered the prospects for Community enlargement and the progress made in drawing up the opinion on Malta's application.

Former Yugoslavia

838. Relations with the former Yugoslavia remained very unsettled because of the continuing civil war in the area and its extension to Bosnia-Herzegovina. A new permanent international peace conference opened in London on 25 August to try to find a peaceful solution to the crisis.⁶

839. As responsibility for the conflict lay mainly with Serbia and Montenegro, the Council, pursuant to UN Security Council Resolution 757, imposed a total trade embargo on the two republics, with only some exceptions such as basic necessities for humanitarian purposes. The embargo was imposed under Regulation (EEC) No 1432/92,⁷ as last amended by Regulation (EEC) No 3534/92,⁸ and under Decision 92/285/ECSC,⁷ as last amended by Decision 92/555/ECSC,⁸ and was further strengthened by Council Regulation (EEC) No 2655/92 restricting use of the procedure for the international transport of goods under cover of TIR carnets and by Regulation (EEC) No 2656/92 and Decision 92/470/ECSC instituting dual controls on Community exports to the Republics of Bosnia-Herzegovina and Croatia and the territory of the former

¹ Bull. EC 4-1992, point 1.4.10.

² Bull. EC 1/2-1992, point 1.4.34.

³ Bull. EC 6-1992, point 1.4.19.

⁴ Bull. EC 9-1992, point 1.3.27.

⁵ Bull. EC 11-1992, point 1.4.23.

⁶ Bull. EC 7/8-1992, point 1.4.17.

⁷ OJ L 151, 3.6.1992; Bull. EC 6-1992, point 1.4.12.

⁸ OJ L 358, 8.12.1992; Bull. EC 12-1992.

Yugoslav Republic of Macedonia.¹ The Commission subsequently proposed the abolition of this double checking procedure in respect of Croatia and the territory of the former Yugoslav Republic of Macedonia following the assumption of responsibility for monitoring sanctions by a CSCE mission.²

840. However, the Community strove to maintain normal economic and trade relations with the republics that cooperated with the peace process set in motion by the Hague Conference. On 3 February the Council adopted positive measures to complement the Regulations adopted the previous December concerning Croatia, Slovenia and Bosnia-Herzegovina and the territory of the former Yugoslav Republic of Macedonia.³ Council Regulations (EEC) Nos 545/92 (amended by Regulation (EEC) No 3105/92,⁴ and extended for 1993 by Regulation (EEC) No 3953/92⁵), 546/92 and 547/92 and Decisions 92/150/ECSC (extended for 1993 by Decision 92/607/ECSC) and 92/151/ECSC re-established the preferential arrangements provided for under the old EEC-Yugoslavia Cooperation Agreement,⁶ which was denounced in November 1991,⁷ and included the Republic of Montenegro in the list of beneficiaries of these measures. Under Regulation (EEC) No 548/92 the generalized preferences system for agricultural products was restored for these republics.⁸ Montenegro, however, after being eligible for those trade concessions, was taken off the list of beneficiaries of the positive measures by Regulation (EEC) No 1433/92 and Decision 92/286/ECSC.⁹

841. Apart from these autonomous measures, the Community started to re-establish contractual relations with Slovenia. On 20 July the Commission was authorized by the Council to negotiate a Cooperation Agreement with Slovenia as part of the broad policy for a speedy resumption of contractual relations with the countries emerging from the former Yugoslavia as long as they met a set of economic and political conditions.¹⁰ The Agreement, which was initialled on 5 November,¹¹ will have the same provisions as the 1983 Cooperation Agreement with Yugoslavia and make reference to the possibility of its leading in time to a Europe Agreement.¹² The establishment of such direct cooperation

¹ OJ L 266, 12.9.1992; Bull. EC 9-1992, points 1.3.20 and 1.3.21.

² COM(92) 485; Bull. EC 12-1992.

³ OJ L 342, 12.12.1991; Twenty-fifth General Report, point 890.

⁴ OJ L 312, 29.10.1992; Bull. 10-1992, point 1.4.25.

⁵ OJ L 406, 31.12.1992; Bull. EC 12-1992.

⁶ OJ L 63, 7.3.1992; Bull. EC 1/2-1992, point 1.4.18.

⁷ OJ L 325, 27.11.1991; Twenty-fifth General Report, point 889.

⁸ Point 933 of this Report.

⁹ OJ L 151, 3.6.1992; Bull. EC 6-1992, point 1.4.13.

¹⁰ Bull. EC 7/8-1992, point 1.4.26.

¹¹ Bull. EC 11-1992, point 1.4.31.

¹² OJ L 41, 14.2.1983; Seventeenth General Report, point 686.

was the main subject of the talks Mr Delors held with Slovenia's President, Mr Kucan, in Brussels on 9 March,¹ and later with the Prime Minister, Mr Drnovsek, on 13 July.²

842. The Council adopted Regulation (EEC) No 2334/92 extending the Phare programme to Slovenia on 7 August,³ and also authorized the Commission, on 28 September and on 26 October respectively, to negotiate a Financial Protocol⁴ and an Agreement on transport with Slovenia.⁵

843. Furthermore, the Community allocated a large proportion of its humanitarian aid budget to the victims of the war in the former Yugoslavia.⁶

844. The fighting in the former Yugoslavia was also a source of major concern to Parliament, which adopted a number of resolutions on the subject in the course of the year.⁷

San Marino

845. The conclusion and entry into force of the Cooperation Agreement between the Community and San Marino,⁸ which was signed on 26 November, received the assent of Parliament on 8 July.⁹ An Interim Agreement on trade and customs union designed to ensure speedy implementation of the trade provisions of the Agreement proper pending ratification and proposed by the Commission¹⁰ was approved by the Council on 27 November.¹¹

¹ Bull. EC 3-1992, point 1.3.27.

² Bull. EC 7/8-1992, point 1.4.28.

³ Point 753 of this Report.

⁴ Bull. EC 9-1992, point 1.3.23.

⁵ Point 679 of this Report.

⁶ Point 965 of this Report.

⁷ OJ C 39, 17.2.1992; Bull. EC 1/2-1992, point 1.4.21; OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.3.25; OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.4.8; OJ C 150, 15.6.1992; Bull. EC 5-1992, point 1.2.22; OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.4.15; OJ C 241, 21.9.1992; Bull. 7/8-1992, point 1.4.25; OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.4.33.

⁸ OJ C 302, 22.11.1991; Twenty-fifth General Report, point 894.

⁹ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.4.31.

¹⁰ OJ C 114, 5.5.1992; COM(92) 114; Bull. EC 4-1992, point 1.4.11.

¹¹ OJ L 359, 9.12.1992; Bull. EC 11-1992, point 1.4.25.

*Maghreb (Algeria, Morocco, Tunisia),
Mashreq (Egypt, Jordan, Lebanon, Syria),
Israel, West Bank and Gaza Strip ('Occupied Territories')*

846. Further operations were financed this year with funds remaining under the third generation of Financial Protocols to the Agreements with these countries.¹ By 31 December only ECU 250 million of the ECU 1 618 million total remained uncommitted. Most this was made up of allocations for the third Financial Protocol for Syria, the agreement with this country not having received Parliament's assent until 28 October,² and its conclusion having been postponed until 17 November.³ The third Financial Protocol with Israel covers only EIB loans but, as in previous years, it was possible to finance cooperation activities from the Community budget.

TABLE 14
Third Financial Protocols
Sectoral breakdown at 31 December of financing decisions
in respect of the Maghreb and Mashreq countries and Israel
(Commission and EIB)

	Amount (million ECU)	%
Agriculture	316	23.0
Energy	156	11.4
Industry	349	25.5
Distributive trades	20	1.5
Infrastructure	451	33.0
Education and training ¹	44	3.2
Health and environment	12	0.9
Scientific cooperation	20	1.5
Total	1 368	100.0

¹ Project-linked training schemes are included in the relevant project sector.

847. A key event was the Council's adoption of Decisions 92/206/EEC to 92/210/EEC⁴ on the conclusion of the fourth Financial Protocols with Algeria, Egypt, Israel, Jordan and Lebanon in the context of the new Mediterranean

¹ Twenty-second General Report, point 928.

² OJ C 305, 23.11.1992; Bull. EC 10-1992, point 1.4.30.

³ OJ L 352, 2.12.1992; Bull. EC 11-1992, point 1.4.20.

⁴ OJ L 94, 8.4.1992; Bull. EC 3-1992, point 1.3.20.

policy;¹ the Protocol with Tunisia had been concluded the previous December.² The fourth Financial Protocol with Morocco received the assent of Parliament on 28 October³ and was concluded by the Council on 17 November⁴ but that with Syria has not yet had Parliament's assent.⁵ When it debated these Financial Protocols, Parliament adopted a resolution underlining the need for the countries in question to observe human rights and international agreements.⁶

Under these fourth Financial Protocols the Commission has already adopted financing decisions totalling ECU 205 million.

848. A communication to the Council on the future of relations between the Community and the Maghreb was adopted by the Commission on 30 April.⁷ In it the Commission proposed a Euro-Maghreb partnership to be established under new bilateral Agreements with Algeria, Morocco and Tunisia. It would have four main components: political dialogue; economic, technical and cultural cooperation; financial cooperation; and the establishment eventually of a free-trade area. The Lisbon European Council of 26 and 27 June was in favour of such a Euro-Maghreb partnership,⁸ as was the Economic and Social Committee in its own-initiative opinion of 24 September.⁹ Following exploratory talks with Morocco, the Commission asked the Council on 9 December to authorize it to enter into negotiations with a view to conclusion of a new bilateral Agreement of this type.¹⁰

849. In view of the relaxation of the position adopted by Israel in the Middle East peace process, the Foreign Affairs Ministers decided on an adaptation of the 1975 Agreement with Israel at an informal session held at Broomfield Hall in September.¹¹

850. The Community continued its development aid programme for the Occupied Territories, which this year entailed spending of ECU 17 million, aid which is additional to that already channelled through Unrwa.

¹ Twenty-fifth General Report, point 896; Bull. EC 3-1992, point 1.3.20.

² OJ L 18, 25.1.1992.

³ OJ C 305, 23.11.1992; Bull. EC 10-1992, point 1.4.28.

⁴ OJ L 352, 2.12.1992; Bull. EC 11-1992, point 1.4.18.

⁵ OJ C 39, 17.2.1992; Bull. EC 1/2-1992, point 1.4.32; OJ C 305, 23.11.1992; Bull. EC 10-1992, point 1.4.30.

⁶ OJ C 39, 17.2.1992; Bull. EC 1/2-1992, point 1.4.24.

⁷ Bull. EC 4-1992, point 1.4.6.

⁸ Bull. EC 6-1992, point 1.34.

⁹ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.3.25.

¹⁰ Bull. EC 12-1992.

¹¹ OJ L 136, 28.5.1975; Ninth General Report, point 461.

851. The fifth meeting of the EEC-Tunisia Cooperation Council,¹ the 10th meeting of the EEC-Israel Cooperation Council² and the eighth meeting of the EEC-Egypt Cooperation Council³ were held in Brussels in March, May and July respectively.

852. On 18 May the Commission sent a report to the Council and Parliament on financial aid of ECU 500 million to the countries most directly affected by the Gulf crisis, namely Egypt, Jordan and Turkey.⁴

853. A number of visits were made to the region by Members of the Commission: Mr Matutes to Morocco,⁵ Mr Pandolfi to Israel⁶ and Mr Cardoso e Cunha to Tunisia and Algeria. The Commission played host to Mr Haroun, member of Algeria's High Committee of State, and the Algerian Energy Minister, Mr Ait Laoussine, the Moroccan Foreign Minister, Mr Filali,⁷ the Tunisian Foreign Minister, Mr Ben Yahia, the Tunisian Minister of Economic Affairs, Mr Rabah, the Egyptian Deputy Prime Minister, Mr El Ganzouri, the Israeli Foreign Minister, Mr Peres,⁸ and the Israeli Science and Technology Minister, Mr Rubenstein. Contacts with the Arab Maghreb Union, following a meeting in 1991,⁹ were resumed when Mr Delors and Mr Matutes met the President, Mr Boubacar, on 12 and 13 November.¹⁰

854. In application of UN Security Council Resolution 748, the Council adopted Regulation (EEC) No 945/92 preventing the supply of aircraft or aircraft components or the provision of services to Libya.¹¹

Middle East countries

855. The third meeting of the Joint Cooperation Council set up under the Cooperation Agreement¹² between the Community and the States of the Gulf Cooperation Council (GCC) was held in Kuwait on 16 May at the same time

¹ Bull. EC 3-1992, point 1.3.23.

² Bull. EC 5-1992, point 1.2.24.

³ Bull. EC 7/8-1992, point 1.4.30.

⁴ Bull. EC 5-1992, point 1.2.23.

⁵ Bull. EC 3-1992, point 1.3.22.

⁶ Bull. EC 12-1992.

⁷ Bull. EC 11-1992, point 1.4.19.

⁸ Bull. EC 10-1992, point 1.4.27.

⁹ Twenty-fifth General Report, point 731.

¹⁰ Bull. EC 11-1992, point 1.4.21.

¹¹ OJ L 101, 15.4.1992; Bull. EC 4-1992, point 1.4.14.

¹² OJ L 54, 25.2.1989; Twenty-third General Report, point 814.

as the annual ministerial meeting.¹ The two sides decided to give fresh impetus to their relations in the fields of energy, the environment and industrial cooperation. The Middle East peace process and the situation in Lebanon were also discussed. A fruitful and well-attended second EC-GCC conference on industry was held in Qatar in October.²

856. On 8 July Parliament adopted a resolution pointing out some of the possible consequences of an EC-GCC free trade agreement,³ negotiations on which continued through the year.⁴

857. Paragraph 29 of UN Security Council Resolution 687 of 1991 stipulating that all States should take the necessary measures to prohibit the honouring of Iraqi claims with regard to contracts and transactions affected by the embargo was implemented by the Council's adoption on 7 December of Regulation (EEC) No 3541/92.* In view of the worsening situation of the people of Iraq the Commission decided to provide a further ECU 5 million in humanitarian aid for Iraqis, especially Kurds and Shi'ites. It also accorded ECU 750 000 for the UN Guards in July. Parliament expressed concern about the Kurds on 12 March,⁵ on 9 April⁶ and on 12 June.⁷

858. Commission and Iranian representatives entered into exploratory talks with a view to concluding a Cooperation Agreement, something that was also discussed when the Iranian Industry Minister, Mr Nematzadeh, visited Brussels on 28 April.⁸

859. The Commission was authorized by the Council on 29 June to negotiate an exchange of letters with the new Republic of Yemen to extend the scope of the 1985 Cooperation Agreement between the Community and the Yemen Arab Republic⁹ to the whole territory of the new republic.¹⁰

860. On 9 April Parliament adopted a resolution on the Middle East peace process condemning all forms of violence and stressing the need for close cooperation between democratic governments.¹¹

¹ Bull. EC 5-1992, point 1.2.25.

² Twenty-fourth General Report, point 733.

³ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.4.34.

⁴ Twenty-fifth General Report, point 907.

⁵ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.3.28.

⁶ OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.4.67.

⁷ OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.4.20.

⁸ Bull. EC 5-1992, point 1.4.14.

⁹ OJ L 26, 31.1.1985; Nineteenth General Report, point 856.

¹⁰ Bull. EC 6-1992, point 1.4.21.

¹¹ OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.4.15.

861. The peace process which got under way in Madrid in October 1991 took a new step forward with the launching of the multilateral phase in Moscow in January.¹ This part of the process comprises five working groups coordinated by a Steering Committee, the purpose being to back up the bilateral phase in Washington, which remains the heart and driving force of the process. The Community and its Member States have used the political cooperation framework to develop a 'joint approach' to issues falling at once within the jurisdiction of the Community proper (at the initiative and under the responsibility of the Commission) and within the political cooperation context. The Community is playing a far more active role in this multilateral phase, sitting on the Steering Committee and taking part in all the working groups, although with varying status depending on the nature of the group concerned. Thus, the Community is the main organizer of the Regional Economic Development Group, co-organizer of the Water, Environment and Refugees Groups, and contributor in the Arms Control Group (mid-way between 'extra-regional observer' and 'participant' status, the latter being accorded only to the protagonists and their co-sponsors).

Euro-Arab Dialogue

862. Implementation of the decisions taken at the Euro-Arab ministerial conference held in Paris in December 1989² and by the General Committee of the Euro-Arab Dialogue in Dublin in June 1990³ with the aim of reactivating the dialogue was suspended in 1991 because of the Gulf crisis. Senior officials sitting on three working committees set up at Dublin (scientific, economic and technical, social and cultural) met in Lisbon in April to prepare the ground for a resumption of work, the Arab side having expressed its desire to continue the dialogue, to which both it and the Community attach the greatest importance.

¹ Twenty-fifth General Report, point 905.

² Twenty-third General Report, point 816.

³ Twenty-fourth General Report, point 736.

*Section 7***Relations with the countries of Asia and Latin America****Asia***South Asia*

863. The main issue discussed by Mr Rahman, Foreign Minister of Bangladesh, and Mr Matutes when they met in Brussels on 19 February was the problem of the Rohingyas refugees in the border area between Bangladesh and Myanmar, an area which received Community aid of ECU 10 million in 1992, and trade in jute.¹ These discussions continued at the seminar on Europe 1992, organized by the Commission in Dacca on 1 and 2 March, which focused on the impact of the single market on trade between the Community and Bangladesh. The EEC-Bangladesh Joint Committee met on 7 and 8 October and discussed trade and economic cooperation issues and future cooperation strategy between the Community and Bangladesh.

864. Mr Matutes attended the fifth meeting between the Community troika and India, held in New Delhi in March. The participants welcomed the sweeping economic reform programme in India, designed to align the country on western market economy standards. It was also agreed to establish a more comprehensive and frequent dialogue on human rights issues. On 27 October² the Council authorized the Commission to negotiate a new framework Cooperation Agreement with India to replace the current economic and commercial Cooperation Agreement, taking account of the opportunities provided by the new world order, the integration resulting from the single market, and India's moves towards an open market economy.³ This Agreement was initialled on 15 December.⁴

865. Mr Matutes visited Pakistan on 18 May and had talks with Mr Naem Khan, Minister of Commerce, and Mr Zaki, Secretary-General, Ministry of

¹ Bull. EC 1/2-1992, point 1.4.45.

² Bull. EC 10-1992, point 1.4.34.

³ OJ L 328, 16.11.1981.

⁴ Bull. EC 12-1992.

Foreign Affairs.¹ An Agreement on measures to stimulate private investment was signed. The EEC-Pakistan Joint Committee met on 16 and 17 March and took stock of bilateral relations in the fields of commercial and economic cooperation, science and technology, food aid and refugee aid.

866. The 11th meeting of the EEC-Sri Lanka Joint Committee, which took place from 22 to 25 November, provided an opportunity to take stock of the progress made in bilateral economic and development cooperation.

Association of South-East Asian Nations

867. On 24 June² the Commission proposed that the Council authorize it to negotiate with the member countries of Asean an Agreement to replace the current Agreement.³ The new Agreement will be of a non-preferential nature and will include a future developments clause. The aim is to provide the framework and means for economic cooperation between partners and make provision for cooperation measures to promote trade.

868. In a resolution of 10 April⁴ Parliament welcomed the decision taken at the ninth EEC-Asean ministerial meeting to broaden the scope of the current Agreement to include new areas of cooperation.⁵

869. The Community troika, accompanied by Mr Matutes, took part in the Asean post-ministerial conference held in Manila from 23 to 27 July.⁶ The conference provided an opportunity to examine issues of common interest. Future EEC-Asean relations were also discussed, in particular the situation in East Timor, which is preventing the opening of negotiations for a new Agreement.

870. At the ministerial conference held in Manila on 29 and 30 October, Community and Asean Foreign Ministers adopted an economic declaration stepping up cooperation and promoting trade and bilateral investment and a declaration in which they underlined their attachment to human rights.⁷

¹ Bull. EC 5-1992, point 1.2.30.

² Bull. EC 6-1992, point 1.4.26.

³ OJ L 144, 10.6.1980; Fourteenth General Report, point 690.

⁴ OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.4.19.

⁵ Twenty-fifth General Report, point 917.

⁶ Bull. EC 7/8-1992, point 1.4.41.

⁷ Bull. EC 10-1992, point 1.4.33.

China

871. In the wake of the Council decision of 22 October 1990, reaffirmed on 17 February by ministers meeting within the framework of European political cooperation, there has been a progressive normalization of relations between China and the Community.¹ The human rights situation in China none the less continues to hinder any further development of bilateral relations, and the Community and its Member States have repeatedly expressed their concern about this matter to the Chinese authorities.

On 12 and 13 March Mr Qian Qichen, Chinese Foreign Minister, met Mr Delors and Mr Andriessen in Brussels for discussions concerned mainly with bilateral trade relations, cooperation and the question of observance of human rights in China.² The Deputy Ministers of the State Planning Commission, Foreign Economic Relations and Trade, and the Board of Production also had talks with Mr Andriessen and Sir Leon Brittan in the context of an important procurement mission to the Community.³

Korea

872. Mr Kak Kyu Choi, Korea's Deputy Prime Minister and Minister of Economic Planning, visited the Commission on 1 June.⁴ He met Mr Andriessen for talks on EEC-Korea bilateral relations, in particular access to the Korean market and foreign investment. They also discussed international issues of common interest such as the situation in the Korean peninsula and relations with the countries of Central and Eastern Europe and the Commonwealth of Independent States. On 23 September Mr Jin Hyun Kim, Minister of Science and Technology, met Mr Pandolfi, with whom he discussed ways of developing scientific and technological cooperation between the Community and Korea.

873. The eighth round of high-level talks was held in Brussels from 10 to 12 November and provided an opportunity for both parties to discuss international issues such as the Uruguay Round and EEC-Korea bilateral relations.⁵ The Commission stressed that it was important that Korea should

¹ Twenty-fourth General Report, point 745.

² Bull. EC 3-1992, point 1.3.34.

³ Bull. EC 6-1992, point 1.4.32.

⁴ Bull. EC 6-1992, point 1.4.33.

⁵ Bull. EC 11-1992, point 1.4.37.

pursue a sustained and effective open market and non-discriminatory policy. An arrangement on scientific and technological cooperation was also signed.

874. Regulation (EEC) No 282/92 and Decision 92/95/ECSC¹ lifting the suspension of tariff preferences imposed in 1987 were adopted following Korea's decision to stop discriminating against the Community in the field of intellectual property.²

Other Asian countries

875. In a resolution of 12 June³ on relations between the Community and Indo-China (Laos, Viet Nam and Cambodia), Parliament welcomed the economic reform policies that these countries were pursuing in order to bring their economies progressively into the international trading system. It called on the Community to play an active role in the political and economic development of these countries. Mr Phan Van Kahl, Viet Nam's Deputy Prime Minister, and Mr Le Van Tiet, Trade Minister, met Mr Delors and Mr Matutes on 22 October⁴ for talks on aid from the Community under programmes for the reintegration of Vietnamese refugees in South-East Asia.⁵

876. On 8 July Parliament adopted a resolution on bilateral relations between Hong Kong and the Community.⁶

877. On 15 June the Community and Macao signed a Trade and Cooperation Agreement designed to foster trade and investment and promote cooperation in different areas on the basis of respect for democratic principles and human rights.⁷ Most-favoured-nation treatment will apply in relation to trade cooperation. Parliament endorsed the Agreement on 20 November,⁸ and the Council took a decision concluding it on 14 December.⁹

878. On 3 March Mr Byambasuren, Prime Minister of Mongolia, met Mr Delors and Mr Andriessen.¹⁰ He described the serious problems affecting his

¹ Point 933 of this Report.

² OJ L 369, 29.12.1987; Twenty-first General Report, point 811; OJ L 40, 13.2.1988; Twenty-second General Report, point 951.

³ OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.4.34.

⁴ Bull. EC 10-1992, 1.4.35.

⁵ Twenty-fourth General Report, point 748.

⁶ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.4.42.

⁷ Bull. EC 6-1992, point 1.4.27.

⁸ OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.4.38.

⁹ OJ L 404, 31.12.1992; Bull. EC 12-1992.

¹⁰ Bull. EC 3-1992, point 1.3.35.

country and the Government's efforts to restructure the economy. The Agreement on trade and economic cooperation between Mongolia and the Community was signed on 16 June, which should make it possible to step up bilateral relations and strengthen democracy and economic and social progress in Mongolia.¹ The Commission adopted a proposal on the conclusion of this Agreement.²

Trade arrangements for Asian State-trading countries

879. Imports from China, North Korea and Viet Nam of products not liberalized at Community level continue to be subject to arrangements differing substantially from one Member State to another, as it has not yet proved possible to harmonize all the import arrangements for such products. The import quotas to be opened by the Member States in 1992 were set by the Council on 13 July.³

Latin America

Relations with regional bodies

880. As part of the political dialogue institutionalized by the Rome declaration of 20 December 1990,⁴ the ministerial conference between the Community and the Rio Group⁵ was held in Santiago, Chile, on 28 and 29 May,⁶ attended by Mr Dens Pinheiro, President of the Council, and Mr Matutes. The ministers discussed all aspects of their relations and underlined the importance of a comprehensive, satisfactory and balanced conclusion to the Uruguay Round. At the end of the conference a joint political and economic communiqué was adopted, taking stock of the economic situation in Europe and Latin America and the different areas of cooperation.

881. Continuing the dialogue begun at San José, Costa Rica, in 1984,⁷ the eighth ministerial conference (San José VIII) between the Community and its

¹ Bull. EC 6-1992, point 1.4.28.

² OJ C 71, 20.3.1992; COM(92) 50; Bull. EC 1/2-1992, point 1.4.46.

³ OJ L 252, 31.8.1992; Bull. EC 7/8-1992, point 1.4.94.

⁴ Twenty-fourth General Report, point 750.

⁵ Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela.

⁶ Bull. EC 5-1992, point 1.2.29.

⁷ Twenty-third General Report, point 707.

Member States and the countries of Central America, with Colombia, Mexico and Venezuela as cooperating countries, was held in Lisbon on 24 and 25 February, attended by Mr Matutes.¹ At the close of the conference a political declaration was adopted emphasizing the link between democratization, economic development and social justice. It provided for the implementation of a multiannual programme for the promotion of human rights and an economic communiqué underlining the willingness of the participants to conclude a third-generation Agreement between the Community and the countries of Central America.

882. Subsequent to the ministerial conference, the Council authorized the Commission on 18 November to negotiate this type of Cooperation Agreement with Central America, including Panama.² The Agreement, based on respect for democratic principles, would comprise four main headings covering economic, trade, development and other areas of cooperation.

883. A new Cooperation Agreement between the Community and the Cartagena Agreement and its member countries (Bolivia, Colombia, Ecuador, Peru and Venezuela) was initialled on 26 June,³ and on 13 November the Commission proposed concluding it.⁴ The Agreement is in keeping with the Community's strategy of forging closer links with Latin America and broadens the scope of cooperation by intensifying economic and development cooperation and promoting trade relations.

884. In response to the request by the Foreign Ministers of Mercosur (the Southern Cone Common Market made up of Argentina, Brazil, Paraguay and Uruguay),⁵ an interinstitutional Cooperation Agreement was signed on 29 May⁶ between the Commission and the Mercosur Council setting out detailed arrangements for the closest possible cooperation in the light of respective areas of jurisdiction.

Bilateral relations

885. On 14 February⁷ Mr Menem, President of Argentina, met Mr Delors and Mr Matutes for talks on the development of cooperation between the Community and Argentina and the implementation of the framework Agree-

¹ Bull. EC 1/2-1992, point 1.4.42.

² Bull. EC 11-1992, point 1.4.36.

³ Bull. EC 6-1992, point 1.4.31.

⁴ OJ C 25, 28.1.1993; COM(92) 463; Bull. EC 11-1992, point 1.4.42.

⁵ Twenty-fifth General Report, point 937.

⁶ Bull. EC 5-1992, point 1.2.32.

⁷ Bull. EC 1/2-1992, point 1.4.43.

ment for trade and economic cooperation.¹ On 1 June Mr Matutes visited Argentina, where he met Mr Di Tella, Minister of Foreign Affairs, and Mr Cavallo, Minister of the Economy.² A memorandum of understanding on access to the Community's BC-Net was signed during the visit.

886. Mr Matutes went to Venezuela on 20 and 21 April.³ He met Mr Pérez, President of the Republic, and assured him of the Community's support for democratic institutions in Venezuela in the wake of the failed *coup d'état* on 4 February.

887. Mr Matutes also paid an official visit to Paraguay on 26 and 27 May. On 19 October the Council adopted Decision 92/509/EEC on the conclusion of the framework Cooperation Agreement between the Community and Paraguay.⁴ The Agreement was endorsed on 15 May by Parliament, who welcomed the comprehensive nature of the accord.⁵ The EC-Paraguay Joint Committee met in Asunción on 24 and 25 November.

888. A Cooperation Agreement between the Community and Brazil was signed on 29 June⁶ and endorsed by Parliament.⁷ The Agreement, which is based on respect for democratic principles and human rights and contains a future developments clause, will establish extensive cooperation between the parties in areas of key importance to social and economic progress and help to step up and diversify trade and encourage the flow of investment. Mr Cardoso, Brazil's Foreign Minister, met Mr Matutes on 23 and 24 November.⁸

889. On 15 July Mr Aylwin, President of Chile, had talks with Mr Delors and Mr Matutes.⁹ The two sides highlighted the constructive nature of cooperation between the Community and Chile and signed Financing Agreements relating to programmes covering State management, decentralization and democratization in Chile.

890. In September Mr Matutes visited El Salvador,¹⁰ where he signed a memorandum on Community support for the process of national reconciliation

¹ Twenty-fourth General Report, point 759.

² Bull. EC 6-1992, point 1.4.35.

³ Bull. EC 4-1992, point 1.4.22.

⁴ OJ L 313, 30.10.1992; Bull. EC 10-1992, point 1.4.36.

⁵ OJ C 176, 13.7.1992; Bull. EC 5-1992, point 1.2.35.

⁶ Bull. EC 6-1992, point 1.4.30.

⁷ OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.4.39.

⁸ Bull. EC 11-1992, point 1.4.41.

⁹ Bull. EC 7/8-1992, point 1.4.40.

¹⁰ Bull. EC 9-1992, point 1.3.34.

and reconstruction begun after the signing of the peace accords on 16 January. He also went to Nicaragua, where he announced that a large-scale programme of agricultural development and agrarian reform would soon be launched with a Community contribution.¹ He also reaffirmed the Community's support in the wake of the earthquake and tidal wave which had struck the country. On 17 September Parliament called for emergency aid to be granted to Nicaragua.²

891. On 14 February Parliament endorsed the conclusion of a framework Agreement for cooperation between the Community and Uruguay,³ and it adopted a resolution on economic and trade relations between the Community and Uruguay.⁴ The EEC-Uruguay Joint Committee met in Montevideo on 27 and 28 November and the EEC-Mexico Joint Committee met in Mexico City on 30 November and 1 December.

Cooperation with the countries of Asia and Latin America

892. On 28 November, with a view to supporting the implementation of the future common organization of the banana market, the Commission proposed a five-year diversification and development programme* totalling ECU 60 million for the Latin American banana-producing countries (Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala, Colombia, Venezuela, Ecuador, Peru and Bolivia).⁵

893. On 25 February the Council formally adopted Regulation (EEC) No 443/92* on financial and technical assistance to and economic cooperation with the developing countries in Asia and Latin America. While confirming traditional fields of action already covered by Regulation (EEC) No 442/81, which it replaces, the new Regulation covers new priorities relating to economic cooperation, the human dimension of development, the promotion of human rights and the environment.⁶

894. Financial and technical cooperation with Latin America, which is the main instrument of aid to the region, this year amounted to ECU 152.5 million. The main economic cooperation activities were geared to trade promotion

¹ Bull. EC 9-1992, point 1.3.35.

² OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.3.36.

³ OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.4.48.

⁴ OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.4.49.

⁵ Point 525 of this Report.

⁶ OJ L 48, 21.2.1981; Fifteenth General Report, point 674.

(ECU 10.9 million) and training (ECU 11.7 million); ECU 6.6 million was devoted to regional integration, ECU 6.3 million to energy cooperation, ECU 8.4 million to investment promotion, ECU 10.0 million to the development of democracy in the region, ECU 4.8 million to non-governmental organizations in Chile, ECU 19.5 million for refugee aid, and ECU 2.6 million to other cooperation schemes.

895. Financial and technical cooperation with Asia this year amounted to ECU 251.4 million. The main economic cooperation activities covered a programme to protect EEC-Asean patents and registered trade marks (ECU 6.5 million) and education (ECU 6.4 million); ECU 2.7 million went to an environment technology programme; ECU 6.5 million to energy cooperation. In addition, ECU 2 million went to non-governmental organizations in Viet Nam and Cambodia, ECU 3.5 million to medical cooperation, and ECU 62 million to supporting programmes for the reintegration and self-sufficiency of refugees and displaced persons.

896. On 2 September the Commission adopted the 14th report on the implementation in 1990 of financial and technical assistance to Asian and Latin American developing countries¹ and the report on the administration during 1991 of the system of compensation for loss of export earnings for least-developed countries not signatory to the third Lomé Convention.²

897. On 3 February the Council adopted Regulation (EEC) No 319/92 on the EC International Investment Partners Facility, which is aimed at promoting investment in the Asian, Latin American and Mediterranean countries, notably in the form of joint ventures.³ On 19 May it adopted guidelines designed to extend European Investment Bank operations to Latin American and Asian countries with which the Community has concluded Cooperation Agreements, for projects of mutual interest.⁴

¹ Bull. EC 9-1992, point 1.3.37.

² Bull. EC 9-1992, point 1.3.39.

³ Point 941 of this Report.

⁴ Point 56 of this Report.

*Section 8***Relations with the African, Caribbean and Pacific countries and the overseas countries and territories****Implementation of the fourth Lomé Convention**

898. Implementation of the fourth Lomé Convention, which came into force on 1 September 1991, has been generally satisfactory. To date 63 national indicative programmes have been signed with the recipient ACP States.¹ It did not, however, prove possible to start or complete the programming exercise for Haiti, Liberia, Somalia, Sudan and Zaire because of their serious political and economic problems. Suriname's NIP is likely to be signed in the first half of the coming year. With regard to regional programming, which is given special emphasis in Lomé IV, all seven regional indicative programmes have been signed. On 4 May the Council welcomed the new emphasis on regional economic integration and the link established between programming and structural adjustment.¹ In a resolution adopted that day, it emphasized the need to examine carefully the role played by structural adjustment in relation to long-term development objectives, the social dimension of adjustment, and the matching of the pace of the reforms and the ways of implementing them to the capacities and constraints of each country and the regional dimension of adjustment.²

899. Expenditure under the European Development Funds (second, third and fourth Lomé Conventions) this year reached the particularly high level of some ECU 2 billion, whereas in the previous financial years it had ranged between ECU 1 billion and ECU 1.2 billion. The main reason for this rise is increased spending under Lomé IV and the fact that a very good level of consumption has been maintained for Lomé III. Including the ECU 2 billion provided for by the Community budget, the Community made available ECU 4 billion in grants to the developing countries this year. At a time when these countries fear being left out in the cold, this figure should be set against the ECU 1.5 billion granted to the Central and East European countries.

¹ Bull. EC 5-1992, point 1.2.38.

² Bull. EC 5-1992, point 1.2.37.

900. As part of its efforts to establish a common market organization for bananas, the Commission proposed to the Council on 11 November that specific arrangements be introduced to assist traditional ACP banana suppliers, the aim being to enable the Community to help the countries concerned to adapt to the new requirements of the Community banana market after 1992 and to confront the temporary disturbances to which that market may be subject.*

901. In keeping with the Council resolution on human rights, democracy and development, the Commission has endeavoured to promote, at both Community and Member State levels, a common, coordinated and vigilant approach to cooperation with the developing countries.¹ This means that Community development aid has become conditional on effective observance of human rights and real progress towards democracy, although any decision to suspend aid does not affect humanitarian operations.

Trade cooperation

902. The implementation of Lomé IV projects aimed at developing trade and services, including tourism, continued in 1992 either as part of national indicative programmes or regional cooperation. In accordance with the new Lomé IV guidelines, special attention was given to schemes based on coordinated policies and strategies such as export diversification, the search for new markets, the strengthening of trade support bodies, and a greater understanding of operators' particular concerns.

903. In the field of tourism, sectoral support studies or programmes were carried out for many African countries on the lines of earlier efforts for the island ACP States.

904. Through the annual integrated programme the Commission also financed the attendance of 300 persons at trade and tourism fairs, market surveys and seminars. Some 20 ACP States were recipients of aid used for the production of brochures and other publications. Assistance was also given to Aproma (staples) and COLEACP (tropical fruit, out-of-season vegetables, flowers, pot plants and spices) to help promote their products.

905. On 25 February the Council adopted Regulation (EEC) No 444/92 extending until 29 February 2000, expiry date of the fourth Lomé Convention,

¹ Twenty-fifth General Report, point 1023.

the arrangements applicable to agricultural products originating in the ACP States and certain goods resulting from their processing.¹

Stabex

906. Stabex operations in 1992 concerned the ACP countries' loss of export earnings in 1991, a year marked by the continuing fall in prices of many of the commodities covered by the system, particularly coffee.² A total of 35 States were eligible for 67 transfers, 15 of which were for coffee, accounting for 47% (ECU 1 062.4 million) of the total amount of eligible transfers. To deal with the resulting shortfall in resources (ECU 316.5 million), the ACP-EEC Council of Ministers decided on 16 July to mobilize ECU 75 million in additional resources under the system.³ After reducing the amount of eligible transfers by 10% in accordance with Stabex provisions, 40.9% of transfers were covered (39% the previous year). There were some 15% fewer eligible transfer bases in 1991 than in 1990. This trend will probably continue and will help to ease the financial pressure on the system. Table 15 gives a breakdown of operations by recipient country.

TABLE 15
Stabex transfers for 1991

	Product	Amount of transfer (ECU)
Sudan	Groundnut products	160 607
	Cotton products	25 806 083
	Hides and skins	752 453
	Gum arabic	3 468 736
	Sesame	1 526 155
	Oil cake	387 782
Mauritania	Squid	4 087 698
Mali	Cotton	612 134
Burkina Faso	Hides and skins	685 522
	Oil cake	354 316
	Shea nuts	713 067
Gambia	Groundnut products	354 307

¹ OJ L 52, 27.2.1992; Bull. EC 1/2-1992, point 1.4.53.

² Twenty-fifth General Report, point 967.

³ Bull. EC 7/8-1992, point 1.4.45.

	Product	Amount of transfer (ECU)
Guinea-Bissau	Groundnut products	180 890
	Palm products	187 890
Sierra Leone	Coffee	652 727
	Cocoa products	750 543
Côte d'Ivoire	Coffee products	67 093 454
	Wood	4 658 747
Ghana	Cocoa products	16 430 110
Togo	Cocoa products	1 676 087
	Coffee	6 073 184
Benin	Palm products	357 252
Cameroon	Cocoa products	39 865 519
	Coffee	29 335 870
Central African Republic	Coffee	2 543 881
Equatorial Guinea	Cocoa products	1 222 271
São Tomé & Príncipe	Cocoa	1 063 068
Rwanda	Coffee	9 184 660
	Hides and skins	936 227
	Pyrethrum	11 269
Burundi	Coffee	7 787 541
	Hides and skins	194 364
Ethiopia	Coffee	39 815 717
	Hides and skins	9 579 462
Kenya	Coffee	16 413 425
Uganda	Coffee	32 789 829
	Hides and skins	1 419 984
Tanzania	Coffee	11 224 734
	Cotton	1 304 125
Madagascar	Coffee	14 019 429
	Vanilla	1 637 168
	Cloves	615 451
	Essential oils	313 036
Comoros	Essential oils	190 226
Lesotho	Wool	385 688
	Mohair	550 816
Malawi	Tea	2 288 885
	Coffee	220 364
Dominica	Bananas	158 647
Haiti	Coffee	5 062 241
	Essential oils	307 347
Grenada	Cocoa	341 127
	Bananas	395 600
	Nutmeg and mace	1 052 755

	Product	Amount of transfer (ECU)
Papua New Guinea	Cocoa products	7 074 839
	Coffee	8 695 117
	Copra products	1 454 975
Solomon Islands	Cocoa products	182 712
	Copra products	1 333 912
Tuvalu	Copra products	10 640
Kiribati	Copra products	193 107
Vanuatu	Copra products	354 959
Tonga	Copra products	250 633
	Bananas	476 475
Samoa	Cocoa products	329 389
	Copra products	1 773 247
	Oil cake	170 039
	Total	391 500 000

907. On 23 July, in the light of the provisions on statistics of Decision 91/482/EEC on the association of the OCTs with the Community, the Council adopted Regulation (EEC) No 2322/92 repealing Regulation No 1638/80 under which the Member States forwarded to the Commission a statement of all the products imported from ACP States or OCTs.¹

908. On 21 April the Commission adopted its annual report on the operation in 1991 of the Stabex system.²

Sysmin

909. Under the fifth EDF a project in Jamaica (restructuring) is under examination and a project in Guyana (bauxite) is nearing completion. Under the sixth EDF, projects in Niger (gold prospecting), Mauritania (iron ore) and Guinea (aluminium) are progressing satisfactorily. Projects in Botswana (copper/nickel) and Senegal (phosphates: first phase) are now being implemented. The EDF Committee also approved financing of ECU 10.5 million for the second phase of a project in Senegal (phosphates). Under the seventh EDF Zambia was

¹ OJ L 223, 8.8.1992; Bull. EC 7/8-1992, point 1.4.47.

² Bull. EC 4-1992, point 1.4.24.

declared admissible and a project (general import programme) costing ECU 60 million was approved.

Sugar Protocol

910. The Council decided on 13 November to approve the conclusion of the International Sugar Agreement¹ following its approval by the United Nations Conference on Sugar, which met in Geneva from 16 to 20 March;² the Commission had received negotiating directives for the Agreement in December 1991.³

Industrial cooperation

911. Industrial cooperation continued in 1992 and many programmes to further the development of the private sector were proposed by a number of ACP States including Burundi, Congo, Guinea-Bissau, Mali, Niger, Mauritius and the Seychelles. The Commission has been examining various aspects of cooperation, particularly the protection of investment in the ACP States, which forms a cornerstone of the new Convention. The Council, acting on the basis of a Commission study of Member States' bilateral investment protection agreements, adopted a Community position on the matter and set out principles for the protection of European investment in the ACP States. In the context of the Convention, these principles will serve as a guide for ACP States when they come to draw up their investment policies.

912. The Commission organized the 10th Community-West Africa industrial forum in December, which is designed to help establish contacts between African promoters of industrial projects and potential partners, and also between African businessmen.

Financial and technical cooperation

913. At the end of the year the Commission had virtually completed the programming of Community aid for the five years covered by the first Financial Protocol to Lomé IV. Sixty-three of the 69 national indicative programmes have

¹ OJ L 379, 23.12.1992; Bull. EC 11-1992, point 1.4.57.

² Bull. EC 3-1992, point 1.3.48.

³ Twenty-fifth General Report, point 973.

been signed. The political situation in the other six ACP States has to date made it impossible to enter into a dialogue or complete programming.¹ In May the Council adopted a resolution in which it stated that objectives had generally been attained, both in quantitative and qualitative terms, and that a total of some ECU 5.5 billion had been programmed.²

914. The Lomé III approach of supporting sector-based policies through dialogue with each ACP State and focusing aid on a limited number of sectors was maintained. Consultations with the recipient States have led to the identification of sectoral objectives and the adoption of back-up measures by the governments themselves. Rural development, socioeconomic infrastructure and the development of human resources are still the main focus of Community aid. The new priorities laid down in Lomé IV, namely the environment, the role of women, decentralized cooperation and promotion of the private sector, have also been taken into account. In addition, the link between human rights and development cooperation has been strengthened.

915. Although programming has drawn on all Lomé instruments, the emphasis has been on structural adjustment support. Thirty-eight States were deemed eligible for such support, for which specific resources (ECU 1 150 million) have been earmarked under Lomé IV. The Commission's approach has been to focus on a number of key points: the social aspects of adjustment, the choice of long-term development objectives, a pace of reform suited to each State's capabilities, and the regional dimension of adjustment. Between October 1991 and December 1992, 24 decisions were taken on structural adjustment, totalling some ECU 467 million, of which ECU 312 million came from the resources earmarked for structural adjustment and the remainder from national indicative programme resources.

916. On 22 June the Commission adopted the balance sheets and accounts of the fifth, sixth and seventh EDFs for the 1991 financial year.³

¹ Point 898 of this Report.

² Bull. EC 5-1992, point 1.2.38.

³ COM(92) 256; Bull. EC 6-1992, point 1.6.1.

TABLE 16

Lomé I, II, III and IV financing decisions (EDF and EIB)
for ACP States, by sector, at 31 December¹

(million ECU)

	Amount of financing					
	1987	1988	1989	1990	1991	1992
Trade promotion	15.707	24.418	21.717	37.489	18.270	40.833
Cultural and social development	121.458	213.492	167.654	57.358	29.693	209.535
• education and training	44.787	68.726	66.246	31.664	2.589	73.548
• water engineering, urban infrastructure and housing	33.491	84.072	50.865	18.217	21.190	54.351
• health	43.180	60.694	50.543	7.477	5.914	81.636
Economic infrastructure	510.712	183.362	224.202	145.997	254.741	310.105
• transport and communications	510.712	183.362	224.202	145.997	254.741	310.105
Development of production	1 261.513	1 440.384	572.727	274.622	213.433	811.651
• rural production	821.562	839.530	273.945	74.163	95.154	209.941
• industrialization	280.062	250.682	108.088	77.359	66.835	149.871
• campaigns on specific themes ²	159.889	350.172	190.694	123.100	51.444	451.839
Exceptional aid, Stabex	325.296	606.084	338.526	267.096	570.153	497.328
• rehabilitation	(0.050)	0.069	0.134	(0.797)	(1.516)	9.828
• disasters	20.454	35.782	33.126	39.109	43.945	58.858
• Stabex	269.029	551.007	273.283	216.090	515.819	397.027
• AIDS	35.000	—	—	—	4.000	0.30
• refugees and returnees	0.863	18.626	31.983	12.694	7.905	31.295
Others ³	9.931	30.096	15.175	8.471	148.064	187.088
Total	2 244.617	2 497.836	1 340.001	791.033	1 234.354	2 056.540

¹ For EIB operations, see the Bank's annual report.

² Including desertification and drought, disasters, major endemic and epidemic diseases, hygiene and basic health, endemic cattle diseases, energy saving research, sectoral imports programme and long-term schemes.

³ Including information and documentation, seminars, programmes and general technical cooperation, general studies, multisectoral programmes, delegations, administrative and financial costs, improvements to public buildings, project-linked multisectoral technical cooperation (all projects).

Regional cooperation

917. Each of the regional indicative programmes signed in the course of the year focuses on regional integration strategies based, for example, on the liberalization of intra-regional trade and sectoral and macroeconomic policies coordinated at regional level.

Institutional relations

918. The annual meeting of the ACP-EEC Council of Ministers was held in Kingston, Jamaica, from 20 to 22 May.¹ Discussions centred largely on trade cooperation (bananas, GATT), Stabex, the sugar market (Zambia's accession to the Sugar Protocol, the price of sugar in the GATT framework and the reform of the CAP), financial cooperation, the situation in South and southern Africa, the execution of the first programme to combat AIDS, and a number of urgent topical issues such as refugees, humanitarian and food aid and malaria. The Council of Ministers also adopted resolutions on Lomé IV programming, structural adjustment and the implementation of financial and technical cooperation in 1990.

919. The ACP-EEC Joint Assembly held its two annual sessions in Santo Domingo from 17 to 21 February and in Luxembourg from 28 September to 2 October. President Aristide of Haiti, who was overthrown by the *coup d'état* in September 1991, addressed the first session. Discussions centred on the link between democracy, human rights and development, implementation of the Lomé Convention in the Caribbean, the implementing conditions and effects of structural adjustment policy in the Lomé IV framework, easing the ACP debt burden and the situation in southern Africa. The main topic of debate at the Luxembourg meeting again concerned the relationship between democracy, human rights and development in the ACP States. Participants also discussed and adopted a resolution on the economic and social consequences of AIDS on the ACP countries. Other matters discussed included developments in South and southern Africa and in the Horn of Africa. On 14 February² Parliament adopted a resolution on the results of the work of the Joint Assemblies in 1991.³

Overseas countries and territories

920. This year was marked by the entry into force on 20 September 1991 of Decision 91/482/EEC⁴ on the association of the overseas countries and territories (OCTs). The programming provided for by Article 187 of the Decision was begun on the basis of the resources allocated by each of the three Member States concerned within the overall amounts laid down by the Council (Table 17).

¹ Bull. EC 5-1992, point 1.2.40.

² OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.4.51.

³ Twenty-fifth General Report, point 983.

⁴ OJ L 263, 19.9.1991; Twenty-fifth General Report, point 984.

TABLE 17.

(million ECU)

	Amounts allocated seventh EDF ¹
1. France	
New Caledonia and dependencies	12.5
French Polynesia	13.1
French Southern and Antarctic Territories	0.3
Wallis and Futuna Islands	4.6
Mayotte	6.7
Saint Pierre and Miquelon	3.0
Total	40.20
2. Netherlands	
Aruba	7.575
Netherlands Antilles (Bonaire, Curaçao, St Eustatius and St Maarten)	22.725
Total	30.300
3. United Kingdom	
Anguilla	2.900
Cayman Islands	—
Falkland Islands	—
South Georgia and the South Sandwich Islands	—
Montserrat	3.900
Pitcairn	—
St Helena and dependencies	2.400
British Antarctic Territory	—
British Indian Ocean Territory	—
Turks and Caicos Islands	3.900
British Virgin Islands	2.400
Total	15.500

¹ In certain cases these amounts can be increased by the unexpended amounts balance from the fifth, and in particular the sixth, EDFs.

921. For the first time since the signing of the first agreement on the association of the OCTs with the EEC, seventh EDF resources have been programmed in each OCT on the basis of a Commission-Member State-OCT partnership which also includes the local elected authorities. The first territorial indicative programmes have been signed for Montserrat, Anguilla, the British Virgin Islands, Turks and Caicos Islands, New Caledonia, Wallis and Futuna Islands, and

French Polynesia and Mayotte. Programming is under way in the other OCTs which have been allocated funding under the seventh EDF.

922. This year also saw the implementation of wider access to the Community for products originating in the OCTs.¹ The granting of completely free access for these products has already increased trade flows from some OCTs to the Community. On 23 July the Council adopted Decision 92/409/EEC allocating ECU 1.5 million in Stabex transfers for 1990 to French Polynesia and the Falkland Islands, a 69% coverage of the transfer bases.² A 45.085% reduction in transfer requests for 1991 was proposed by the Commission on 5 October.³

¹ Point 905 of this Report.

² OJ L 223, 8.8.1992; Bull. EC 7/8-1992, point 1.4.46.

³ Bull. EC 10-1992, point 1.4.41.

Section 9

General development cooperation

Overview

923. One of the prime concerns of 1992 was to gear development cooperation policy to meet present and future challenges.

924. The fundamental link between the environment and development was highlighted at the Earth Summit held in Rio de Janeiro in June.¹

925. On 13 May the Commission adopted a communication concerning development cooperation policy in the run-up to the year 2000 in which it took a critical look at the cooperation policy hitherto implemented by the Community and its Member States. The Commission observed that aid could not make up for a lack of sound domestic policies or trade outlets, but was much more effective when used as a lever for the implementation of economic and political reforms. It therefore proposed, in addition to closer coordination and greater consistency of action between the Member States and the Commission, an approach which encourages internal reforms in the developing countries, on the basis of the four main themes expounded in the Treaty on European Union: consolidation and development of democracy, sustainable economic and social development, integration into the world economy and the campaign against poverty.

In its conclusions of 4 May the Council welcomed the Commission's integrated approach to the management of aid programmes and called on the Commission to discuss with the Member States the development of these programmes.² On 18 November³ the Council set out the guidelines and aims which should underlie future development cooperation policy. These took account of the many changes which had taken place on the international scene.

926. Parliament also held wide-ranging debates on development cooperation policy and adopted a set of resolutions entitled 'Towards a new world order'

¹ Point 596 *et seq.* of this Report.

² Bull. EC 5-1992, point 1.2.43.

³ Bull. EC 11-1992, point 1.4.47.

covering a range of issues — the new North-South relationship, structural adjustment, measures to support private investment and the impact of the single market on the developing countries.¹

927. The Commission underlined the importance of demographic issues in a communication of 4 November² on demography, family planning and development cooperation, in which it examined the demographic situation, the growing demand for contraception in the developing countries and new factors which had emerged since the 1986 resolution on 'Population and development'. In this connection, it put forward a plan of action providing notably for greater human and financial resources and for better coordination of work in this field. The Council endorsed these priorities in a resolution of 18 November,³ urging that efforts should focus on countries applying or wishing to apply such policies, and calling for them to be made part of a wider social dimension.

Cooperation through the United Nations

United Nations Conference on Trade and Development

928. The eighth session of the United Nations Conference on Trade and Development (Unctad) was held in Cartagena, Colombia, from 6 to 25 February.⁴ The Community was represented by Mr De Sousa, President of the Council. The Conference adopted a paper which identified the potential challenges for trade and development in the 1990s and reviewed important Unctad institutional reforms, policies and measures connected with resources for development, international trade, technology, services, commodities, least-developed countries and economic cooperation between developing countries. Particular emphasis was placed on the meaning of 'good management' and 'new partnership for development'.

United Nations Industrial Development Organization

929. On 14 October the Commission adopted a communication on the drafting of an agreement crowning the constructive relations between the Community and Unido. The Commission has regularly taken part as an observer in Unido

¹ OJ C 150, 15.6.1992; Bull. EC 5-1992, point 1.2.42.

² SEC(92) 2002; Bull. EC 11-1992, point 1.4.48.

³ Bull. EC 11-1992, point 1.4.49.

⁴ Bull. EC 1/2-1992, point 1.4.58.

meetings on industrial development issues. It has also showed strong interest in Unido's growing activities in the restructuring of the formerly centrally planned economies and in its more traditional activities in the development field.

World Food Programme

930. This year the Community allocated ECU 161.06 million, including transport costs, to the World Food Programme (WFP). This aid was used to bring about a significant increase in assistance to refugees, particularly the people of the Horn of Africa and Southern Africa, via the International Emergency Food Reserve, and to contribute to a number of WFP development projects.

World Food Council

931. The Community took part as an observer in the 18th ministerial session of the World Food Council (WFC), which was held in Nairobi, Kenya, in June. The session was dominated by two issues: food security in certain areas of the world and the WFC's future role and resources. In this connection it emerged that the WFP had perhaps not attained all its objectives and needed to be reformed. An *ad hoc* committee was therefore set up to examine the situation and to put proposals to the Presidency for transmission to the General Assembly of the United Nations.¹

United Nations Food and Agriculture Organization

932. The Community's accession to the FAO as a member *sui generis*² enables it, through the Commission, to take part in all FAO meetings which one of its Member States is authorized to attend, except those of bodies with restricted membership, and to vote on all matters within its sphere of joint or sole competence. Since the beginning of the year the Community has accordingly exercised its rights as a member of the FAO on all matters within its sphere of competence, alternately with the Member States. In addition the Community can now accede to any convention or agreement concluded under the aegis of the FAO, although the arrangements for its participation have to be negotiated

¹ Point 1009 of this Report.

² Twenty-fifth General Report, point 994.

on a case-by-case basis. In June the Commission accordingly took part in a diplomatic conference on the setting-up of an Indian Ocean Tuna Commission, of which the Community can become a full member once the Agreement is concluded.

Generalized tariff preferences

933. On 3 February the Council adopted Regulation (EEC) No 282/92* extending the generalized scheme of preferences to the Baltic States and Albania and lifting the suspension in respect of Korea. The suspension in respect of ECSC products for Korea was lifted by Decision 92/95/ECSC.¹ On the same date the Council adopted Regulation (EEC) No 548/92² extending the generalized preferences scheme in respect of agricultural products to Bosnia-Herzegovina, Croatia, the former Yugoslav Republic of Macedonia and Slovenia.

934. On 5 June the Council adopted Regulation (EEC) No 1509/92* suspending preferences in respect of Hungary, Poland, and the Czech and Slovak Federal Republic because of the entry into force on 1 March of the Interim Agreements with these countries, while on 18 December the Commission proposed that the Council take similar measures in respect of Bulgaria and Romania in the field of textiles. On 11 May the Council adopted Regulation (EEC) No 1250/92,³ renewing the supplementary generalized tariff preferences for the Berlin Fair.

935. On 21 December the Council adopted Regulation 3917/92* and Decision 92/584/ECSC⁴ extending the generalized scheme of preferences into 1993 by including Georgia and the independent States of the former Soviet Union in the list of beneficiaries, and withdrawing Bulgaria and Romania from the list of beneficiaries in the textiles sector. These measures were adopted pending the implementation of a revised scheme which will be proposed on the basis of the outcome of the Uruguay Round negotiations and the guidelines already proposed for 1990-2000.⁵

¹ OJ L 36, 13.2.1992; Bull. EC 1/2-1992, point 1.4.60.

² OJ L 63, 7.3.1992; Bull. EC 1/2-1992, point 1.4.19.

³ OJ L 131, 16.5.1992; Bull. EC 5-1992, point 1.2.44.

⁴ OJ L 396, 31.12.1992; Bull. EC 12-1992.

⁵ Twenty-fourth General Report, point 794.

Commodities and world agreements

936. After three years of market liberalization, which has led to a steady fall in prices on the coffee market, producer and consumer countries finally managed to reach a consensus opening the way for a new agreement.¹ Negotiations were opened on this basis in April.² However, because of the time needed to conclude and ratify the new agreement, on 13 July the Council adopted Decision 92/422/EEC accepting, for the third time, the extension of the 1983 Agreement as extended to 30 September 1993.³

937. With the International Cocoa Agreement extended without economic provisions until September 1993, the International Cocoa Council met in February and March, mainly to study the current situation, which was still typified by serious financial difficulties.⁴ The Commission received negotiating directives for a new Agreement on 21 April,⁵ and the Council adopted Decision 92/202/EEC on the conclusion of the 1986 International Cocoa Agreement.⁶

938. The International Tropical Timber Organization (ITTO), whose Council and technical committees met in Yaoundé from 6 to 14 May⁷ and in Yokohama from 17 to 24 November,⁸ discussed the preparation of technical programmes and the drafting of standards governing exploitation of tropical forests with the aim of achieving sustainable forest management by the year 2000. In November negotiations opened with a view to the conclusion of a second international agreement.

939. On 20 July the Council adopted Decision 92/396/EEC⁹ concerning the conclusion of the 1987 International Natural Rubber Agreement, following the meeting of the International Natural Rubber Council in Kuala Lumpur in May.¹⁰

940. On 5 October the Council adopted Decision 92/489/EEC concerning the conclusion of the International Agreement on Jute and Jute Products.¹¹ The

¹ Twenty-fifth General Report, point 998.

² Bull. EC 4-1992, point 1.4.30.

³ OJ L 230, 13.8.1992; Bull. EC 7/8-1992, point 1.4.52.

⁴ Bull. EC 1/2-1992, point 1.4.62.

⁵ Bull. EC 4-1992, point 1.4.28.

⁶ OJ L 89, 4.4.1992; Bull. EC 3-1992, point 1.3.47.

⁷ Bull. EC 5-1992, point 1.2.45.

⁸ Bull. EC 11-1992, point 1.4.55.

⁹ OJ L 219, 4.8.1992; Bull. EC 7/8-1992, point 1.4.53.

¹⁰ Bull. EC 5-1992, point 1.2.47.

¹¹ OJ L 293, 9.10.1992. Bull. EC 10-1992, point 1.4.47.

International Jute Council met in Dhaka, Bangladesh, in April¹ and Beijing, China, in November.²

EC International Investment Partners

941. EC International Investment Partners (ECIP) is a promising new instrument first used by the Commission in 1988 as part of its economic cooperation policy with developing countries in Asia, Latin America and the Mediterranean. The scheme provides support for private sector investments of mutual interest in the form of joint ventures in these areas, and was originally established as a pilot experiment with a budget of ECU 30 million for three years (1989-91). On 3 February the Council adopted Regulation (EEC) No 319/92* renewing and reinforcing ECIP. ECIP has proved its effectiveness, and its essential features have been maintained and improvements added. Its budget has been considerably increased, with commitment appropriations of ECU 39.4 million for 1992. Eligible host countries are all those in Asia, Latin America and the Mediterranean with which the Community has Cooperation Agreements — currently 60 countries.

Protecting the environment

942. Besides the United Nations Conference on Environment and Development, which was held in Rio in June,³ operations have been carried out under the 'Environment in the developing countries' programme. Half of the programme's 1992 budget of ECU 9 million was used for projects to safeguard biodiversity and protected areas in the ACP, Asian and Latin American countries. Studies into the planned management of natural resources were also carried out in coordination with EDF schemes in this field. The Community also provided support for the developing countries implementing the Basle and Lomé Conventions with regard to toxic waste, drew up guidelines for studies into the impact on the environment of development projects and programmes financed by the Community, and encouraged a study on structural adjustment and the environment.

¹ Bull. EC 5-1992, point 1.2.48.

² Bull. EC 11-1992, point 1.4.36.

³ Point 596 *et seq.* of this Report.

943. In addition, the ECU 2 million first allocated to projects for the conservation of tropical forests in 1991¹ was raised to ECU 52 million by the Council on a recommendation by Parliament. A third of these funds is earmarked for the ACP countries and two thirds for the Asian and Latin American countries. Programmes concerned simultaneously with environmental protection and the need for development were launched in Brazil, Colombia, Malaysia and the countries of the Amazon Pact. Other operations are being prepared, mainly in Indonesia and Central America. The Community has also provided support for NGO-run projects in Latin America and Asia.

Drug abuse control

944. Once again, the Community's main contribution to international action on drug control was channelled via the North-South cooperation programme for combating drug abuse.² The funds available were committed according to a balanced sectoral and geographical breakdown, covering reduction of demand, crop substitution and staff training. In addition, the Cooperation Agreements recently signed by the Community or still being negotiated with Chile, Mexico, Uruguay, Paraguay, Brazil and the Andean Pact, Central American and Asean countries³ contain clauses on combating drug abuse. With regard to Central Europe, the Association Agreements signed or negotiated with Hungary, Poland, the Czech and Slovak Federal Republic, Bulgaria and Romania contain clauses not only on drugs but also on money laundering.⁴ The other Agreements under negotiation, particularly with the independent States of the former Soviet Union, contain the same clauses.

945. The recent escalation in the drug problem in many ACP countries calls for increased attention. The fourth Lomé Convention provides these countries with opportunities for financing operations to control drug abuse, particularly in the health sector and in the regional cooperation context. An overall evaluation of the drug problem in the ACP countries is thus under way with the aim of pinpointing more clearly their needs in this area.

946. The Commission also played a full part in international efforts to coordinate technical and financial assistance, particularly within the Dublin

¹ Twenty-fifth General Report, point 1005.

² Twenty-fifth General Report, point 1007.

³ Point 867 *et seq.* of this Report.

⁴ Point 746 of this Report.

Group on drug abuse, made up of the Member States, the Commission, the United States, Australia, Canada, Sweden and Japan, and as part of the United Nations International Drug Control Programme, with which a Cooperation Agreement was negotiated in 1992.

AIDS

947. The current programme, adopted in July 1987,¹ under which ECU 39 million has been committed, is the subject of an evaluation study requested by the Member States. The results, which are considered positive overall, will be taken into account in the new programme.

948. Without discounting the use of additional contributions from regional resources if more funds than anticipated are used, and in response to the request made at the meeting of the ACP-EEC Council of Ministers in May 1991,² the Commission drew up a new programme to help the ACP States combat AIDS. The programme's estimated budget of ECU 50 million would be financed from regional funds (ECU 20 million) and national indicative programme resources (ECU 30 million). The method of financing calls for greater commitment from the ACP countries in terms of national funding and closer coordination with other areas of domestic health policy.

949. The resources allocated in the budget, ECU 5.2 million, were additional to the special allocation for the ACP States. The Community established assistance schemes to combat AIDS in the following non-ACP countries: Argentina, Bolivia, Brazil, Chile, Costa Rica, China, Guatemala, Honduras, India, Indonesia, Mexico, Morocco, Nepal, Nicaragua, Peru, South Africa and Thailand.

Food aid

950. On 21 February the Commission adopted Decision 92/267/EEC, on the establishment of overall quantities of food aid for 1992 and a list of products to be supplied as food aid.³ The amounts entered by the Commission in the preliminary draft budget for 1992, the only source of financing for food aid,

¹ Twenty-first General Report, point 843.

² Twenty-fifth General Report, point 982.

³ OJ L 138, 21.5.1992; Bull. EC 1/2-1992, point 1.4.64.

enabled it to grant more cereals and vegetable oil and less butteroil, milk, sugar and other products than in 1991. The list of products remained the same, and non-governmental and international organizations were still able to purchase produce locally in the developing countries. The Commission adopted the report on food aid policy and food aid management in 1990 on 6 October.¹

Standard food aid

951. In accordance with Regulation (EEC) No 1930/90 on food aid policy and management,² proposals for the allocation of aid were put to the Food Aid Committee for its opinion before adoption by the Commission. The table below gives the breakdown of these operations.

TABLE 18
Allocation of food aid, 1992

	Cereals	Milk powder	Butteroil	Vegetable oil	Sugar	Other products (million ECU)
	(tonnes)					
Africa	101 000	—	—	5 050	—	1.000
Indian Ocean and Pacific	17 200	200	—	100	—	—
Caribbean	—	—	—	—	—	—
Mediterranean	120 000	3 000	—	8 000	—	1.000
Latin America	51 400	2 905	—	5 730	—	2.730
Asia	140 612	15 000	5 000	1 085	—	0.580
Total direct aid	430 212	21 105	5 000	19 965	—	5.260
Total indirect aid	954 888	31 895	1 000	50 035	11 540	42.564
Grand total	1 385 100	53 000	6 000	70 000	11 540	47.824

952. In compliance with the Council conclusions of May 1990³ designed to increase the food security of the recipient country by integrating food aid with other development instruments, the Commission approved a multiannual

¹ Bull. EC 10-1992, point 1.4.48.

² O J L 174, 7.7.1990; Twenty-fourth General Report, point 810.

³ Bull. EC 5-1990, point 1.3.46.

programme for Bangladesh (1992-97) combining food aid, financial aid and technical assistance. The purpose of the aid is to reduce gradually the overall volume of food aid to this country (1992: 140 000 tonnes; 1993: 135 000 tonnes; 1994: 120 000 tonnes; 1995: 105 000 tonnes; 1996: 40 750 tonnes; 1997: 21 375 tonnes of cereals) on the basis of domestic output. Five smaller programmes¹ are already in progress for Burkina Faso, Cape Verde, India, Tunisia and Unrwa.² In addition to these allocations, various operations were undertaken for a total of ECU 2 million under the arrangements for implementation of storage programmes and early-warning systems in Guinea and Sierra Leone, for the Office of the United Nations High Commissioner for Refugees (UNHCR) in Djibouti, and also for non-governmental organizations in Ecuador and Mozambique and for the International Committee of the Red Cross (ICRC) in the Horn of Africa and for the World Food Programme (WFP) in southern Africa. A further ECU 5 million was used by international and non-governmental organizations to purchase foodstuffs and seeds under cofinancing arrangements. Most of this aid (ECU 3.21 million) went to Africa and to India (ECU 0.9 million).

Emergency food aid

953. The total amount of ECU 52.749 million which the Commission channelled into emergency food aid over the year was large, mainly owing to the situation in southern Africa and the Horn of Africa. The emergency aid supplied is described below:

WFP: 13 000 tonnes of cereals, 870 tonnes of vegetable oil and ECU 0.95 million for other products;

WFP: transport of 9 719 tonnes of foodstuffs;

IFRC:³ 11 500 tonnes of cereals;

FAO: 5 000 tonnes of seeds;

WFP/ICRC/IFRC/UNHCR/NGOs: 64 954 tonnes of cereals, 8 413 tonnes of vegetable oil, 1 071 tonnes of milk powder and ECU 4.7 million for other products;

¹ Twenty-fifth General Report, point 1014.

² United Nations Relief and Works Agency for Palestine Refugees in the Near East.

³ International Federation of Red Cross and Red Crescent Societies.

WFP: 3 000 tonnes of cereals and ECU 0.65 million for other products;

WFP/NGOs: 11 000 tonnes of cereals;

NGOs: 1 558 tonnes of cereals, 135 tonnes of milk powder and ECU 71 000 for other products;

UNHCR: 77 tonnes of milk powder;

ICRC: 15 000 tonnes of cereals for Mozambique and 10 000 tonnes of cereals for Somalia;

Unrwa: 357 tonnes of milk powder, 116 tonnes of vegetable oil and ECU 0.53 million for other products;

Bolivia: 612 tonnes of cereals, 85 tonnes of vegetable oil and ECU 30 000 for other products;

Mozambique: 15 000 tonnes of seed cereals.

IFRC Malawi: 13 500 tonnes of cereals.

Special programme for Africa

954. To cope with the serious famine in the Horn of Africa, the unprecedented drought in southern Africa and grave food shortages in other parts of the world, the Commission, in the light of the results of the special programme implemented in 1991,¹ proposed to the Council in April² that another programme should be implemented, with additional emergency food aid of 800 000 tonnes in cereal equivalent, costing ECU 220 million. At the end of the year all the funds had been allocated and almost all the products distributed.

955. On 9 July Parliament adopted a resolution on famine in Africa in which it urged that more funds be allocated and relief convoys protected where necessary.³

¹ Twenty-fifth General Report, point 1016.

² Bull. EC 4-1992, point 1.4.26.

³ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.4.55.

Emergency aid

956. Information on emergency humanitarian aid operations can be found in the section of this chapter entitled 'Emergency humanitarian aid'.¹

Cooperation through non-governmental organizations

957. The funds earmarked for development cooperation with the non-governmental organizations (NGOs) amounted for the year to ECU 110 million. At 31 December ECU 98 million had been committed for 486 development projects being cofinanced in 104 African, Asian and Latin American countries. The sum of ECU 11.35 million had been committed for a large number of operations aimed at increasing European public awareness of development issues. This year block grants increased yet again; they numbered 141 and amounted to ECU 18 million.

958. Of the appropriations allocated to the budget heading established in 1986² to help the people of Chile (ECU 4.5 million), the ECU 2.5 million available for the NGOs was fully committed. This was also the case for the budget headings opened for NGO operations in Viet Nam and Cambodia (ECU 2 million and ECU 0.5 million). On 11 November the Commission adopted the report on cooperation with European NGOs in the 1991 financial year,³ and the Council conclusions of 19 November⁴ reaffirmed the importance of what the organizations had achieved and reiterated the Council's willingness to continue the cooperation which had begun. The NGOs held their 18th annual meeting in April on the theme of sustainable development.⁵

959. The role of the NGOs should be enhanced by means of the decentralized cooperation introduced in Lomé IV (Articles 20 to 22), now also applicable to other areas of the world entitled to financial and technical assistance under specific protocols or conventions. This new approach consists of giving direct financial and institutional support to partners other than the national authorities (local authorities, NGOs, trade and vocational bodies and unions), with the aim of strengthening local management capabilities and initiative. It was against

¹ Point 962 *et seq.* of this Report.

² Twentieth General Report, point 938.

³ SEC(92) 1921; Bull. EC 11-1992, point 1.4.60.

⁴ Bull. EC 11-1992, point 1.4.52.

⁵ Bull. EC 4-1992, point 1.4.32.

this background that activities such as a programme to support coastal towns in Côte d'Ivoire, a water and sanitation programme in Latin America and a partnership scheme for towns in Europe and the Maghreb were undertaken.

960. A special budget heading, still at the experimental stage, was also opened this year, under which pilot projects or contact projects can be financed in all the developing countries. The heading of ECU 1 million has been used for countries in Africa, the Caribbean and Latin America.

Human rights and development

961. As provided for in the Council resolution of 28 November 1991 on human rights and development, the Commission adopted a report on the implementation of the resolution, on 14 October.¹ The Council approved the report on 18 November.² The Commission mobilized the budget appropriations available for this type of operation, plus counterpart funds and EDF resources, to support the process of democratic transition in many ACP States (particularly in sub-Saharan Africa). It is none the less endeavouring to adjust its aid according to the human rights situation on the spot.³

¹ Bull. EC 10-1992, point 1.4.45.

² Bull. EC 11-1992, point 1.4.50.

³ Point 901 of this Report.

Section 10

Emergency humanitarian aid

962. The European Office for Emergency Humanitarian Aid (ECHO) came into operation on 1 April.¹ It is responsible for implementing Community emergency aid for the victims of disasters in all non-Community countries, and provides a coordinated Community response to immediate requirements for humanitarian assistance in the form of food, medicines and shelter. ECHO will also work to improve the arrangements for mobilizing Community relief and will contribute to disaster prevention measures, both internationally and locally. ECHO hence serves a dual purpose, providing both an efficient service and a higher profile, giving public opinion tangible evidence of the Community's role as an active contributor in the field of humanitarian aid.

963. 1992 saw the Commission grant a total of ECU 353 million in emergency aid for the victims of disasters in the developing countries and other non-Community countries. This sum comprises ECU 55 million from the European Development Fund and ECU 298 million from the budget.

964. The EDF funds were used mainly to help the victims of the fighting and drought in Africa, with 78% of contributions (ECU 43 million) going to six countries and to the neighbouring regions also affected. Hundreds of thousands of people died in Somalia as a result of the internal fighting which escalated at the end of 1991 and the beginning of 1992, combined with the exceptional drought throughout sub-Saharan Africa. In 1992 the Commission granted ECU 35 million to help the Somali people. The Community was also closely involved in the 100 days plan of action implemented by the United Nations after the Geneva conference of 12 and 13 October.²

965. The funds from the Community budget, which were increased by ECU 262 million, went mainly to meet the needs of the victims of the war in the former Yugoslavia. Responding to the dreadful plight of people there, the Lisbon European Council approved substantial amounts of fresh financial aid.³ This led the Commission to decide on 2 July to provide emergency

¹ Twenty-fifth General Report, point 1017.

² Bull. EC 10-1992, point 1.4.39.

³ Bull. EC 6-1992, point 1.32.

humanitarian aid of ECU 120 million on top of the ECU 36 million accorded earlier in the year.¹ This aid was mobilized from the emergency aid budget and from Phare and EAGGF funds, entailing the adoption of Regulations (EEC) Nos 2139/92² and 2793/92.* The aid was channelled through the Commission's usual partners, including the UNHCR, Unicef, the International Committee of the Red Cross and a number of NGOs; the Commission itself also played an active part, with ECHO setting up a logistical base in Zagreb, from where aid was distributed to refugees and displaced persons in Croatia. The worsening of the situation as winter approached led the Commission to approve a further ECU 120 million in aid on 7 October.³ This brought the amount of emergency humanitarian aid given by the Community since the beginning of the conflict in the former Yugoslavia to ECU 289 million. On 16 October the Birmingham European Council came out in favour of speeding up aid and setting up a European task force to provide back-up for relief workers on the ground;⁴ this mandate was confirmed by the Council on 9 November.

966. The Community also granted emergency aid to the victims of the conflicts in Afghanistan, Armenia, Azerbaijan, Tadjikistan and other countries. Community funds were also used to help the victims of natural disasters, and those facing particularly serious difficulties, for example in Albania, Egypt, El Salvador, Guatemala and Indonesia.

¹ Bull. EC 7/8-1992, point 1.4.18.

² OJ L 214, 30.7.1992; Bull. EC 7/8-1992, point 1.4.19.

³ Bull. EC 10-1992, point 1.4.23.

⁴ Bull. EC 10-1992, point 1.9.

*Section 11***Multilateral trade negotiations — Uruguay Round**

967. The Uruguay Round, which was launched in Punta del Este in September 1986, should have been concluded at a ministerial conference held in Brussels in December 1990.¹ However, the talks had to continue for the lack of a consensus on the proposals on agriculture made by the Chairman, Mr Hellstroem.

After a year of intensive negotiations on all 15 subjects covered by the Round, the GATT Director-General, Mr Arthur Dunkel, was in a position to table a draft final act in December 1991 which dealt with all the areas under discussion.² The 'Dunkel Paper' by and large reflected the consensus among the participants, but also included a number of compromises and trade-offs on the most politically sensitive issues. It was agreed that any request for amendment must be subject to a general consensus, which the party requesting the amendment would try to obtain through prior negotiation. With the majority of results of the Uruguay Round thus seemingly obtained, negotiations at the multilateral level should mainly have dealt with tariff reductions and non-tariff measures in the field of market access and with the initial commitments to liberalize trade in services. However, the impasse on agriculture consistently blocked all progress, with a majority of third countries, including most of the developing countries, only being prepared to make concessions once they knew what benefits would accrue to them in the agricultural sector. Bilateral contacts between the Community and the United States on agriculture took place at frequent intervals, therefore, throughout the year. However, the solution to the problem was further complicated by the dispute over oilseeds, with the GATT condemning the Community system of subsidies despite the fact that it had been reformed following a previous panel decision.

On 20 November the United States and the Community reached agreement on all the agriculture issues³ and this agreement was the subject of a resolution by Parliament on 17 December.⁴ On the question of oilseeds, the Commission was able to avoid the imposition of quantitative restrictions on production by undertaking not to allow the area set aside each year in the oilseeds sector,

¹ Twentieth General Report, point 810.

² Twenty-fifth General Report, point 1024.

³ Bull. EC 11-1992, point 1.4.83.

⁴ OJ C 21, 25.1.1993; Bull. EC 12-1992.

under the reform of the CAP, to fall below 10% of the average area used for oil-seed cultivation over the last three years (basis: 5.128 million hectares). As far as the agriculture sector in the Uruguay Round is concerned, the 'political' agreement provides for a 21% reduction in the volume of total subsidized exports. In addition it provides for an *ad hoc* consultation mechanism for monitoring imports of cereal substitutes into the Community and a 'peace clause' implying recognition of CAP instruments by the GATT, including internal support and export refunds. Thanks to the breakthrough on agriculture between the Community and the United States the multilateral negotiation process was able to resume in Geneva. Efforts are currently being concentrated on concessions on tariffs, non-tariff measures and the initial commitments on liberalizing trade in services. Negotiations on questions of principle should be resumed if there is a move in favour of a review of one of the draft agreements in the Dunkel Paper.

When the participants resumed business at the end of November, they reaffirmed their determination to achieve a successful outcome rapidly. The Community is therefore entitled to expect its partners to make the substantial contribution that is required to arrive at a balanced overall agreement.

Section 12

Commercial policy

Implementing the common commercial policy

Commercial policy instruments and import and export arrangements

968. In addition to maintaining the embargo against Iraq,¹ the Community had to adopt economic and trade sanctions against Libya² and, more particularly, against Serbia and Montenegro.³

969. On 17 June the Commission adopted a proposal for a Regulation* on the harmonization and streamlining of decision-making procedures for Community instruments of commercial defence. The transfer to the Commission under this proposal of certain powers at present exercised by the Council should make these procedures easier to apply.

970. In Regulation (EEC) No 1602/92 the Council adopted measures introducing a temporary derogation from the application of Community anti-dumping measures on imports into the Canary Islands of certain sensitive products.⁴

971. On 27 May the Commission adopted its 10th annual report on the Community's anti-dumping and anti-subsidy activities in 1991, in which it evaluates the potential effect on anti-dumping policy of the negotiations within GATT, the establishment of the European Economic Area, the disputes before the Court of Justice of the European Communities and the European Association Agreements with Poland, Czechoslovakia and Hungary.⁵

972. During the year, definitive antidumping duties were imposed on the following imports: certain types of thermal paper originating in Japan;⁶ certain

¹ Point 857 of this Report.

² Point 854 of this Report.

³ Point 839 of this Report.

⁴ Point 500 of this Report.

⁵ Bull. EC 5-1992, point 1.2.58.

⁶ OJ L 81, 26.3.1992; Bull. EC 3-1992, point 1.3.55.

polyester yarns (man-made staple fibres) originating in the People's Republic of China, India, Indonesia, Taiwan or Turkey;¹ cotton yarn originating in Brazil or Turkey;² certain semi-finished products of alloy steel originating in Brazil or Turkey;³ certain sheets and plates, of iron or steel, originating in the Republic of Slovenia or the Republics of Serbia and Montenegro or the former Yugoslav Republic of Macedonia;⁴ silicon metal originating in Brazil;⁵ radio broadcast receivers of a kind used in motor vehicles originating in the Republic of Korea;⁶ ball bearings (of over 30 mm) originating in Japan;⁷ potassium chloride originating in Belarus, Russia or Ukraine;⁸ ferro-silicon originating in Poland or Egypt;⁹ large aluminium electrolytic capacitors originating in Japan.¹⁰

973. In certain cases, the undertakings given by exporters that they would raise prices were accepted by the Commission, notably as regards the following imports: certain kinds of thermal paper originating in Japan;¹¹ container corner fittings of worked cast steel originating in Austria;¹² certain semi-finished products of alloy steel originating in Brazil or Turkey;³ ferro-silicon originating in Egypt;¹³ certain sheets and plates of iron or steel, originating in the Republics of Serbia and Montenegro or the former Yugoslav Republic of Macedonia;⁴ certain types of electronic microcircuits known as DRAMs originating in Japan;¹⁴ and ferro-silicon originating in Poland or Egypt.¹⁵

974. In other cases, it was not considered necessary to introduce protective measures and so the investigations concerning the following imports were terminated: certain merchant bars and rods of alloy steel originating in Turkey;¹⁶ dihydrostreptomycin originating in Japan;¹⁷ audio-tapes on reels originating in Hong Kong, Japan or the Republic of Korea;¹⁸ certain sheets and plates,

¹ OJ L 88, 3.4.1992; Bull. EC 3-1992, point 1.3.57.
² OJ L 82, 27.3.1992; Bull. EC 4-1992, point 1.3.56.
³ OJ L 182, 2.7.1992; Bull. EC 6-1992, point 1.4.58.
⁴ OJ L 221, 6.8.1992; Bull. EC 7/8-1992, point 1.4.77.
⁵ OJ L 222, 7.8.1992; Bull. EC 7/8-1992, point 1.4.67.
⁶ OJ L 222, 7.8.1992; Bull. EC 7/8-1992, point 1.4.68.
⁷ OJ L 286, 1.10.1992; Bull. EC 9-1992, point 1.3.53.
⁸ OJ L 308, 24.10.1992; Bull. EC 10-1992, point 1.4.59.
⁹ OJ L 369, 18.12.1992; Bull. EC 12-1992.
¹⁰ OJ L 353, 3.12.1992; Bull. EC 11/1992, point 1.4.67.
¹¹ OJ L 81, 26.3.1992; Bull. EC 3-1992, point 1.3.63.
¹² OJ L 165, 19.6.1992; Bull. EC 6-1992, point 1.4.60.
¹³ OJ L 183, 3.7.1992; Bull. EC 6-1992, point 1.4.57.
¹⁴ OJ L 299, 15.10.1992; Bull. EC 10-1992, point 1.4.65.
¹⁵ OJ L 369, 18.12.1992; Bull. EC 11-1992, point 1.4.68.
¹⁶ OJ L 35, 12.2.1992; Bull. EC 1/2-1992, point 1.4.81.
¹⁷ OJ L 28, 4.2.1992; Bull. EC 1/2-1992, point 1.4.82.
¹⁸ OJ L 28, 4.2.1992; Bull. EC 1/2-1992, point 1.4.83.

of iron or steel, originating in Mexico;¹ cotton yarn originating in Egypt;² certain types of nuts of iron or steel originating in Taiwan;³ certain sheets and plates, of iron or steel, originating in the Republics of Croatia and Bosnia-Herzegovina;⁴ pig-iron originating in Turkey;⁵ wire-rod originating in Argentina, Egypt, Trinidad and Tobago, Turkey, Croatia, Slovenia, Bosnia-Herzegovina or the Republics of Serbia and Montenegro or the former Yugoslav Republic of Macedonia;⁶ synthetic polyester fibres originating in Mexico or the United States of America.⁷

975. A number of anti-dumping measures expired, notably those concerning imports of certain types of deep freezer originating in the former Soviet Union;⁸ housed bearing units originating in Japan;⁹ certain types of multiphase electric motor originating in Bulgaria, Hungary, Poland, the Czech and Slovak Federal Republic, the former Soviet Union,¹⁰ Romania¹¹ or the former Yugoslavia;¹² copper sulphate originating in the Czech and Slovak Federal Republic, Hungary or Poland;¹³ ferro-silico-calcium/calcium silicide originating in Brazil;¹⁴ pentaerythritol originating in Canada or Sweden;¹⁵ urea originating in Libya;¹⁶ and mercury originating in the former Soviet Union.¹⁷

A GATT panel, set up at Japan's request, examined the anti-dumping duties imposed by the Community in 1991 on audio-cassettes originating in Japan. The Commission accepted the settlement procedure adopted, but reserved its position on the panel's terms of reference and composition.

976. Over the period 1991-92, a number of countries (Australia, Argentina, Brazil and Israel) initiated anti-subsidy proceedings against imports of certain processed agricultural products originating in the Community. The Commission followed attentively the progress of these investigations in order to ensure that

¹ OJ L 35, 12.2.1992; Bull. EC 1/2-1992, point 1.4.80.
² OJ L 82, 27.3.1992; Bull. EC 3-1992, point 1.3.66.
³ OJ L 197, 16.7.1992; Bull. EC 7/8-1992, point 1.4.64.
⁴ OJ L 221, 6.8.1992; Bull. EC 7/8-1992, point 1.4.77.
⁵ OJ L 230, 13.8.1992; Bull. EC 7/8-1992, point 1.4.85.
⁶ OJ L 256, 2.9.1992; Bull. EC 7/8-1992, point 1.4.86.
⁷ OJ L 306, 22.10.1992; Bull. EC 10-1992, point 1.4.62.
⁸ OJ C 7, 11.1.1992; Bull. EC 1/2-1992, point 1.4.91.
⁹ OJ C 33, 11.2.1992; Bull. EC 1/2-1992, point 1.4.92.
¹⁰ OJ C 80, 31.3.1992; Bull. EC 3-1992, point 1.3.64.
¹¹ OJ C 80, 31.3.1992; Bull. EC 3-1992, point 1.3.65.
¹² OJ C 203, 11.8.1992; Bull. EC 7/8-1992, point 1.4.83.
¹³ OJ C 218, 25.8.1992; Bull. EC 7/8-1992, point 1.4.84.
¹⁴ OJ C 297, 13.11.1992; Bull. EC 10-1992, point 1.4.68.
¹⁵ OJ C 296, 12.11.1992; Bull. EC 10-1992, point 1.4.69.
¹⁶ OJ C 294, 10.11.1992; Bull. EC 10-1992, point 1.4.70.
¹⁷ OJ C 328, 12.12.1992; Bull. EC 11-1992, point 1.4.76.

they were in accordance with the provisions of Article VI of the General Agreement and the Subsidies Code.

977. By Decision 92/169/EEC the Commission suspended the examination procedure concerning illicit commercial practices within the meaning of Council Regulation (EEC) No 2641/84 consisting of the imposition in Japan of a port charge or fee used for the creation of a Harbour Management Fund.¹

978. In the context of import and export arrangements, the Commission put before the Council a proposal for a Regulation* establishing a procedure for the Community administration of quantitative quotas. The aim of this proposal is to replace the system of allocation of Community quotas as national shares by a Community procedure for administering the quotas designed to avoid any fragmentation of the market.

979. In the same context, the Commission also adopted a proposal for a Regulation* amending Council Regulation (EEC) No 288/82 on common rules for imports,² a proposal for a Regulation* on common rules for imports from certain third countries and repealing Regulations (EEC) Nos 1765/82, 1766/82 and 3420/83, which are still in force, and a proposal for a Regulation on common rules for the import of textile products initially covered by Regulations (EEC) Nos 288/82, 1765/82, 1766/82 and 3420/83.

980. In addition, certain national quantitative restrictions were liberalized by Regulation (EEC) No 2875/92 and Annex I to Regulation (EEC) No 288/82 was amended accordingly.³

981. During the year, the Commission introduced prior and retrospective surveillance of imports of unwrought aluminium falling within CN code 7601 and originating in the independent States resulting from the former Soviet Union,⁴ prior surveillance of imports of slippers and other indoor footwear originating in the People's Republic of China,⁵ prior surveillance of imports of certain steel products originating in third countries other than EFTA member countries⁶ and retrospective surveillance for imports of steel products from third countries.⁶

¹ OJ L 74, 20.3.1992; Bull. EC 3-1992, point 1.3.67.

² OJ L 35, 9.2.1982; Sixteenth General Report, point 624.

³ OJ L 287, 2.10.1992; Bull. EC 9-1992, point 1.3.64.

⁴ OJ L 102, 16.4.1992; Bull. EC 4-1992, point 1.4.45.

⁵ OJ L 223, 8.8.1992; Bull. EC 7/8-1992, point 1.4.89.

⁶ OJ L 383, 29.12.1992; Bull. EC 12-1992.

982. As part of the Interim Agreement on trade and trade-related measures between the European Economic Community and the Czech and Slovak Federal Republic,¹ the Commission adopted Decision 92/433/EEC concerning the introduction of safeguard measures applicable to certain types of steel tubing originating in the Czech and Slovak Federal Republic imported into Germany,² and Recommendation 92/434/ECSC on the introduction of safeguard measures for certain ECSC steel products also originating in the Czech and Slovak Federal Republic.²

Treaties, trade agreements and mutual recognition agreements

983. Acting on a proposal from the Commission,³ the Council adopted on 21 September directives for the negotiation of Agreements between the Community and certain third countries (United States, Japan, Canada, Australia, New Zealand, Hong Kong, Israel, Singapore, the Philippines and the Republic of Korea) on mutual recognition in the field of conformity assessment.⁴

984. Furthermore, pursuant to Decision 69/494/EEC,⁵ the Council authorized the extension or automatic renewal for one year of certain trade agreements concluded by the Member States with third countries.⁶ The Council also authorized the automatic renewal or maintenance in force of certain friendship, trade and navigation treaties and similar agreements concluded between the Member States and third countries.⁷

Export credits

985. Following the conclusion of lengthy negotiations within the OECD, the Agreement amending the guidelines for officially supported export credits (the 'Consensus') entered into force on 15 February with, however, a transitional

¹ Point 749 of this Report.

² OJ L 238, 21.8.1992.

³ Bull. EC 4-1992, point 1.3.10.

⁴ Bull. EC 9-1992, point 1.3.62.

⁵ OJ L 326, 29.12.1969.

⁶ OJ L 22, 31.1.1992; Bull. EC 1/2-1992, point 1.4.97; OJ L 122, 7.5.1992; Bull. EC 4-1992, point 1.4.46;

OJ L 156, 10.6.1992; Bull. EC 6-1992, point 1.4.61; OJ L 292, 8.10.1992; Bull. EC 10-1992, point 1.4.71.

⁷ OJ L 120, 5.5.1992; Bull. EC 4-1992, point 1.4.47.

period, which expired on 15 August.¹ The new rules, which are designed to reduce distortion of competition, confine official support to the interest rates for export credits to certain countries. By its decision of 23 March the Council made the application of these amendments compulsory in the Member States. They do not, however, cover aircraft, since, despite the Commission's efforts, no successful conclusion was reached in the negotiations on this matter. On 14 December the Commission adopted a Decision extending the application in the Community of the above guidelines for an unspecified period,² and on 1 December proposed to the Council that a procedure be established to enable the Community to express a common position on decisions taken within the OECD.*

Export promotion

986. The Commission endeavoured this year to promote Community industry, particularly on the foreign markets which look promising in terms of potential expansion and purchasing power, by implementing a programme comprising some 10 exhibitions together with some conferences and market studies. This programme, which focuses mainly on Asia and the Pacific, also covers, although to a lesser degree, the Central European countries. Notably, an event was held in Warsaw in April in the Marketplace series.

987. In Asia priority was given to participation in international conferences and exhibitions and the Community was represented by industrialists from the Member States sharing Community pavilions with the Commission. In most cases, Community-sponsored exhibitions and seminars of a scientific, sectoral or general character, organized alongside such events, gave a boost to the Community dimension of the events themselves and reflected the Community's sectoral priorities.

988. The programme launched in 1991 to promote exports of textiles and footwear was continued, and targeted in particular at Taiwan and the Asean.³ The European exhibition of footwear organized in Singapore last year was repeated and similar initiatives got under way in Korea. This year the scope of the budget heading was widened to include leather goods; representatives of leather goods manufacturers selected the Mexican market to launch an export

¹ Twenty-fifth General Report, point 1034.

² Bull. EC 12-1992.

³ Twenty-fifth General Report, point 1040.

promotion campaign, and the Community was represented at the León leather market in Mexico.

Individual sectors

Steel

External element of the steel plan

989. Imports in 1992 totalled 12.3 million tonnes, up on the 10.7 million tonnes recorded the year before.¹

990. The rules governing imports into the Community underwent substantial changes. In accordance with the guidelines laid down by the Commission and the Council in April 1991, the voluntary-restraint arrangements in force since 1978 were ended.¹ Imports are no longer subject to restrictions, with the exception of residual national quotas, but ECSC contact groups, whose task is limited to exchanging commercial and technical information, have been set up in conjunction with the Central European countries and also with Brazil, Korea, Russia and Kazakhstan.

991. Under the Interim Agreements which were concluded pending ratification of the Association Agreements with Poland, Hungary and the Czech and Slovak Federal Republic and which have replaced the ECSC Protocols concluded with those countries in 1991, the only quotas still in force in the five Member States which had maintained them are in respect of the independent States of the former Soviet Union, Romania and Bulgaria; Europe Agreements are however being negotiated with the latter two countries.²

Multilateral steel consensus in the context of GATT

992. Negotiations to reach an international Agreement liberalizing trade in steel products, which were under way within GATT in Geneva, were suspended on 1 April. The Commission deplored the parties' failure to settle the policy

¹ Twenty-fifth General Report, point 1041.

² Twenty-fifth General Report, point 1045.

issues still outstanding and expressed the hope that negotiations would be resumed in the very near future.

Autonomous arrangements

993. On 29 June the representatives of the Member States meeting within the Council adopted a decision maintaining the 'traditional' national quotas at the existing levels, taking into account German unification, for Germany, Benelux and Italy with regard to the former Soviet Union, Romania and Bulgaria. In addition, the United Kingdom and Spain maintained their unilateral safeguard measures in respect of North Korea and the former Soviet Union respectively.

Relations with the USA

994. The arrangements restricting imports into the US market expired on 31 March. On 30 June the main US producers lodged complaints concerning dumping and subsidies in respect of imports of steel products from 21 countries, including seven Member States, totalling 2 million tonnes. The Commission is monitoring developments closely with a view to ensuring that European producers are not subjected to discriminatory treatment and that GATT rules are adhered to. Like Parliament,¹ the Council stated that it was concerned about the action taken on this matter by the United States and advocated the rapid resumption of discussions on the Multilateral Steel Arrangement.² On 7 December it adopted further conclusion on the matter.³

Shipbuilding

995. The negotiations begun in 1990 within the OECD on an international Agreement on adherence to normal and fair conditions of competition in the shipbuilding sector continued this year. However, despite the significant progress made, on 8 April the participants recognized that an Agreement had not been reached on certain major issues.

¹ OJ C 21, 25.1.1993; Bull. EC 12-1992.

² Bull. EC 10-1992, point 1.4.73.

³ Bull. EC 12-1992.

Textiles

Extending the MFA

996. Pending the conclusion of the Uruguay Round, on 6 October the Council adopted a decision authorizing the Commission to negotiate an extension of the Multifibre Arrangement.¹

Bilateral Agreements with non-member countries

997. Brazil having finally agreed, early in the year, to an extension of the Agreement until 31 December, on 6 April the Council adopted Decision 92/233/EEC on the conclusion of an Agreement in the form of an exchange of letters on the subject of the extension,² so that at present all the bilateral Agreements concluded under the MFA have been extended.³

Pending the conclusion and implementation of the Uruguay Round, on 6 October the Council authorized the Commission to negotiate a further extension of the bilateral Agreements.¹ On 21 December the Council decided on the provisional application of those Agreements.⁴

998. The Commission, duly authorized by the Council, negotiated new protocols with Hungary, Poland and the Czech and Slovak Federal Republic on the definitive arrangements applicable to trade in textile products, which will be annexed to the Europe Agreements.⁵ Under the Phare programme the Commission granted Bulgaria and Romania unilateral increases in their import quotas in respect of certain categories of textile products; in addition, and pending the introduction of definitive arrangements and on the basis of the Council's Directives,⁶ it negotiated with each country a textile protocol to be annexed to the Europe Agreement, similar to those negotiated in 1991 with Poland, Hungary and the Czech and Slovak Federal Republic.⁷ Consequently, it proposed to the Council that Romania and Bulgaria be excluded in respect of textiles from the generalized preference scheme.⁸

¹ Bull. EC 10-1992, point 1.4.56.

² OJ L 111, 29.4.1992; Bull. EC 4-1992, point 1.4.50.

³ Twenty-fifth General Report, point 1051.

⁴ OJ L 410, 31.12.1992; Bull. EC 12-1992.

⁵ Bull. EC 6-1992, point 1.4.64.

⁶ Bull. EC 12-1992.

⁷ Twenty-fifth General Report, point 1058.

⁸ Point 934 of this Report.

999. Following the break-up of the Soviet Union, the textile agreement initialled in 1989 continued to be applied *de facto* to the resulting independent States, 10 of which to date have initialled the exchange of letters proposed by the Community concerning the assumption of the rights and obligations deriving from the 1989 Agreement for the year 1992.¹

1000. As regards imports into the Community of textile products from Estonia, Latvia and Lithuania, previously covered by the Agreement with the former Soviet Union, the Council adopted Regulation (EEC) No 601/92 establishing a prior surveillance system for imports of goods subject to quantitative restrictions under the said Agreement.² This Regulation also applies to imports of certain textile products originating in Albania. Following the conclusion of the Agreements on trade and cooperation,³ on 6 April the Council authorized the Commission to negotiate bilateral textiles Agreements with those four countries.⁴

1001. On 13 July, in the wake of the conclusion of a trade and cooperation Agreement with Mongolia, the Council authorized the Commission to negotiate a bilateral textile Agreement with that country.⁵ On 26 October the Council also authorized the Commission to negotiate a bilateral textile Agreement with Viet Nam.⁶ Negotiations were held on 18, 19 and 20 November.

1002. On 15 December the Commission put before the Council a proposal for a regulation on common rules for the import of textile products from third countries.⁷

Arrangements with preferential countries

1003. Under its textile policy, the Commission concluded the consultations with Turkey with a view to renewing the arrangement for trade in textile products, which expired on 31 December 1991, and it opened negotiations with that country, on the basis of the Council negotiating directives, with a view to

¹ Twenty-third General Report, point 746.

² OJ L 65, 11.3.1992.

³ Point 747 of this Report.

⁴ Bull. EC 4-1992, point 1.4.48.

⁵ Bull. EC 7/8-1992, point 1.4.96.

⁶ Bull. EC 10-1992, point 1.4.74.

⁷ Point 979 of this Report.

renewing the arrangement for trade in clothing products, which expired on 31 December 1992.¹

Single market in the textile sector

1004. On 27 May the Commission adopted a communication on the implications of the completion of the single market for commercial policy in the textile and clothing industry.² In it the Commission proposes to eliminate regional disparities as regards import arrangements and to work in close cooperation with the Member States to establish a computer network to centralize surveillance of the Community textile quotas. The Council approved this approach in June and work on the computer network was started.³

Automobiles

1005. Following the arrangement with Japan in July 1991, steps have been taken to ease the remaining national restrictions on car imports from Japan for the five restricted markets, namely France and the United Kingdom (bilateral restrictions), and Italy, Portugal and Spain (restrictions under Article 115) and then to abolish them by the end of 1992.⁴ With the adoption by the Council in March of the Directives on the operation of EC type approval a further possible obstacle to free circulation of motor cars originating in Japan, and other countries, has been removed.⁵

1006. The Commission pursued negotiations with the United States with the aim of securing the removal of the discriminatory elements contained in the CAFE (corporate average fuel efficiency) rules, the 'gas-guzzler tax' and the luxury tax.⁶ The Commission also began to scrutinize the local content requirements of the NAFTA in order to identify possible distortion of trade.

1007. As regards the People's Republic of China, the Commission took steps to avoid changes in the system of standards for motor vehicles. Such changes would cause serious problems for EC car manufacturers with production units in China or exporting to that country.

¹ Bull. EC 11-1992, point 1.4.79.

² Bull. EC 5-1992, point 1.2.57.

³ OJ C 178, 15.7.1992; Bull. EC 6-1992, point 1.3.51.

⁴ Twenty-fifth General Report, point 1060.

⁵ Point 113 of this Report.

⁶ Twenty-fifth General Report, point 1061.

Other products

Aircraft

1008. On 13 July the Council adopted a decision on the conclusion of an agreement between the Community and the United States on trade in large civil aircraft.¹ The agreement provides for new disciplines covering any form of government support for manufacturers of such aircraft.

¹ OJ L 301, 17.10.1992; Bull. EC 7/8-1992, point 1.4.98.

Section 13

International organizations and conferences

United Nations

General Assembly

1009. The opening of the 47th session of the General Assembly saw 13 new members admitted to the United Nations: Armenia, Azerbaijan, Bosnia-Herzegovina, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Slovenia, Tadjikistan, Turkmenistan, Uzbekistan and San Marino. Mr Andriessen and Mr Matutes attended the first week's proceedings, and also took part in a series of separate meetings between the Community and a considerable number of States and regional groupings. This year the main themes addressed were human rights, the new role of the United Nations, the Secretary-General's peace agenda and the question of interdependence between peace, security, development and disarmament. Other topics discussed were the world social summit and the follow-up to the Rio Conference (Unced).¹ One particular issue discussed concerned institutional aspects of Unced. It was decided to instruct the Economic and Social Council to set up a high-level commission on sustainable development. The decision included provision for the Community to take part in the proceedings of the commission, though without the right to vote, in fields falling within the scope of its powers. This represents a new institutional advance for the Community, in so far as it has been granted a unique status as a full participant in the proceedings of a standing commission of one of the five principal organs established by the United Nations Charter. This is quite different from the observer status usually granted by the United Nations to regional economic integration organizations.

Economic and Social Council

1010. The Economic and Social Council continued during the year the work of implementing the reforms adopted in the previous year in order to give fresh impetus to its activities.² The aim of these reforms is to ensure that Ecosoc's

¹ Point 596 *et seq.* of this Report.

² Twenty-fifth General Report, point 1064.

proceedings and activities are concentrated where it can make the most useful contribution, notably by improving the coordination of overall UN activity in the economic and social spheres and furnishing guidelines for UN operational activities in economic, social and related areas, and also by presenting opinions in the context of high-level ministerial meetings organized once each year on the basis of a highly specific and up-to-date agenda. This year for the first time Ecosoc organized a single session (instead of two sessions as in the past) but divided its work into three segments: a high-level ministerial segment, a coordination segment and a third segment devoted to operational activities. The new formula was welcomed by Ecosoc members.

1011. The 47th annual session of the Economic Commission for Europe was held in Geneva from 7 to 15 April. Once again discussion was focused on streamlining the work of the annual session and on the need to concentrate efforts and resources on the priority sectors of ECE activity, namely transport, environment, trade facilitation, statistics and economic analysis, together with the role played by the ECE in supporting the transition processes under way in the Central European countries and in the Commonwealth of Independent States.

Convention on the Law of the Sea

1012. The 1982 United Nations Convention on the Law of the Sea will enter into force only when it has been ratified by 60 signatories. So far it has been ratified only by 51 developing countries, plus Iceland. The industrialized countries object to the interventionist and bureaucratic nature of Part XI (Exploitation of the sea-bed) and have been trying since 1982 to improve the regime concerned in order to gain general acceptance for the Convention. In 1990 the UN Secretary-General asked certain States which have a particular interest in the matter to take part in informal consultations with a view to seeking possible compromises. There is some hope that these consultations, in which the Community has been taking part since June this year, may offer the possibility of a solution by the end of 1993. Entry into force of the Convention before agreement is reached on improving Part XI would obviously jeopardize considerably the international efforts being made to render the Convention acceptable to all concerned, including the Community and its Member States.

United Nations Environment Programme

1013. The Commission took part in the ministerial meeting of UNEP's governing council, which was held in Nairobi from 3 to 5 February. It also took part in the negotiations conducted under the auspices of UNEP on the Convention on Biological Diversity.

International Monetary Fund and the World Bank

1014. The International Monetary Fund and the World Bank held a number of meetings in conjunction with their annual meeting, which took place in Washington from 20 to 24 September.¹ The Community was represented by Mr Lamont, the United Kingdom Chancellor of the Exchequer and President of the Council, and Mr Christophersen, Commission Vice-President. Commission representatives also took part in the discussions of the Group of Ten, the Interim Committee and the Development Committee. In addition, Mr Camdessus, IMF Managing Director, visited Mr Christophersen for talks on 26 March.

General Agreement on Tariffs and Trade

1015. The 48th session of the GATT Contracting Parties was held in Geneva on 2 and 3 December against the backdrop of the resumption of the Uruguay Round of multilateral trade negotiations, which are widely regarded by all those concerned as essential for hauling world trade out of its current slump.

1016. During the year the GATT Council examined a considerable number of trade issues, notably trade disputes, questions involved in cases of State succession, new accessions, regional agreements and the review of trade policies. On the particular question of its dispute with the United States concerning support arrangements for oilseeds, the Community opened negotiations under GATT Article XXVIII with a view to modifying its concessions on oilseeds.² These negotiations culminated in a draft agreement with the United States, although they are still continuing with the other supplier countries.

1017. The Council decided to set up a working party to examine the proposal for accession to GATT of 'Chinese Taipei' as a separate customs territory. It also decided to bring to a speedy conclusion the work of the group set up to examine the status of the People's Republic of China.

1018. The committees on the codes on non-tariff measures (subsidies, dumping, technical standards, government procurement, trade in civil aircraft and import licensing) held regular meetings on the administration of the agreements.

¹ Points 38 and 39 of this Report.

² Point 811 of this Report.

Because of the opposition of the United States, however, the Committee on Government Procurement was unable to adopt the report of the panel set up to look into the dispute between the United States and the Community over an invitation to tender for a sonar underwater mapping system.

1019. In addition to the above activities, the Uruguay Round of multilateral trade negotiations also continued throughout the year.¹

Organization for Economic Cooperation and Development

1020. Against the background of a difficult international economic climate, the OECD began its examination of the structural reform policies implemented by member countries during the past three years. It also continued the activities relating to the new dimensions of trade policy in the 1990s and the dialogue with non-member countries, more especially those in Latin America.² The Development Assistance Committee embarked upon a new study of moves towards regional integration by developing countries and the support that might be provided by donor countries and multilateral institutions.

1021. At their annual meeting, held on 18 and 19 May, the ministers welcomed the historic developments that bore witness to the widening recognition throughout the world of the fundamental principles shared by the OECD member countries, namely respect for human rights, pluralist democracy and the market economy.³ They also argued for sustainable economic growth and social progress and reaffirmed the need to strengthen the multilateral framework and the role of the OECD in a world undergoing change.

Conference on Security and Cooperation in Europe

1022. The second meeting of the Council of the CSCE,⁴ attended by Mr Andriessen, Commission Vice-President, was held in Prague on 30 and 31 January.⁵ Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova,

¹ Point 967 of this Report.

² Twenty-fifth General Report, point 1075.

³ Bull. EC 5-1992, point 1.2.73.

⁴ Twenty-fifth General Report, point 1081.

⁵ Bull. EC 1/2-1992, point 1.4.104.

Tadjikistan, Turkmenistan, Ukraine and Uzbekistan were welcomed as participating States, raising the number of CSCE participants from 38 to 48. At this meeting Croatia and Slovenia were granted observer status. The Council adopted the Prague document on further development of CSCE institutions and structures. This contains decisions on the role of the Committee of Senior Officials (CSO), the question of taking action without the consent of the State concerned in cases of clear, gross and uncorrected violations of relevant CSCE commitments (the so-called 'consensus minus one') and the establishment of a CSCE economic forum. The Council also authorized the CSO to take decisions on monitoring, management and coordination with the CSCE.

1023. An extraordinary meeting held on 24 March saw Croatia, Georgia and Slovenia accepted as CSCE participating States, raising the total to 51. Concern was expressed about the situation in Nagorno-Karabakh and the Council agreed that the CSCE Chairman should visit the region in order to contribute to the establishment of an effective cease-fire and a framework for an overall peaceful settlement.

1024. Following the ministerial opening session on 24 March,¹ attended by Mr Andriessen, Commission Vice-President, and Mr Deus Pinheiro, President of the Council, the fourth Helsinki follow-up Conference discussed progress and problems in implementing CSCE commitments, and improvements to those commitments in the light of the Prague document. A two-year programme of activities was drawn up, comprising expert-level meetings and seminars. It was agreed that the next Helsinki follow-up meeting, now renamed the CSCE Review Conference, would be held in Budapest in 1994.

1025. The third summit meeting of the Heads of State or Government and Foreign Ministers was held in Helsinki on 9 and 10 July.² This meeting, which was attended by Mr Delors and Mr Andriessen, brought to a close the fourth follow-up conference. This Helsinki Summit, which was the subject of a resolution adopted by the European Parliament,³ was notable for the increase in the number of participating States from 34 to 52 (Bosnia-Herzegovina having been admitted as a member on 29 April and Yugoslavia's participation having been suspended until October) and the presence of representatives of a number of international organizations and Japan, as guests. The main burden of the speeches was that the CSCE was more than ever necessary to manage in certain

¹ Bull. EC 3-1992, point 1.3.78.

² Bull. EC 7/8-1992, point 1.4.100.

³ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.3.67.

regions the transition to democracy and a market economy. Some States expressed disappointment that the CSCE was not yet able to resolve the problems of transition.

The Helsinki II document, entitled 'The challenges of change', consists of the declaration issued at the close of the Helsinki Summit meeting and the decisions adopted at the meeting. It takes stock of developments since the November 1990 Paris Summit and lays down guidelines and commitments for the future. Matters covered include CSCE instruments and structures, security issues, the human dimension, the economy and the environment, the Mediterranean and relations with other institutions and organizations.¹ The decisions adopted reflect the guidelines in operational terms and introduce new provisions for conflict prevention and crisis management. They also provide for the establishment of a CSCE security forum. In the areas of the human dimension and economic cooperation, the Helsinki Summit meeting placed the emphasis on giving fresh political impetus to implementing existing CSCE commitments, as advocated by the Community.

1026. In the wake of official missions to the former Yugoslavia, it was decided to set up long-term missions in the territories of Kosovo, Sanjak and Vojvodina, to support the extension of the European Community monitoring missions to countries bordering the former Yugoslavia, and to dispatch a CSCE mission to Skopje. The CSO agreed to support assistance missions to several countries in or bordering the former Yugoslavia, in connection with the sanctions adopted by the European Community against Serbia and Montenegro.²

1027. Following an expert-level meeting on the peaceful settlement of disputes in Geneva from 12 to 23 October, new procedures were fixed for dispute settlement, notably in relation to conciliation.

1028. A seminar on tolerance was held in Warsaw from 16 to 20 November and allowed experts to have a wide-ranging exchange of views on this matter, which is closely linked to human rights.

1029. Amongst the subjects discussed by ministers at the third meeting of the CSCE Council, which took place in Stockholm on 14 and 15 December and was attended by Mr Andriessen, were the role of the CSCE in the Balkan crises and in the southern regions of the former Soviet Union and the situation in the

¹ Twenty-fourth General Report, point 871.

² Point 839 of this Report.

Baltic States.¹ Ministers agreed on a statement on the former Yugoslavia in which they referred to the reinforcement of the CSCE's activities in the various parts of this region. They also adopted a convention on conciliation and arbitration and decided to admit the Czech and Slovak Republics, thereby raising the number of participating States to 53.

Council of Europe

1030. The major institutional developments in the Community and changes in the Council of Europe provided the background to relations between the two organizations. The intense pressure of activity prevented the holding of the annual quadripartite meetings, but the Community was represented by the Commission at the 90th meeting of the Committee of Ministers, on 7 May,² when Bulgaria became the 27th member of the Council of Europe, and at the special meeting of the Committee of Ministers held in Istanbul on 10 and 11 September, which concentrated on relations between the Council of Europe and the Commonwealth of Independent States and Georgia.³ The Community was also represented at the 91st meeting of the Committee of Ministers, held in Strasbourg on 5 November. At the first part-session of the Parliamentary Assembly, held from 3 to 7 February, Slovenia was given special guest status.⁴ The second part-session was held from 5 to 9 October.⁵

1031. The close relations between the Council of Europe and the Community were confirmed by the Treaty on European Union, which maintained Article 230 of the EEC Treaty, concerning cooperation between the two organizations. Furthermore, specific references to cooperation with the Council of Europe were included in the provisions on education and culture, and a reference was also included in the Treaty to the European Convention on Human Rights.

1032. Under the programmes of assistance and cooperation with the Central European countries, which the Commission coordinates within the Group of 24, the Council of Europe continued to be involved in the working party on training. In April it presented to the appropriate senior officials in the G24 its programmes for development in legal matters and local democracy. It was

¹ Bull. EC 12-1992.

² Bull. EC 5-1992, point 1.2.71.

³ Bull. EC 9-1992, point 1.3.68.

⁴ Bull. EC 1/2-1992, point 1.4.105.

⁵ Bull. EC 10-1992, point 1.4.77.

acknowledged in this connection that the success of economic reform depended on the legal reforms being put in place. The Council of Europe was represented at the G24 meeting held in Tirana on 22 and 23 July on the coordination of assistance to Albania.¹ Numerous contacts were established with a view to implementing the legal and local democracy development schemes (Thémis and Lode), partly within the framework of the Phare programme.

1033. Under the cooperation arrangements provided for by the exchange of letters of June 1987, the Commission took part on 11 March in the annual discussions with the ministers' deputies.² Meetings were also held between the Commission and the Council of Europe on such topics as culture, education, environment, heritage, youth, audiovisual techniques and legal matters.

European Bank for Reconstruction and Development

1034. Information on the activities of the EBRD is given in the 'Economic and monetary policy' section of Chapter III.³

¹ Point 759 of this Report.

² Twenty-first General Report, point 902.

³ Point 44 *et seq.* of this Report.

Chapter V

Intergovernmental cooperation and human rights

Section 1

European political cooperation

1035. The following is a summary of the joint statements adopted by the Community and its Member States in the course of the year on issues of concern in international affairs. The former Yugoslavia and its constituent republics were naturally in the forefront, but crises elsewhere in Europe, the Middle East, Asia, Africa and Central and South America were also covered.

Europe

1036. In a joint statement of 17 February regarding Albania, the Community and its Member States expressed grave concern at a series of incidents directed at the Greek minority in Albania. They appealed to the authorities to take the steps necessary to end such incidents.¹ On 14 April they welcomed the election to the presidency of Mr Berisha as a further positive step in the democratization process and called on all political parties to work towards the establishment of a just and democratic society.²

1037. With regard to the Commonwealth of Independent States (CIS), the Community and its Member States made a joint statement on 15 January welcoming the willingness of Kyrgyzstan and Tadjikistan to meet the 'Guidelines on the recognition of new States in Eastern Europe and the Soviet Union',

¹ Bull. EC 1/2 1992, point 1.5.20.

² Bull. EC 4-1992, point 1.5.10.

adopted on 16 December 1991, in common with all the other CIS members.¹ They also reiterated the importance they attached to the single control of nuclear weapons and the honouring of other obligations of the former Soviet Union.² On 12 December the European Council, meeting in Edinburgh, confirmed its support for the transition towards democracy and for cooperation with the independent States of the former Soviet Union.³

1038. On 8 January the Community and its Member States issued a joint statement calling on all political forces in Georgia to renounce violence and recalling that respect for fundamental rights and freedoms was a condition for Georgia's recognition as an independent State.⁴ On 23 March they made a further joint statement announcing that they were ready to proceed with the recognition of Georgia and noting with satisfaction that all the republics of the former Soviet Union had committed themselves to the guidelines on the recognition of new States in Central Europe and the former Soviet Union.⁵ A joint statement was published on 19 May, in which the Community and its Member States welcomed the scheduling of parliamentary elections in Georgia for October.⁶ On 7 August the Community and its Member States published a joint statement expressing approval at the release of those arrested after June's attempted coup in Tbilisi, the lifting of the state of emergency and the restoration of the right of free assembly in Georgia.⁷ On 14 October they welcomed the elections of 11 October and the high voter turnout, but remained concerned at the upsurge of fighting in Georgia.⁸ On 10 April the Community and its Member States issued a joint statement welcoming the comprehensive ceasefire and the undertakings given on a peaceful settlement of the conflict in Moldova.⁹ In a joint statement of 10 March, the Russian Federation and the Community and its Member States expressed their deep concern at the continuing conflict over Nagorno-Karabakh and urged the warring parties to honour an immediate ceasefire. They also backed the call for the setting-up of safe corridors for the movement of humanitarian aid. On 22 May the Community and its Member States expressed their great concern at the latest escalation in the fighting in Nagorno-Karabakh, strongly condemned the use of force by both sides and urged all concerned to work towards the convening of the CSCE

¹ Twenty-fifth General Report, point 1102.

² Bull. EC 1/2-1992, point 1.5.11.

³ Bull. EC 12-1992.

⁴ Bull. EC 1/2-1992, point 1.5.6.

⁵ Bull. EC 3-1992, point 1.4.9.

⁶ Bull. EC 5-1992, point 1.3.8.

⁷ Bull. EC 7/8-1992, point 1.5.7.

⁸ Bull. EC 10-1992, point 1.5.6.

⁹ Bull. EC 4-1992, point 1.5.8.

peace conference on Nagorno-Karabakh at the earliest possible date.¹ They issued a further joint statement on 18 June, in which they urged the governments concerned to use all their influence to break the vicious circle of violence and bring about an effective ceasefire; they also renewed their call to Azerbaijan and Armenia to respect human rights, a commitment they had made on admission to the CSCE.²

1039. A joint statement on Romania was published on 10 March; in it the Community and its Member States welcomed the first free local elections in many years and expressed the hope that parliamentary elections would follow within three months.³

1040. The former Yugoslavia and its republics were the subject of many statements. On 7 January a joint statement was published on the tragic death of the five members of the European Community Monitoring Mission (ECMM).⁴ On 10 January the Community and its Member States welcomed the resumption of the Conference on the former Yugoslavia chaired by Lord Carrington and called on all republics to commit themselves fully to its successful outcome. They also expressed firm backing for the efforts to promote the ceasefire accepted in Sarajevo on 2 January.⁵ A joint statement of 11 January pointed out that the agreed procedure for announcing ECMM monitoring flights had been followed correctly, contrary to certain press reports on the shooting-down of the ECMM helicopter.⁶ On 15 January the Community and its Member States announced their decision to proceed with the recognition of Croatia and Slovenia.⁷ On 17 February they issued a joint statement warmly welcoming the recommendation made by the Secretary-General of the United Nations to the Security Council on the deployment of a UN peace-keeping force in the former Yugoslavia.⁸ On 7 April they announced their decision to recognize forthwith the Republic of Bosnia-Herzegovina and extend to the republic of Serbia the benefit of positive measures similar to those granted to the other republics on 2 December 1991⁹ and 10 January.¹⁰ (It should, however, be noted that this decision has never been implemented owing to the political

¹ Bull. EC 5-1992, point 1.3.10.

² Bull. EC 6-1992, point 1.5.7.

³ Bull. EC 3-1992, point 1.4.3.

⁴ Bull. EC 1/2-1992, point 1.5.4.

⁵ Bull. EC 1/2-1992, point 1.5.7.

⁶ Bull. EC 1/2-1992, point 1.5.9.

⁷ Bull. EC 1/2-1992, point 1.5.10.

⁸ Bull. EC 1/2-1992, point 1.5.24.

⁹ Twenty-fifth General Report, point 890.

¹⁰ Point 840 of this Report.

situation.) On 1 June the Community and its Member States welcomed UN Security Council Resolution 757 on sanctions against Serbia and Montenegro.¹ On 16 June they again stressed the need for the full implementation of this resolution in the search for a peaceful and equitable solution to the Yugoslav crisis.² In a lengthy declaration, the European Council of 26 and 27 June condemned the continuing violence, expressing grave concern at the increasingly intolerable plight of the hundreds of thousands of displaced persons in the territory of the former Yugoslavia and stating its determination to help the people in their quest for a peaceful future.³ On 5 October the Community and its Member States gave their full support to the efforts of Lord Owen and Mr Vance to bring about a cessation of hostilities, and to the action in hand at the United Nations to investigate the mass killings and the practice of 'ethnic cleansing'.⁴ On 16 October the Birmingham European Council underlined the importance of providing shelters and safe havens for refugees, and of ensuring the effective delivery of supplies, particularly as winter was nearing.⁵

1041. On 10 March the Community and its Member States and the United States made a joint statement announcing their decision to coordinate their approaches to the recognition of Yugoslav republics seeking independence and reiterating their support for the UN peace plan and the European Community's peace Conference.⁶ On 20 July the Community and its Member States expressed their deep concern that the agreement between the parties in Bosnia-Herzegovina, signed in London on 17 July, had not yet taken effect. They also condemned all policies of ethnic cleansing and forced expulsions.⁷ In a joint statement of 6 August they wholeheartedly endorsed the UN Security Council's statement of 4 August and called on the authorities in Belgrade to use their influence to get the Serbs of Bosnia-Herzegovina to allow international observers immediate and unconditional access to all camps, prisons and detention centres, the existence of which they considered repugnant and despicable, to investigate allegations of ill-treatment.⁸ On 2 March the Presidency, on behalf of the Community and its Member States, condemned the recent violence in Sarajevo and called on all involved to refrain from any action that might impede their continuing participation in the talks on constitutional arrange-

¹ Bull. EC 6-1992, point 1.5.2.

² Bull. EC 6-1992, point 1.5.4.

³ Bull. EC 6-1992, point 1.32.

⁴ Bull. EC 10-1992, point 1.5.3.

⁵ Bull. EC 10-1992, point 1.9.

⁶ Bull. EC 3-1992, point 1.4.5.

⁷ Bull. EC 7/8-1992, point 1.5.5.

⁸ Bull. EC 7/8-1992, point 1.5.6.

ments.¹ On 11 April the Community and its Member States, concerned at the security situation in Bosnia-Herzegovina, appealed to all parties for an immediate ceasefire, reiterating their firm support for the principle of the territorial integrity of Bosnia-Herzegovina as the indisputable foundation for any constitutional order.² On 16 April they strongly condemned the spread of violence, backed by regular forces, in Bosnia-Herzegovina. Repeating that they would never accept a *fait accompli* imposed by violence, they condemned the use of force, intimidation and provocation by nationalist extremists together with all outside attempts to destabilize Bosnia-Herzegovina. They concluded by declaring that those responsible for such actions would be held accountable by the international community.³ On 5 May they published a joint statement exhorting all parties in Sarajevo to refrain from any further action that might lead to a catastrophe of unforeseeable dimensions and appealing for existing ceasefires to be respected and negotiations on the withdrawal of the Yugoslav National Army to be continued.⁴ On 14 July the Community and its Member States condemned the bombardment of Gorazde and other Bosnian towns by Serbian forces.⁵ In a joint statement issued on 4 May the Community and its Member States expressed their dismay and indignation at learning of the tragic death of an EC monitor of Belgian nationality in Bosnia-Herzegovina.⁶ On 2 November they condemned the attack on Jajce by Serbian militias and the barbaric bombardment of civilians fleeing the town.⁷ On 12 December the European Council, meeting in Edinburgh, strongly condemned the systematic detention and rape of Muslim women and stated that primary responsibility for the conflict lay with the present leadership of Serbia and of the Bosnian Serbs.⁸

1042. In a statement of 4 May concerning the former Yugoslav republic of Macedonia, the Community and its Member States stated that they were willing to recognize it as a sovereign and independent State, within its existing frontiers and under a name that could be accepted by all parties concerned.⁹ However, the European Council of 26 and 27 June said that while it considered the republic's borders inviolable and guaranteed in accordance with the principles of the United Nations Charter and the Paris Charter, the name should not include the term 'Macedonia'. On 10 January the Community and its Member

¹ Bull. EC 3-1992, point 1.4.2.

² Bull. EC 4-1992, point 1.5.9.

³ Bull. EC 4-1992, point 1.5.14.

⁴ Bull. EC 5-1992, point 1.3.4.

⁵ Bull. EC 7/8-1992, point 1.5.2.

⁶ Bull. EC 5-1992, 1.3.3.

⁷ Bull. EC 11-1992, point 1.5.2.

⁸ Bull. EC 12-1992.

⁹ Bull. EC 5-1992, point 1.3.2.

States, noting Montenegro's contribution to the continuation of the Conference on the former Yugoslavia, stated that they were willing to adopt positive measures in favour of this republic, similar to those which existed for other republics.¹

Middle East and Maghreb

1043. On 17 February the Community and its Member States published a joint statement on the Middle East peace process in which they expressed their full commitment to playing a consistent role in the multilateral negotiations and suggested ways in which certain obstacles could be overcome.² The Lisbon European Council of 26 and 27 June³ and the Edinburgh Council of 11 and 12 December⁴ reaffirmed the commitment of the Community and its Member States to playing a constructive and active role in the process.

1044. On 23 January the Community and its Member States expressed the firm hope that the Algerian authorities would make every effort to bring about a return to normal institutional life so that the democratic process could continue.⁵ They reiterated this hope in a joint statement of 17 February, appealing strongly to the Algerian authorities to implement their public commitments, namely social and economic reform, the restructuring of public administration and the protection of fundamental freedoms.⁶

1045. On 9 December in a joint statement⁴ they referred to Council Regulation (EEC) No 3541/92 prohibiting the satisfying of Iraqi claims with regard to contracts and transactions whose performance was affected by United Nations Security Council Resolution 661 (1990) and related resolutions.⁷

1046. On 20 February the Community and its Member States issued a joint statement expressing grave concern at the worsening situation in southern Lebanon.⁸ They repeated their concern on 27 May, appealing for all parties to implement in full the resolution of the UN Security Council.⁹ On 18 June

¹ Bull. EC 1/2-1992, point 1.5.8.

² Bull. EC 1/2-1992, point 1.5.22.

³ Bull. EC 6-1992, point I.33.

⁴ Bull. EC 12-1992.

⁵ Bull. EC 1/2-1992, point 1.5.14.

⁶ Bull. EC 1/2-1992, point 1.5.21.

⁷ Point 857 of this Report.

⁸ Bull. EC 1/2-1992, point 1.5.26.

⁹ Bull. EC 5-1992, point 1.3.11.

they expressed their satisfaction at the release of the two German hostages held in Lebanon.¹ On 18 August the Community and its Member States reaffirmed their support for the independence, sovereignty, unity and territorial integrity of Lebanon and welcomed the prospect of a renewal of the democratic process.² On 11 September they expressed regret that low voter turnout and alleged irregularities in the conduct of the elections had hampered the democratic process and produced a parliament that did not fully reflect the political will of the Lebanese people. They also reaffirmed their backing for the Taif accord.³ On 7 April the Community and its Member States issued a joint statement urging Libya to comply unconditionally with UN Security Council Resolutions 731 and 748, condemning the acts of violence against Western embassies on 2 April and calling on Libya to abide fully by international law.⁴

1047. In a lengthy declaration on the Maghreb countries, the European Council of 26 and 27 June reaffirmed its solidarity with these countries and its firm resolve to continue the overall policy of contributing to the stability and prosperity of the Mediterranean region in an approach based on partnership.⁵ On 4 January a joint statement was published on the deportation of Palestinians from the Occupied Territories.⁶ On 18 December the Community and its Member States firmly condemned Israel's decision to expel 400 Palestinians, in breach of the Fourth Geneva Convention, and urged the Israeli authorities to allow their immediate return.⁷

1048. In a joint statement on air terrorism issued on 17 February, the Community and its Member States welcomed the unanimous adoption of Security Council Resolution 731 and urged Libya to comply with its demands without delay.⁸

Asia

1049. On 16 April the Community and its Member States welcomed the UN Secretary-General's statement of 10 April on Afghanistan and gave their full support to the UN's plan for a peaceful solution to the Afghan conflict.⁹ On

¹ Bull. EC 6-1992, point 1.5.6.

² Bull. EC 7/8-1992, point 1.5.11.

³ Bull. EC 9-1992, point 1.4.5.

⁴ Bull. EC 4-1992, point 1.5.3.

⁵ Bull. EC 6-1992, point 1.34.

⁶ Bull. EC 1/2-1992, point 1.5.3.

⁷ Bull. EC 12-1992.

⁸ Bull. EC 1/2-1992, point 1.5.23.

⁹ Bull. EC 4-1992, point 1.5.13.

13 April they welcomed the formation in Kabul of an interim ruling council and the declaration of a general amnesty.¹ In a joint statement of 14 August, the Community and its Member States expressed their great concern at the renewed flare-up of the conflict and condemned the loss of life, calling on all involved to stop the fighting immediately.² On 13 February they welcomed the conclusions of the Asean heads of government at their Singapore Summit of 27 and 28 January, noting with particular satisfaction the moves to establish an Asean free trade area.³

On 25 June a joint statement was issued in which the Community and its Member States welcomed the success of the ministerial conference on the rehabilitation and reconstruction of Cambodia held in Tokyo on 22 June.⁴ On 13 February they declared themselves encouraged by the Indonesian Government's prompt response to the report of the National Investigation Commission set up after the incidents of November 1991 in East Timor, although they remained concerned about other aspects of the issue. They also backed the efforts of the UN Secretary-General to bring about a just, comprehensive and internationally acceptable settlement to the question of East Timor.⁵ On 2 December they vigorously condemned the detention by the Khmer Rouge of six members of the Untac forces.⁶

1050. On 11 December they expressed concern at the deaths caused in India by the recent wave of violence and supported the appeal for calm issued by the Indian Prime Minister.⁶

1051. Deeply concerned by the policies of the military authorities in Myanmar, which had caused about 140 000 Muslims to seek refuge in Bangladesh, the Community and its Member States reiterated on 20 March the terms of the representations they had made to the country's authorities on 2 March.⁷ In a joint statement of 15 April they called on the Myanmar authorities to refrain from military acts and other repressive acts against minorities, and in particular the Muslim Rohingyas; they also recalled their decision to refuse the sale of military equipment to Myanmar and repeated their appeal to other countries to take similar action.⁸ In a statement of 16 June they noted the measures

¹ Bull. EC 4-1992, point 1.5.15.

² Bull. EC 7/8-1992, point 1.5.10.

³ Bull. EC 1/2-1992, point 1.5.19.

⁴ Bull. EC 6-1992, point 1.5.9.

⁵ Bull. EC 1/2-1992, point 1.5.18.

⁶ Bull. EC 12-1992.

⁷ Bull. EC 3-1992, point 1.4.8.

⁸ Bull. EC 4-1992, point 1.5.12.

adopted by the State Law and Order Restoration Council (Slorc) after the replacement of General Saw Maung by General Than Shwe.¹ On 20 July, the third anniversary of her detention in Rangoon, they called on Slorc to lift immediately the restrictions imposed on Mrs Aung San Suu Kyi.²

1052. On 31 January the Community and its Member States welcomed the signing by North Korea of the Safeguards Agreement of the Non-Proliferation Treaty.³ On 29 June they welcomed the positive steps taken by the government of this country towards implementation of the Safeguards Agreement with the International Atomic Energy Agency, namely the ratification of the Agreement and nuclear inspections.⁴

1053. Following tragic events in Thailand, the Community and its Member States condemned on 20 May the use of force by troops against unarmed civilians.⁵ In a joint statement of 10 June they welcomed the constitutional amendments tabled for discussion in the national parliament, though they continued to be concerned that a number of civilian demonstrators remained unaccounted for.⁶

Africa

1054. On 1 October the Community and its Member States congratulated the people of Angola on the holding of democratic elections,⁷ noting with regret, on 14 October, the violence that followed.⁸ On 21 October they took note of the official publication of the results of elections that had been fair and free,⁹ and, on 4 November, again deplored the escalating violence, calling on all parties to abide by UN Security Council Resolution 785 and respect the ceasefire.¹⁰ On 8 January the Community and its Member States issued a joint statement on developments in Burundi in which they asked all parties to work together to restore peace and stability.¹¹ On 4 November they welcomed the

¹ Bull. EC 6-1992, point 1.5.5.

² Bull. EC 7/8-1992, point 1.5.4.

³ Bull. EC 1/2-1992, point 1.5.16.

⁴ Bull. EC 6-1992, point 1.5.10.

⁵ Bull. EC 5-1992, point 1.3.9.

⁶ Bull. EC 6-1992, point 1.5.3.

⁷ Bull. EC 10-1992, point 1.5.2.

⁸ Bull. EC 10-1992, point 1.5.8.

⁹ Bull. EC 10-1992, point 1.5.11.

¹⁰ Bull. EC 11-1992, point 1.5.4.

¹¹ Bull. EC 1/2-1992, point 1.5.5.

holding of multi-party elections in Cameroon on 11 October as an important step in the democratization process, in spite of certain procedural irregularities.¹ In a joint statement of 27 March, reiterating their support for the democratization process in Ethiopia, they noted anxiously the difficulties apparently preventing the progress of the electoral process and expressed their deep concern at the possibility of any abandonment of the democratization process.² On 17 November the Community and its Member States welcomed the free presidential elections in Ghana.³ On 15 April they expressed their concern at the continuing violation of human rights in Equatorial Guinea.⁴ On 22 September a joint statement was published in which it was stated that, on behalf of the Community and its Member States, the Heads of Mission in Malabo had, on 16 September, made representations to the Minister of Foreign Affairs, expressing concern at the violence used by police when detaining opposition politicians and asking that they be released.⁵ On 7 August the Community and its Member States welcomed the decision of the Government of Côte d'Ivoire to release those detained following the regrettable events of February.⁶ In a joint statement on Kenya issued on 24 March, they appealed to all concerned in the political process to embark on a constructive dialogue in order to lessen tensions and create the necessary conditions for free and fair elections.⁷

1055. With regard to the peace process in Mozambique, the Community and its Member States had from the very outset been following developments in the peace negotiations between the government and Renamo and on 17 March welcomed the signing of Protocol III concerning electoral law and citizens' rights.⁸ They issued a further statement on 12 August welcoming the signing by President Chissano of Mozambique and Mr Dhlakama, leader of Renamo, of a joint declaration committing them to the signing of a general peace agreement by 1 October.⁹ Subsequently, on 7 October, they said that they expected the Mozambican authorities to ensure that humanitarian aid reached the victims of drought.¹⁰ On 24 November they expressed their regret at the delays in the transition to civilian rule announced by the Government of Nigeria.¹¹

¹ Bull. EC 11-1992, point 1.5.5.

² Bull. EC 3-1992, point 1.4.11.

³ Bull. EC 11-1992, point 1.5.7.

⁴ Bull. EC 4-1992, point 1.5.11.

⁵ Bull. EC 9-1992, point 1.4.7.

⁶ Bull. EC 7/8-1992, point 1.5.8.

⁷ Bull. EC 3-1992, point 1.4.10.

⁸ Bull. EC 3-1992, point 1.4.6.

⁹ Bull. EC 7/8-1992, point 1.5.9.

¹⁰ Bull. EC 10-1992, point 1.5.4.

¹¹ Bull. EC 11-1992, point 1.5.8.

1056. On 20 July the Community and its Member States issued a joint statement noting with satisfaction the signing by the Rwandan Government and the RPF of the Arusha ceasefire agreement, which paved the way for political negotiations and the conclusion of a peace agreement.¹ On 27 August they welcomed the signing in Arusha of an agreement between the Rwandan authorities and the RPF on the rule of law.²

1057. The famine and civil war in Somalia were a matter of particular concern. The Community and its Member States appealed on 13 September to other members of the international community to join them in increasing the volume of aid to Somalia; they confirmed their full support for the United Nations' role in the country and called on the Somali factions to restore legitimate authority through a process of national reconciliation.³ On 16 October the European Council condemned the renewed fighting and called for a ceasefire and the deployment of UN troops to safeguard the distribution of aid.⁴ On 7 December they gave their full support to UN Security Council Resolution 794 on the establishment of a multinational force to provide a secure environment for the delivery of emergency aid.⁵

1058. On 26 February the Community and its Member States expressed the hope that the Codesa process initiated in South Africa would bring substantive progress.⁶ In a joint statement of 19 March they welcomed the outcome of the referendum as a clear demonstration of the South African people's commitment to the transformation process under way in their country.⁷ On 7 April they indicated their decision to lift the oil embargo and the restrictive measures against South Africa in the cultural, scientific and sporting spheres.⁸ This was followed on 11 May by a joint statement on the 11th synthesis report on the code of conduct for Community companies with subsidiaries in South Africa.⁹ On 23 June the Community and its Member States expressed their shock at the appalling incidents of violence in South Africa and called on leaders of all parties to persevere along the peaceful path to a non-racial democracy.¹⁰ On 8 September they condemned the killing and wounding of numerous ANC sup-

¹ Bull. EC 7/8-1992, point 1.5.3.

² Bull. EC 7/8-1992, point 1.5.12.

³ Bull. EC 9-1992, point 1.4.6.

⁴ Bull. EC 10-1992, point 1.10.

⁵ Bull. EC 12-1992.

⁶ Bull. EC 1/2-1992, point 1.5.28.

⁷ Bull. EC 3-1992, point 1.4.7.

⁸ Bull. EC 4-1992, point 1.5.2.

⁹ Bull. EC 5-1992, point 1.3.6.

¹⁰ Bull. EC 6-1992, point 1.5.8.

porters in Ciskei and other violent incidents, including the death of 10 people in Natal; they also called on all parties to agree to the extension of the National Peace Accord to cover the so-called 'independent homelands', and on the South African Government to exercise firm control over the security forces throughout South Africa.¹ On 27 October they announced the arrival of 15 Community observers in accordance with Security Council Resolution 772 and a proposal from the troika of Community Foreign Ministers.² On 30 November they said they were encouraged by the increased efforts of the parties in South Africa to give renewed momentum to negotiations to ensure a peaceful transition in South Africa.³

1059. In a joint statement of 18 May the Community and its Member States welcomed the forthcoming peace conference on Sudan and the decision by all parties to the conflict to take part.⁴ On 14 October they deeply deplored the execution of a Sudanese member of the Commission's staff in Juba in August and denounced the Sudanese authorities' systematic violation of human rights.⁵ In a statement on Togo issued on 3 November the Community and its Member States expressed their concern at the postponement of elections and the siege of the parliament by the armed forces.⁶ On 22 January the Community and its Member States issued a joint statement noting the unilateral suspension of the Zairean National Conference which put in question the possibility of a consensus-based democratic change in Zaire.⁷ On 17 February they emphasized the importance the Community and its Member States attached to respect for human rights and the completion of the democratic process in Zaire. In this context they vigorously condemned the acts of violence perpetrated by the security forces in Kinshasa on 16 February.⁸ In a joint statement of 7 April they noted the decision of the President of the Republic to resume the work of the National Sovereign Conference unilaterally suspended in January and expressed the hope that this would put an end to the political, economic and social deadlock that Zaire had been experiencing for several months.⁹ In a joint statement of 10 September they noted with satisfaction the National Conference's election of Mr Tshisekedi as Prime Minister and the acceptance of his government by both the Conference and the President. On 8 October

¹ Bull. EC 9-1992, point 1.4.2.

² Bull. EC 10-1992, point 1.5.12.

³ Bull. EC 11-1992, point 1.5.10.

⁴ Bull. EC 5-1992, point 1.3.7.

⁵ Bull. EC 10-1992, point 1.5.7.

⁶ Bull. EC 11-1992, point 1.5.3.

⁷ Bull. EC 1/2-1992, point 1.5.13.

⁸ Bull. EC 1/2-1992, point 1.5.25.

⁹ Bull. EC 4-1992, point 1.5.5.

they called on all political forces in Zaire to work together on the basis of the principles established by the National Sovereign Conference.¹ On 1 December they expressed their deep concern upon the announcement of the transitional government's dissolution by presidential decree.²

Central and South America

1060. In a joint statement of 3 January concerning El Salvador, the Community and its Member States welcomed the signing of the 'Act of New York' between the Government and the Farabundo Marti National Liberation Front (FMNL).³ On 16 January they expressed great satisfaction at the signing of the final peace agreement.⁴ They also welcomed, on 11 September, the commitment of the Governments of Honduras and El Salvador to accept and implement the ruling of the International Court of Justice on their border dispute. On 23 January they expressed their deep regret at the execution of Mr Díaz Betancourt, a citizen of Cuba.⁵ On 22 December they issued a statement deploring the negative response of the Cuban authorities to a *démarche* made by the Community troika of heads of mission in Havana on the case of Sebastián Arcos.² On 12 November they warmly welcomed the declaration of 5 September 1991, in which the Guatemalan President recognized Belize as a sovereign independent State.⁶

1061. In a joint statement of 26 February the Community and its Member States called on all parties in Haiti to implement the agreement reached in Washington between President Aristide and the Parliamentary Commission for Negotiation, which opened the way for the restoration of constitutional order and the return of the legitimate authorities to Haiti.⁷ On 7 April they reaffirmed their conviction that the Washington protocols of 23 and 25 February remained an important step on the path towards the re-establishment of the rule of law, and deplored the fact that the protocol of 23 February had not been ratified by the Haitian parliament.⁸ On 15 December they strongly condemned the repeated human rights violations committed in Haiti.²

¹ Bull. EC 10-1992, point 1.5.5.

² Bull. EC 12-1992.

³ Bull. EC 1/2-1992, point 1.5.2.

⁴ Bull. EC 1/2-1992, point 1.5.12.

⁵ Bull. EC 1/2-1992, point 1.5.15.

⁶ Bull. EC 11-1992, point 1.5.6.

⁷ Bull. EC 1/2-1992, point 1.5.29.

⁸ Bull. EC 4-1992, point 1.5.6.

1062. On 8 April the Community and its Member States made a joint statement expressing their deep concern at the decision of President Fujimori of Peru to break with the constitution and, in particular, to dissolve parliament and suspend the operation of the judiciary.¹ On 4 February and 30 November they condemned attempted coups in Venezuela.²

Emergency assistance

1063. On 21 February the Community and its Member States made a joint statement on the appointment of the UN High-Level Emergency Assistance Coordinator, in which they reaffirmed the firm commitment to ensuring prompt relief for victims of disasters and emergencies as well as the effective coordination of the action of UN agencies in this field.³

Preventive diplomacy

1064. On 30 June the Community and its Member States made a joint statement welcoming the release of the report by the Secretary-General of the United Nations on 'Preventive diplomacy, peace-making and peace-keeping'.⁴

Common foreign and security policy

1065. The Lisbon European Council of 26 and 27 June approved a report by the Ministers of Foreign Affairs on the likely development of the common foreign and security policy with a view to identifying areas open to joint action *vis-à-vis* particular countries or groups of countries.⁵

Human rights

1066. On 11 December the Community and its Member States published a joint statement on the Community's activity throughout the year in connection with human rights.⁶

¹ Bull. EC 4-1992, point 1.5.7.

² Bull. EC 1/2-1992, point 1.5.17; Bull. EC 11-1992, point 1.5.9.

³ Bull. EC 1/2-1992, point 1.5.27.

⁴ Bull. EC 6-1992, point 1.5.11.

⁵ Bull. EC 6-1992, point I.31.

⁶ Bull. EC 12-1992.

Section 2

Other intergovernmental cooperation

1067. The ministers with responsibility for immigration, together with Mr Bangemann representing the Commission, met for the 12th time in Lisbon on 11 and 12 June.¹ At this meeting, they noted Mr Bangemann's statement on the communication on the abolition of border checks, and were informed of the measures taken or to be taken by the Member States and the Community to deal with the effects of the movement of people from Bosnia-Herzegovina.² With a view to starting up the work programme on immigration and asylum adopted by the European Council at Maastricht,³ they adopted conclusions on the implementation of the Dublin Convention of 15 June 1990, which were to be approved later by the committee responsible for its implementation.⁴ They also took note of a preliminary list of third countries for which a joint report had been requested in the context of European Political Cooperation. They adopted a decision to set up a Centre for information, discussion and exchange on asylum (Cirea) and approved a preliminary draft agreement extending the Dublin Convention to non-Community countries.

1068. The ministers supported the Council presidency's efforts to resolve the last obstacle holding up the signing of the Convention on the crossing of external borders. The Commission drew attention to the worrying implications of failure to sign the Convention, which contained many essential measures foreshadowed in the 'Palma document'. The ministers with responsibility for internal security matters (Trevi Group) met on the same day, with a Commission representative present, and decided to appoint a German-led task force to work from Strasbourg on the setting-up of a European Drugs Unit (EDU), as the first phase of the establishment of Europol.⁵

1069. On 18 September, ministers responsible for home affairs and justice met informally in Brussels, with Mr Bangemann present, primarily to consider

¹ Bull. EC 6-1992, point 1.5.13.

² Point 164 of this Report.

³ Twenty-fifth General Report, point 213.

⁴ Twenty-fourth General Report, point 896.

⁵ Bull. EC 6-1992, point 1.5.14.

the implications of the spread of organized crime. They decided to set up a working party of police officers and magistrates specifically to examine how they could best join forces to tackle this worrying phenomenon.

1070. At their 13th meeting on 30 November and 1 December in London (also attended by Mr Bangemann), prior to the European Council at Edinburgh, immigration ministers discussed the changes which 1993 would bring to the Community's internal borders.¹ On the work programme on immigration and asylum, ministers approved a recommendation on Member States' practices on deporting illegal, non-Community country immigrants and adopted a resolution on transit in such cases; they also adopted a resolution on manifestly unfounded asylum applications and they examined the possibility of giving such provisions binding force via a convention. They adopted a resolution on host third countries and approved a report on non-Community countries in which there is generally no serious risk of persecution; they also approved the creation of a centre for information, research and exchange on the crossing of the Community's external borders and immigration. They adopted conclusions on the situation of those who have become displaced persons as a result of the conflict in the former Yugoslavia. They expressed deep regret that Spain and the United Kingdom had not succeeded in solving the problem of Gibraltar, which since July 1991 had prevented the signing of the draft Convention on the crossing of the Community's external borders. The ministers with responsibility for internal security matters, who met the same day with a Commission representative present, devoted their entire meeting to examining the draft ministerial agreement on the creation of the EDU.¹ The agreement could not be signed because no agreement could be reached on the provisional siting of the organization and the appointment of the provisional coordinator; both matters were submitted to the European Council.

1071. The European Council, meeting in Edinburgh, concluded that the free movement of persons provided for in Article 8(a) of the EEC Treaty could not be completely assured on 1 January 1993 and that further progress was necessary to complete the ratification of the Dublin Asylum Convention, to conclude the External Borders Convention and to complete negotiations on a Convention

¹ Bull. EC 12-1992.

on the European Information System. There would none the less be notable changes in 1993 with the progressive entry into force of the Schengen Agreement and the reduced checks on other Member States' nationals which Member States intended to introduce. The European Council failed to agree on a provisional location and provisional coordinator for the EDU, which would not now start work on 1 January 1993.

Section 3

Human rights and fundamental freedoms

1072. Human rights were the subject of several initiatives during the year and were written, for the first time, into a Community treaty, namely the Treaty on European Union.

Inside the Community

1073. The debate which took place in the Member States during the process for ratification of the Treaty on European Union highlighted the need to strengthen the process of democracy and make the institutions more efficient so that citizens could voice their aspirations and have them translated into Community policies and action.¹

As a response to these concerns, the Birmingham European Council of 16 October adopted a declaration entitled 'A Community close to its citizens' with the aim of putting flesh on the principle of 'subsidiarity', or 'nearness', so that the Community might develop with the support of its citizens.² In order to implement this declaration, the Edinburgh European Council adopted specific measures on access to the work of the Council, information on the role of the Council and its decisions and simplification of and easier access to Community legislation.³

1074. Parliament put the policy geared towards the citizen into action right from the start of the year by setting up a Committee on Civil Liberties and Internal Affairs in January⁴ to deal with matters relating to human rights and civil liberties in the Community, in particular the security and free movement of persons, asylum policy, the fight against racism and xenophobia, immigration policy, and policy towards nationals of third countries.

1075. Alarmed by the upsurge of acts of violence with racist and anti-Semitic overtones, both Parliament⁵ and the Economic and Social Committee⁶ roundly condemned such acts of intolerance.

¹ Points 1 to 12 of this Report.

² Bull. EC 10-1992, point I.8.

³ Bull. EC 12-1992.

⁴ OJ C 39, 17.2.1992.

⁵ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.2.218.

⁶ Bull. EC 11-1992, point 1.3.242.

1076. In July, Parliament asked the Member States to appoint an ombudsman to be responsible for safeguarding children's rights and interests at national and Community level and called on the Commission to submit a draft Community Charter of Rights of the Child.¹ Believing like Parliament that children are one of the most vulnerable sections of the population the Economic and Social Committee adopted an own-initiative opinion on adoption containing a number of recommendations and summarizing the situation in individual Member States as regards abandoned children and their care, legislation, types of adoption and procedures, and the duties and rights of the parties concerned.²

1077. The advisory body on the ethics of biotechnology, set up by the Commission in 1991, held its first meetings this year with the aim of identifying and clarifying certain issues, assessing the ethical aspects of the Community's activities in this field and studying their potential consequences for society and individuals.³ It was also entrusted with the task of advising the Commission on ways of helping the general public to a better grasp of biotechnology.

Outside the Community

1078. The Community and its Member States continued their policy of promoting human rights and fundamental freedoms in the world at large. They also underlined their commitment to the principles of parliamentary democracy and the rule of law.

1079. The Lisbon European Council⁴ stressed the special importance it attached to initiatives aimed at giving active support to countries which introduced democracy, enhanced human rights and promoted good governance, reflecting the November 1991 resolution of the Council and Member States' representatives on human rights, democracy and development.⁵ The Commission, for its part, presented the first annual report to the Council and Parliament on the implementation of that resolution⁶ and the Council and representatives of the Member States adopted conclusions on 18 November reaffirming the principles which it contained.⁷

¹ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.3.238.

² OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.3.239.

³ Twenty-fifth General Report, point 1135.

⁴ Bull. EC 6-1992, point I.31.

⁵ Twenty-fifth General Report, points 1023 and 1137.

⁶ Bull. EC 10-1992, point 1.4.45.

⁷ Bull. EC 11-1992, point 1.4.50.

The Commission made use of the financial instruments designed to back measures to strengthen the rule of law and the transition towards democracy and civil society in developing countries and to support the democratization process in Central and Eastern Europe as advocated by Parliament in May in a resolution on assisting the development of democratic movements in Europe.¹

1080. An active policy on human rights implies the ability to react appropriately whenever abuses occur. Continuing serious violations of human rights in many countries prompted the Community and its Member States to react either by making behind-the-scenes representations (over a hundred) or by issuing more than a hundred statements.² In some cases other steps have been taken, such as changes to the content of cooperation programmes, the postponement of the signatures required for implementing cooperation, or even actual suspension of cooperation. In so doing care has always been taken to avoid penalizing the population of the country concerned, especially the most disadvantaged sections of society.

1081. In accordance with the declaration on human rights adopted by the Luxembourg European Council in June 1991,³ and with the resolution on human rights, democracy and development, a clause on respect for democratic principles and human rights is now to be included automatically in Cooperation Agreements between the Community and third countries.

1082. The importance which the Community and its Member States attach to respect for human rights was reflected in their contributions to debates in international organizations and institutions such as the United Nations General Assembly and Commission on Human Rights, the Conference on Security and Cooperation in Europe⁴ and the Council of Europe.⁵ They also played an active role in preparatory work for the international conference on human rights to be held in Vienna in June next year under the aegis of the United Nations.

¹ OJ C 150, 15.6.1992; Bull. EC 5-1992, point 1.2.77.

² OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.4.111; OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.3.85; OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.4.59; OJ C 176, 13.7.1992; Bull. EC 6-1992, point 1.4.78.

³ Point 961 of this Report.

⁴ Point 1025 of this Report.

⁵ Point 1030 *et seq.* of this Report.

1083. Parliament was deeply concerned by the many violations of human rights, particularly in former Yugoslavia,¹ Iran,² Zaire,³ Haiti,⁴ Peru⁵ and Eastern Timor.⁶ In the context of the financial protocols with certain Mediterranean countries, it also adopted a resolution appealing for observance of human rights and international agreements.⁷ On the quincentenary of the landfall of Europeans in America, it called on the institutions responsible for development policy to assess more carefully the impact of projects on indigenous peoples.⁸

1084. On 17 December the Sakharov Prize for freedom of thought was presented by Mr E. Klepsch, President of the European Parliament, to the Plaza de Mayo mothers' organization from Argentina.⁹

¹ OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.4.68; OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.4.119.

² OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.3.87; OJ C 176, 13.7.1992; Bull. EC 6-1992, points 1.4.73 and 1.4.74.

³ OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.4.116.

⁴ OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.4.114; OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.4.63.

⁵ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.3.88; OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.4.65.

⁶ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.4.113.

⁷ OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.4.24.

⁸ OJ C 94, 13.4.1992; Bull. EC 3-1992, point 1.3.90.

⁹ Bull. EC 12-1992.

Chapter VI

Community institutions and financing

Section 1

Institutions and other bodies

Relations between the institutions

Commission programme

1085. The programming of Community activity continued to evolve.¹ At a meeting attended by the Council Presidency on 25 March, after the Commission had presented the annual work programme setting out its policy objectives,² Parliament, represented by its enlarged Bureau, and the Commission agreed the legislative programme for 1992.³ The programme was used by both the Portuguese and the British Presidencies in the establishment of their respective six-month programmes; the Economic and Social Committee also paid close attention to it when scheduling its business. In its resolution of 14 February on the programme for 1992, Parliament stressed the importance of abiding by the priorities set by the three institutions in the context of strategies laid down with its committees.⁴ A further resolution of 8 July highlighted the value of this form of democratic control for the advancement of the cause of European Union.⁵ The Commission has announced its intention of giving greater publicity to its annual work programme and the legislative programme by having them published in the *Official Journal of the European Communities*.

¹ Twenty-fifth General Report, point 1145.

² Bull. EC 1/2-1992, point 1.7.9; Supplement 1/92 — Bull. EC.

³ Bull. EC 1/2-1992, point 1.7.10.

⁴ OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.7.11.

⁵ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.7.7.

This new interinstitutional practice has tangible effects on the transparency of the decision-making process. The institutions all concentrated on the main areas covered by the programme (completing the internal market and flanking measures; organizing the economic and social area; European society; and so on). Of the 175 proposals set out in the new programme that were already in progress in January, 102 have been adopted by the Council and 24 are at the common position or political agreement stage. The Commission has presented 73 of the 118 new legislative proposals announced in this year's programme.

Voting in the Council

1086. The process of improving decision-making procedures for implementing the Single Act continued in 1992. There are two undeniable contributory factors here. For one thing, an ambitious legislative programme had to be carried through in a very short space of time for the completion of the single market by 1 January 1993; for another, the fact that majority voting has come to be regarded as the norm in the Council means that it is commonly possible to establish that the conditions required for adoption of a proposal are satisfied without a formal vote being necessary. The prospect of a majority vote often inspires delegations to greater flexibility.

Inclusion of Parliament in the decision-making process

1087. When Parliament, represented by its enlarged Bureau, and the Commission met to approve the legislative programme in March, they confirmed¹ that they were resolved to pursue the interinstitutional cooperation established by the Code of Conduct agreed on in April 1990.²

1088. On the legislative front Parliament had a most fruitful year, thanks to tighter interinstitutional cooperation on the legislative programme and to new simplified rules of procedure.³ The general pattern of developments in the cooperation procedure remains satisfactory. Since the Single Act came into force, 276 instruments have been adopted. Of the amendments requested by Parliament at first reading, more than 55.5% were accepted by the Commission

¹ Bull. EC 3-1992, point 1.6.1.

² Twenty-fourth General Report, point 912.

³ Bull. EC 1/2-1992, point 1.7.1.

and more than 43% by the Council. On second reading, 45.97% were accepted by the Commission and 24.6% by the Council.

1089. The European Council, meeting in Edinburgh on 11 and 12 December, ¹ requested the Council to come to an understanding with the Commission and Parliament on the renewal of the 1988 Interinstitutional Agreement.

1090. On the institutional front, Parliament gave its approval for the Treaty on European Union by a large majority on 7 April. ² On 17 December it adopted a resolution on the codecision procedure and two resolutions, with draft measures attached, concerning the duties of the Community's Ombudsman and the parliamentary committees of inquiry. ³ In June it endorsed the decision of the Heads of State or Government to confer a new term of office as Commission President (1993-94) on Mr Jacques Delors. ⁴ To reflect the new full institution status conferred on the Court of Auditors by the Treaty on European Union, the Court's President, Mr A. Angioi, for the first time presented Parliament with the Court's Annual Report on the accounts for 1990 to Parliament at the April part-session. ⁵

1091. In Cases C-65/90 and C-295/90 ⁶ the Court of Justice confirmed the law as stated in Case C-70/88 (the post-Chernobyl Directive case) ⁷ regarding Parliament's legitimate interest in the legislative process. In the former case the Court confirmed an earlier ruling and annulled Council Regulation No 4059/89 on road haulage licensing. The Court ruled that the changes made by the Council to the Regulation went to the very heart of the arrangements introduced and should therefore be considered substantial. As a result, Parliament should have been consulted a second time.

Implementing powers conferred on the Commission

1092. The Council gave further evidence of its tendency to confine the implementing powers conferred on the Commission within tight limits. ⁸ Although the Intergovernmental Conference that prepared the Single European

¹ Bull. EC 12-1992.

² OJ C 125, 18.5.1992; Bull. EC 4-1992, points 1.1.1 and 1.7.1.

³ OJ C 21, 25.1.1993; Bull. EC 12-1992.

⁴ OJ C 241, 21.9.1992; Bull. EC 7/8-1992, points 1.7.1 and 1.7.7.

⁵ Bull. EC 4-1992, point 1.7.1.

⁶ Points 1213 and 1214 of this Report.

⁷ *Parliament v Council* [1990] ECR I-2041.

⁸ Twenty-fifth General Report, point 1150.

Act specifically asked the Council to give pride of place to the advisory committee procedure in the exercise of implementing powers conferred on the Commission by instruments implementing Article 100a of the EEC Treaty,¹ the Council only adopted this procedure three times whereas the Commission had proposed it 14 times. In all the internal market proposals, the Council has used the procedure only 17 times out of the 77 proposed by the Commission. And in some cases the Council again kept certain implementing powers for itself.

Composition and functioning of the institutions

Parliament

1093. At 31 December the seats in Parliament were distributed as follows:

Socialists	178
European People's Party	162
Liberal, Democratic and Reformist Group	46
European Unitarian Left	28
Greens	28
European Democratic Alliance	20
Rainbow Group	16
Technical Group of the European Right	14
Left Unity Group	13
Non-affiliated	13

1094. The parliamentary year began with the constitution of the House and its various bodies for the second half of the 1989-94 Parliament. In accordance with an informal agreement between the Socialist and EPP Groups, Mr Egon Klepsch (EPP) was elected to succeed Mr Enrico Barón Crespo (S) as President. A new committee was formed to deal with public liberties and home affairs, reflecting Parliament's concern for these matters. There were significant changes in the composition of the political groups: the European Democratic Group

¹ Twenty-fifth General Report, point 4.

was disbanded and its British and Danish Members joined the European People's Party, which consequently had 162 Members at the end of the year. Twenty Members of the European Unitarian Left, most of them from the Italian Democratic Left (PDS), stated that they planned to cross over to the Socialist Group. This decision took effect on 12 January 1993. A temporary committee was formed to consider the Commission's proposals on the future financing of the Community after 1992 (the Delors II package) and completed its proceedings in June. In the light of German unification and the prospects of enlargement the Edinburgh European Council¹ agreed on the following distribution of the 567 seats in Parliament as from 1994: Belgium 25, Denmark 16, Germany 99, Greece 25, Spain 64, France 87, Ireland 15, Italy 87, Luxembourg 6, Netherlands 31, Portugal 25, and the United Kingdom 87.

1095. The year's debates were dominated by the Treaty on European Union, the second package of structural and financial measures, completion of the internal market, the Community's response to the crisis in former Yugoslavia, the GATT negotiations and the Agreement on the European Economic Area. Parliament gave its opinion on the Treaty on European Union only in April,² though the question had been on the agenda in one form or another for earlier part-sessions when the Commission's annual programme, the Delors II package and the programme of the Portuguese Presidency had been up for debate. There was overwhelming support for ratification, though some criticisms were voiced. Following the Danish, Irish and French referendums, the question was debated again on several occasions, notably following the European Councils at Birmingham³ and Edinburgh and the 'national compromise' agreed by Denmark's main political parties.⁴ Related questions also came up: Parliament adopted proposals for interinstitutional agreements on the Ombudsman, the powers of committees of inquiry and the codecision procedure.⁵

The second package of financial and structural measures (the Delors II package) was debated in February.⁶ In the course of the debate on the 1993 budget⁷ disagreements arose with the Council on the financing of these measures and the related issue of an Interinstitutional Agreement to replace that covering 1988-92.⁸

¹ Bull. EC 12-1992.

² OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.1.1.

³ OJ C 305, 23.11.1992; Bull. EC 10-1992, points 1.1.2 and 1.1.3.

⁴ OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.1.6.

⁵ OJ C 25, 25.1.1993; Bull. EC 12-1992.

⁶ Point 13 *et seq.* of this Report.

⁷ Point 1179 *et seq.* of this Report.

⁸ OJ L 185, 15.7.1988; Twenty-second General Report, point 84.

The House held a series of major debates on internal market matters, in particular the social dimension and free movement of persons, frontier checks and immigration policies. It expressed its growing concern at the downturn of economic growth, the rise in unemployment and monetary instability.

On the external relations front, Parliament gave its assent to the Agreement on the European Economic Area in October.¹ Financial protocols with Mediterranean non-member countries were repeatedly on the agenda; it was difficult to attain a majority for their approval.²

The Uruguay Round negotiations were debated,³ as was the ongoing crisis in former Yugoslavia.⁴

1096. Parliament held 12 part-sessions, during which it adopted 705 resolutions and decisions, including 313 embodying its opinion, of which 70 were under the cooperation procedure (first reading). On second reading, Parliament approved the Council's common position without amendment in 32 cases and after amendment in 34 cases; it rejected it in 2 cases. The assent procedure (Articles 237 and 238 of the EEC Treaty as amended by the Single European Act) was applied in 11 cases. Parliament adopted 257 own-initiative resolutions — 75 on the basis of reports, 130 by urgent procedure and 52 following an early vote to conclude debates on Commission or Council statements or on oral questions — and 28 resolutions and decisions on budgetary matters. It took 14 miscellaneous decisions concerning changes in the Rules of Procedure, requests to waive Members' immunity, etc.

1097. A breakdown of Parliament's work in 1992 is shown in Table 19. A total of 3 526 written questions were tabled — 3 051 to the Commission, 338 to the Council and 137 to the Conference of Ministers for Foreign Affairs (political cooperation). Oral questions (Question Time) numbered 1 325 — 785 to the Commission, 335 to the Council and 205 to the Conference of Ministers for Foreign Affairs. There were also 320 oral questions with or without debate — 190 to the Commission, 102 to the Council and 28 to the Conference of Ministers for Foreign Affairs.

1098. At 31 December the establishment plan of the Secretariat comprised 3 149 permanent posts and 537 temporary posts.

¹ Point 789 of this Report.

² Points 846 and 847 of this Report.

³ Point 967 of this Report.

⁴ Point 838 *et seq.* of this Report.

TABLE 19
The year in Parliament

	Consultations (single reading)	Cooperation procedures (Single Act)		Assents (Articles 237 and 238 EEC)	Other opinions	Budget questions	Own-initiative reports and resolutions			Miscellaneous decisions and resolu- tions
		I ¹	II ¹				EP Rules 63 + 121	EP Rules 56 + 58	EP Rule 64	
January	10	—	5	5	—	—	1	2	—	4
February	14	8	13	—	—	2	5	5	11	2
March	24	9	8	—	1	3	9	5	16	2
April	12	9	2	—	3	8	5	3	16	—
May	66	5	9	—	—	1	19	4	—	1
June	16	4	5	—	1	1	11	4	10	2
July	15	4	6	—	—	2	9	8	17	1
September	5	—	1	2	3	—	14	5	16	—
October	20	14	9	4	—	5	3	6	18	—
November	34	15	7	—	1	2	8	5	10	—
December	27	2	1	—	5	4	11	5	16	2
Total	2432	70³	66⁴	11⁵	14⁶	28⁷	75⁸	52⁹	130¹⁰	1411

NB: Parliament also adopted 2 resolutions under Rule 43(4) (follow-up to Parliament's opinion).

- 1 I: first reading; II: second reading.
- 2 Including 144 where Parliament proposed amendments and 4 where it rejected Commission proposals.
- 3 Including 43 where Parliament proposed amendments to Commission proposals.
- 4 Including 34 where Parliament refused to give its assent on 3 occasions (protocols with Syria and Morocco); but it then did give its assent in October.
- 5 In January Parliament refused to give its assent on 3 occasions (protocols with Syria and Morocco); but it then did give its assent in October.
- 6 Mostly opinions on Commission reports or communications.
- 7 Including 6 own-initiative reports.
- 8 Own-initiative reports by parliamentary committees.
- 9 Resolutions winding up debates on Commission or Council statements or on oral questions.
- 10 Resolutions adopted after debates on topical and urgent subjects.
- 11 Mostly decisions to waive a member's immunity or to amend the Rules of Procedure.

Council

1099. Portugal was in the chair for the first half of the year and the United Kingdom for the second half.

1100. The European Council met three times during the year — two ordinary meetings in Lisbon in June¹ and in Edinburgh in December,² and an extraordinary meeting in Birmingham in October.³ At the Lisbon meeting on 26 and 27 June the Heads of State or Government reaffirmed the Community's determination to press ahead with the process of European integration; they considered the future financing of the Community and progress made towards European Union. Regarding enlargement, a broad consensus was reached on the approach outlined by the Commission in its paper on 'Europe and the challenge of enlargement'⁴ and an Agreement that accession negotiations with the EFTA applicant countries could begin as soon as the Maastricht Treaty was ratified and an Agreement reached on the Delors II package of structural and financial measures. On the external relations front, the European Council reiterated support for the economic and political reform process in Central and Eastern Europe and the former Soviet Union and also considered both the situation in former Yugoslavia and the Middle East peace process.

1101. The extraordinary meeting of the European Council in Birmingham on 16 October was intended primarily to convey a message of confidence in the process of ratifying the Maastricht Treaty on European Union and to give the citizen an assurance of transparency, subsidiarity and democracy. There was a call for faster Community aid for former Yugoslavia, for the maintenance of sanctions and for rapid deployment of the UN protection force (Unprofor II). The rapid deployment of UN troops in Somalia was also called for.

1102. On 11 and 12 December, the Heads of State or Government meeting in Edinburgh agreed to the Delors II package concerning the financing of Community action and policies from 1993 to 1999,⁵ guidelines to implement the subsidiarity principle and to promote transparency.⁶ They decided enlargement negotiations with Austria, Finland and Switzerland should begin on 1 January 1993.

¹ Bull. EC 6-1992, points I.1 to I.34.

² Bull. EC 12-1992.

³ Bull. EC 10-1992, points I.1 to I.10.

⁴ Point 739 of this Report.

⁵ Point 13 *et seq.* of this Report.

⁶ Point 6 *et seq.* of this Report.

They reached agreement enabling Denmark to call another referendum on the ratification of the Treaty on European Union.¹ Agreement was also reached on the location of the seats of the institutions and of certain bodies and departments of the European Communities,² and on the location of the seats of the European Parliament from 1994.³ They drew up an action plan promoting economic recovery in Europe.⁴

1103. Continuing the practice introduced in 1981, Mr Aníbal Cavaco Silva⁵ and Mr John Major,⁶ accompanied by Mr Delors, reported to Parliament on the conclusions of the European Council meetings.

1104. At its 89 meetings in 1992 the Council adopted 166 directives, 383 regulations and 189 decisions.

1105. There were 2 147 permanent posts and no temporary posts on the Council's establishment plan at the end of the year.

Commission

1106. The Commission held 47 meetings in the course of the year. It adopted 6 591 instruments (regulations, decisions, directives, recommendations, opinions) and sent the Council 651 proposals, recommendations or drafts and 272 communications, memoranda and reports.

1107. The Commission's establishment plan for 1992 comprised 13 352 permanent posts (including 1 618 LA posts for the Language Service) and 623 temporary posts (including 30 LA) paid out of administrative appropriations; 3 218 permanent posts and 191 temporary posts paid out of research appropriations; 428 permanent posts in the Office for Official Publications; 71 at the European Centre for the Development of Vocational Training and 59 at the European Foundation for the Improvement of Living and Working Conditions.

¹ Point 6 *et seq.* of this Report.

² OJ C 341, 23.12.1992.

³ Point 1094 of this Report.

⁴ Point 20 of this Report.

⁵ Bull. EC 7/8-1991, point 1.7.1.

⁶ Bull. EC 12-1992.

1108. Under the secondment and exchange arrangements between the Commission and Member States' government departments, 38 Commission officials were seconded to national civil services and the number of national experts coming to work for Commission departments was equivalent to 650 man/years, paid for from the operating budget.

Court of Justice and Court of First Instance

1109. The composition of the Chambers of the Court of Justice was determined as follows for a period of one year from 7 October:

First Chamber: President: Mr G.C. Rodríguez Iglesias; Judges: Mr R. Joliet and Mr D.A.O. Edward;

Second Chamber: President: Mr J.L. Murray; Judges: Mr G.F. Mancini and Mr F.A. Schockweiler;

Third Chamber: President: Mr M. Zuleeg; Judges: Mr J.C. Moitinho de Almeida and Mr F. Grévisse;

Fourth Chamber: President: Mr C.N. Kakouris; Judges: Mr M. Díez de Velasco and Mr P.J.G. Kapteyn;

Fifth Chamber: President: Mr G.C. Rodríguez Iglesias; Judges: Mr M. Zuleeg, Mr R. Joliet, Mr J.C. Moitinho de Almeida, Mr F. Grévisse and Mr D.A.O. Edward;

Sixth Chamber: President: Mr C.N. Kakouris; Judges: Mr J.L. Murray, Mr G.F. Mancini, Mr F.A. Schockweiler, Mr M. Díez de Velasco and Mr P.J.G. Kapteyn.

1110. The composition of the Chambers of the Court of First Instance was determined as follows for a period of one year from 18 September:

First Chamber: President: Mr H. Kirschner; Judges: Mr C. Bellamy, Mr R. Schintgen, Mr B. Vesterdorf, Mr R. García-Valdecasas y Fernandez and Mr K. Lenaerts;

Second Chamber: President: Mr J.L. Cruz Vilaça; Judges: Mr D.P.M. Barrington, Mr J. Biancarelli, Mr A. Saggio, Mr C.P. Briët and Mr A. Kaloyero-poulos;

Third Chamber: President: Mr J. Biancarelli; Judges: Mr B. Vesterdorf and Mr R. Garcia-Valdescasas y Fernandez;

Fourth Chamber: President: Mr C. Bellamy; Judges: Mr H. Kirschner, Mr A. Saggio and Mr C.P. Briët;

Fifth Chamber: President: Mr D.P.M. Barrington; Judges: Mr R. Schintgen, Mr K. Lenaerts and Mr A. Kaloyeropoulos.

1111. In 1992, 438 cases were brought (162 references for preliminary rulings, 9 staff cases and 267 others). Of the 256 judgments given by the Court of Justice, 141 were preliminary rulings, 12 were in staff cases and 103 were in other cases.¹ The Court of First Instance dealt with 115 cases and delivered 94 judgments.

1112. There were 691 permanent and 81 temporary posts on the establishment plan of the Court of Justice at 31 December. The corresponding figures for the Court of First Instance were 41 and 12.

Court of Auditors

1113. In June the Court published a Report on the ECSC financial statements as at 31 December 1991.² On 5 November it adopted the Annual Report on the accounts for 1991.³ It also adopted the annual reports on ECSC financial management and on the accounts and balance sheets of the European Centre for the Development of Vocational Training and the European Foundation for the Improvement of Living and Working Conditions.⁴

1114. The Court gave opinions on the accounts of the Euratom Supply Agency,⁵ the management of the JET joint undertaking⁶ and the proposal for amendment of the Financial Regulation applicable to the general budget of the European Communities.⁷

1115. The Court adopted five special reports on the common organization of the market in oilseeds,⁸ controls on export refunds on milk products,⁹ the

¹ The Court's judgments are discussed in Chapter VII: Community law.

² Bull. EC 6-1992, point 1.7.32.

³ Bull. EC 11-1992, point 1.7.20.

⁴ Bull. EC 11-1992, point 1.7.21.

⁵ Bull. EC 4-1992, point 1.7.3.

⁶ Bull. EC 9-1992, point 1.6.16.

⁷ OJ C 342, 30.12.1992; Bull. EC 11-1992, point 1.7.23.

⁸ Bull. EC 1/2-1992, point 1.7.17.

⁹ Bull. EC 3-1992, point 1.6.27.

environment,¹ European Tourism Year² and the accounts of the European Schools for 1991.³

1116. On 19 November Parliament decided on the procedure it will follow when consulted on the appointment of Members of the Court of Auditors.⁴

1117. There were 335 permanent posts and 67 temporary posts on the Court's establishment plan at 31 December.

Economic and Social Committee

1118. The Committee held nine plenary sessions this year, the December session having been cancelled for budgetary reasons; it adopted 171 consultative documents, of which 156 were opinions on Commission proposals and communications, 12 were own-initiative opinions and three were information reports. The areas covered ranged from the completion of the internal market to the implementation of other policies, including agriculture, transport, the environment, consumer protection and social policy.⁵

1119. The Committee's opinion was requested on 74 occasions where this was compulsory under the Treaty and on 82 occasions where consultation was optional. The Committee's opinions were almost all in support of the Commission's proposals, at least as regards their objectives; suggestions or reservations were made in most cases.

1120. Among the more significant of the Committee's opinions, mention should be made of three on specific agricultural matters — the reform of the common agricultural policy,⁶ premiums for tobacco producers⁷ and farm prices⁸ — and one in the social policy area on the protection of young people

¹ Bull. EC 6-1992, point 1.7.33.

² Bull. EC 9-1992, point 1.6.17.

³ Bull. EC 11-1992, point 1.7.22.

⁴ OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.7.24.

⁵ OJ C 79, 30.3.1992; Bull. EC 1/2-1992, points 1.7.18 to 1.7.22; OJ C 98, 21.4.1992; Bull. EC 1/2-1992, point 1.7.23 to 1.7.26; OJ C 106, 27.4.1992; Bull. EC 3-1992, points 1.6.28 to 1.6.30; OJ C 169, 6.7.1992; Bull. EC 4-1992, points 1.7.14 to 1.7.16; OJ C 223, 31.8.1992; Bull. EC 5-1992, points 1.5.17 to 1.5.19; OJ C 287, 4.11.1992; Bull. EC 7/8-1992, points 1.7.13 to 1.7.16; OJ C 313, 30.11.1992; Bull. EC 9-1992, points 1.6.18 to 1.6.21; OJ C 332, 16.12.1992; Bull. EC 10-1992, points 1.7.14 to 1.7.18; OJ C 19, 25.1.1993; Bull. EC 11-1992, point 1.7.25 to 1.7.29; Bull. EC 12-1992.

⁶ OJ C 98, 21.4.1992; Bull. EC 1/2-1992, points 1.3.167 and 1.3.170 to 1.3.173.

⁷ OJ C 98, 21.4.1992; Bull. EC 1/2-1992, point 1.3.168.

⁸ OJ C 169, 6.7.1992; Bull. EC 4-1992, point 1.3.133.

at work,¹ which expressed reservations on the Commission proposal. The Committee adopted favourable opinions on the common fisheries policy,² collective redundancies,³ fair pay,⁴ social developments in the Community,⁵ the mutual, non-profit and cooperative sector,⁶ participation in company profits,⁷ the Delors II package,⁸ the communication on the Ruding report⁹ and high-definition television;¹⁰ there was also a highly critical opinion on tobacco, opposed by the consumers' group.¹¹

1121. Own-initiative opinions related to small business and craft trades,¹² relations with the Maghreb countries,¹³ economic and social cohesion,¹⁴ the implementation of the Charter of Fundamental Social Rights,¹⁵ the reform of the structural Funds,¹⁶ the citizens' Europe,¹⁷ the future enlargement of the Community¹⁸ and relations with the countries of Central and Eastern Europe.¹⁹ Information reports were issued on the citizens' Europe, agricultural insurance and vocational training. The Committee also helped to organize meetings with the two sides of industry in the ACP countries and in the EFTA countries.

1122. At the plenary session of 26 and 27 February the Committee received Mr Delors, who presented the Commission's work programme for the year and the second package of structural and financial measures.²⁰

Both the Portuguese and the UK Presidencies presented their priorities for their respective terms of office (Mr Martins for Portugal in January and Mr Hogg for the United Kingdom in September).

1123. Nine Committee Section meetings were attended by Members of the Commission (Mr Andriessen, Mr Cardoso e Cunha, Mr Christophersen, Mr

¹ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.2.79.
² OJ C 223, 31.8.1992; Bull. EC 5-1992, point 1.1.181.
³ OJ C 79, 30.3.1992; Bull. EC 1/2-1992, point 1.3.125.
⁴ OJ C 223, 31.8.1992; Bull. EC 5-1992, point 1.1.88.
⁵ OJ C 287, 4.11.1992; Bull. EC 7/8-1992, point 1.3.110.
⁶ OJ C 223, 31.8.1992; Bull. EC 5-1992, point 1.1.59.
⁷ OJ C 98, 21.4.1992; Bull. EC 1/2-1992, point 1.3.126.
⁸ OJ C 169, 6.7.1992; Bull. EC 4-1992, point 1.2.1.
⁹ Bull. EC 11-1992, point 1.3.17.
¹⁰ OJ C 332, 16.12.1992; Bull. EC 10-1992, point 1.3.185.
¹¹ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.2.151.
¹² OJ C 332, 16.12.1992; Bull. EC 10-1992, point 1.3.63.
¹³ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.3.25.
¹⁴ OJ C 98, 21.4.1992; Bull. EC 7/8-1992, point 1.3.139.
¹⁵ OJ C 287, 4.11.1992; Bull. EC 7/8-1992, point 1.3.113.
¹⁶ OJ C 19, 25.1.1992; Bull. EC 11-1992, point 1.2.2.
¹⁷ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.2.163.
¹⁸ OJ C 313, 30.11.1992; Bull. EC 9-1992, point 1.3.1.
¹⁹ OJ C 19, 25.1.1992; Bull. EC 11-1992, point 1.4.7.
²⁰ OJ C 98, 21.4.1992; Bull. EC 1/2-1992, point 1.7.24.

Millan, Mr Pandolfi, Mr Schmidhuber, Mrs Scrivener and Mr van Miert) and five by the Council Presidency.

1124. Mrs Tiemann was appointed President of the Economic and Social Committee on 21 October; Mr Nothomb was appointed Secretary-General on 5 October.¹

1125. There were 510 permanent posts on the Committee's establishment plan at 31 December.

ECSC Consultative Committee

1126. The Committee held 3 extraordinary meetings and 4 ordinary meetings (7 meetings in all) in 1992.

1127. Having been formally consulted by the Commission, the Committee gave its opinions on the draft Decisions concluding the interim agreements on trade and trade-related measures between the ECSC and Czechoslovakia, Hungary and Poland² and Decisions renewing them, and on the draft Decisions on the procedures for implementing the safeguard and trade protection measures provided for in the Interim Association Agreements with those countries.³ It was also consulted on research projects for steel⁴ and coal,⁵ a report on the market for solid fuels in the Community in 1991 and the outlook for 1992,⁶ the forward programme for steel for the second half of 1992⁷ and a draft Decision on aid to steel enterprises given by the Danish and Dutch Government.⁸

1128. The Committee examined a report on the application of the State aid rules to the steel industry,⁹ a communication on a Community strategy to limit carbon dioxide emissions and to improve energy efficiency⁹ and the

¹ OJ L 370, 19.12.1992.

² Bull. EC 1/2-1992, point 1.4.10.

³ Bull. EC 4-1992, point 1.7.17.

⁴ Bull. EC 4-1992, point 1.3.68.

⁵ Bull. EC 4-1992, point 1.3.83.

⁶ Bull. EC 4-1992, point 1.3.82.

⁷ Bull. EC 6-1992, point 1.3.62.

⁸ Bull. EC 6-1992, point 1.3.38.

⁹ Bull. EC 1/2-1992, point 1.7.27.

provisions relating to coal and steel in the Agreement on the European Economic Area.¹ It adopted a memorandum on the future of the ECSC Treaty.

1129. It passed resolutions on a Community strategy to limit carbon dioxide emissions and to improve energy efficiency,² on the future of the steel industry³ and on the restructuring of the Community steel industry.⁴

Administration and management of the institutions

Staff policy and Staff Regulations

Staff policy

1130. A range of new human resources management tools became operational in the Commission in 1992. The screening exercise of 1991 highlighted the need to re-establish a balanced core of permanent resources, and a substantial number of new posts was accordingly given to allow the Commission to convert appropriations for non-permanent staff into posts for permanent staff. The structure of the preliminary draft budget for 1993 was also modified so as to present staffing requirements by major area of activity and to cover all types of permanent and non-permanent staff.⁵ All requests for administrative appropriations were grouped in Part A of the budget, and the budgetary authority was also presented with a series of new assessment tools (more detailed grounds for requests, departmental working programmes, efficiency indicators and guides to departments).

1131. A new recruitment policy came into effect, with a new emphasis on the recruitment of 'generalists' to permit greater flexibility in managing human resources and versatility among staff. A new open competition for Grade A8 (assistant administrators) and several B and C competitions were set in motion to ensure that the posts given in the budget can be occupied as quickly as possible.

¹ Bull. EC 6-1992, point 1.7.34.

² Bull. EC 4-1992, point 1.3.80.

³ Bull. EC 6-1992, point 1.3.61.

⁴ Bull. EC 11-1992, point 1.3.77.

⁵ Point 1179 of this Report.

1132. The new training policy was put into effect; training plans have been produced in a two-year time-frame for all Directorates-General.

1133. The reform of promotion procedures for B, C and D staff, based on new career profiles, has been completed as part of a package of career reforms. A new policy on temporary staff and a second programme of positive measures for female staff were launched.

Rights and obligations

1134. The Regulations on the new salaries adjustment method, the temporary contribution and the rate of pension contributions (raised to 8.25%) having been adopted by the Council in December 1991,¹ the only item now outstanding is the Commission proposal on the survivors' pension scheme.

1135. On the welfare front, the accent this year was on personalized measures to help young people, retired staff, the disabled and persons looking for accommodation. Welfare policy in relation to the disabled was reinforced by a new budget item to cover non-medical costs incurred by reason of disablement.

Joint Sickness Insurance Scheme

1136. A new payments office was opened at Karlsruhe in Germany on 1 July to deal on a decentralized basis with claims by serving and retired staff, European Schools teachers and staff of the European Centre for the Development of Vocational Training living in Germany and Denmark.

Transfer of pension rights

1137. The Commission, acting under Article 11 of Annex VIII to the Staff Regulations, which allows officials and temporary staff to transfer pension rights from national schemes to the Community scheme, pursued its negotiations with the Member States on the practicalities. Agreements were signed with France on 27 July and Germany on 9 October, to be implemented in 1993 after ratification by the parliaments of the two countries. Negotiations with other countries, particularly Portugal, were intensified.

¹ Twenty-fifth General Report, point 1198.

1138. Staff who have earlier worked in a self-employed capacity can now also transfer their pension rights following the amendment of Article 11 of Annex VIII by Regulation (EEC) No 571/92.¹

Buildings

1139. The infrastructure changes made necessary by the evacuation of the Berlaymont building were completed. The location of Commission departments in Brussels was fully reviewed and the Commission established a five-year accommodation plan, linked to the 1993-97 financial perspective. Its intention is to devise a new, transparent and efficient buildings policy in conjunction with the local authorities; one means to this end will be a review of its contract procedures.

Data processing

1140. Thanks to investment made in 1992, the objective of seeing that every potential user has a workstation is now 75% of the way to full attainment. The word-processing system adopted in 1986 was found to be obsolete and is to be abandoned. The Commission has now opted for a system that will offer full compatibility with the other institutions, though this will involve replacing several thousand terminals by personal computers, with a concomitant retraining effort. Talks are in hand between the institutions for a harmonized e-mail system. The general outcome will be a greatly improved information flow between the institutions.

1141. There was a significant degree of evolution in information systems this year. The gradual introduction of computer-based management systems for finance, budgets, human resources, supplies, procedures, documents, etc. continued, and a new wave of pan-European information systems came into operation. These systems are directed towards the exchange of information with the Member States and are the precursors of the trans-European network concept enshrined in the Maastricht Treaty. In 1992 priority was given to systems needed to operate the single market (VAT management, plant-health checks, statistical systems, and the like).

¹ OJ L 62, 7.3.1992.

1142. On the organizational front, the decentralization decisions of 1991¹ were put into effect. All Directorates-General and equivalent departments are now responsible for their own data-processing services and budgets. More than 250 functions have been transferred to them. The central Information Technology Directorate is to ensure the overall coherence of technologies and resources and supply the basic facilities that have to be provided on a central basis — computer centre, data-transmission network and technical and logistical support.

Language services

1143. In 1992 the Joint Interpreting and Conference Service (JICS) provided interpreters for 10 200 meetings organized by the Council, the Commission, the Economic and Social Committee and the European Investment Bank, representing a total of 115 000 interpreter/days.

1144. On account of the shortage of conference interpreters, the JICS continued its training efforts, maintaining the same standard for all languages. Twenty-two aptitude tests for young graduates (law, economics, science, etc.) were organized, and training provided, in particular in Athens and Florence. The Commission made a financial contribution to postgraduate training courses in Athens, Copenhagen and Florence. Cooperation with non-member countries in the field of interpreter training continued with China and new projects were launched with Albania and Viet Nam. Under the Tempus programme,² the JICS helped to devise postgraduate training schemes for Czechoslovakia, Hungary and Poland.

1145. The Translation Service had to handle a 5% increase in workload, the total for the year being about 860 000 pages. The growing number of areas of Commission activity has been a challenge to the translators to expand their range of knowledge both of specialist subjects and of languages. The further spread of computerization has enabled the Translation Service to deliver more translations than ever before in the form of a finished product, in all the official languages.

Local translation units have been set up in the Commission Offices in certain Member States both to help set up panels of freelance translators (more and

¹ Twenty-fifth General Report, point 1210.

² Point 426 of this Report.

more necessary with the expanding workload) and to help the Offices in the remoter capitals provide a fuller range of information material to the general public.

The Service continued assisting with the development of the computer translation system Systran and feeding material into the terminological database Eurodicautom, which is more and more popular with outside users.

A new statistical processing system has been devised as a management aid that can track incoming and outgoing documents in real time; there are also tables recording the breakdown of translation requests by originating Directorate-General and by source and target language.

Section 2

Information for the general public

Information activities

1146. While the completion of the single market still constituted one of the main areas of the Commission's information activities, the central information services in Brussels and, above all, the Commission's Offices in the Member States have been turning their attention increasingly towards the Treaty on European Union. The information services have been kept very busy both by the new Treaty and by the second package of structural and financial measures (Delors II), and there have been numerous conferences and talks on the ratification procedures (referendums or other procedures) in the Member States, as well as publications and political and technical support measures aimed at very diverse audiences spread over a very large geographical area.

In this connection, the Commission redoubled its efforts to develop a more dynamic relay policy which, in accordance with the principle of subsidiarity, brought information sources closer to the individual, thereby attenuating the public's sense of remoteness from the Community institutions. This decentralized approach was first launched some years ago with the setting-up of Team 92 panels in each of the Member States. The Euro-Info-Centres for small and medium-sized enterprises also played a pioneering role in this area.

Other developments include the setting-up of Infopoints (e.g. in Berlin and Luxembourg) and specialized documentation centres and networks (e.g. in France and Italy). Further progress has been made on the 'Symbiosis' project,¹ intended as a way of involving local authorities, voluntary associations and their representative bodies at European level in the drive to bring information on Europe to a wider audience. As regards specific measures, the Europe Weeks organized in the United Kingdom (there were more than 40 of them) were a great success. A series of training sessions was run for journalists, and a European Journalism Centre was opened at Maastricht with support from the Commission and the Dutch Government.

1147. These are all elements in a new Commission rethink of its information strategy, started in October 1992. The review covers the role of the Offices in

¹ Twenty-fourth General Report, point 960.

the Member States, Eurobarometer¹ and supplementary opinion polls and audiovisual information, with the general purpose of giving the Commission an idea of the broad strategy and short-term priorities it should be pursuing for its decentralized information policy. The priority information programme (PIP) and priority publications programme (PPP), to be adopted in the first quarter of 1993, will give a fuller picture of the information and communication strategy for the coming year, taking account of political developments and progress towards reorganizing the instruments used by the Commission to implement its information policy. The 1994 PIP will be prepared at the same time in a reversion to the earlier system of advance programming.

1148. New special information campaigns were organized in 1992 and work continued on the special campaign in the new German *Länder*, launched in 1991.

1149. In February the Council and the Ministers for Education adopted conclusions on the Commission communication on an information programme for young people.²

1150. The high point in terms of publicity targeted on the general public came with the Community's participation in the Seville Universal Exposition and the Genoa International Exhibition. At Seville the Member States' pavilions were grouped together under the coordination of Mr Dondelinger; they attracted more than 15 million visitors, and this was the largest general-public operation ever undertaken by the Commission. The exhibition in the Community pavilion, entitled 'From Renaissance Europe to the renaissance of Europe', was visited by some 2 million people. It covered four themes — 1450-1550; Europe poised between war and progress; the European Community, a great discovery of our time; and discovering the Europe of the future. There was a bookshop at which Publications Office material was on display. Four million items were distributed.

1151. The Community was also represented both at the Albertville Winter Olympics and at the Barcelona Summer Olympics; Mr Delors and Mr Dondelinger attended the official opening ceremonies. Here, there were three main themes: image and communication; the new technologies; and backing for sport for the disabled. On 18 December³ the Commission adopted a communication outlining the activities carried out and assessing the results. And in the context

¹ Bull. EC 1/2-1992, point 1.3.265; Bull. EC 5-1992, point 1.2.204.

² Point 425 of this Report.

³ COM(90) 575; Bull. EC 12-1992.

of the European Community and sport in general, the 1992 Tour de France was transformed into a veritable Tour of the Community.

1152. Much of the credit for disseminating information outside the Community goes to the information services of the delegations in New York, Washington, Tokyo and Caracas.

Press, radio and television

1153. As in previous years the number of journalists accredited to the Commission in Brussels remained high, at over 650 journalists from 53 countries, of whom around 480 were from the press and 170 from television and radio. This total includes 74 national and international press agencies.

1154. The Spokesman's Service held 235 meetings with the press on Commission decisions, proposals and reactions, and 43 press conferences following Commission meetings. The President and Members of the Commission gave 72 press conferences on key issues, several of which were given jointly with visitors to the Commission.

1155. The Spokesman's Service also conveyed to the press the Commission position on the occasion of Council and European Council meetings and part-sessions of Parliament. Special arrangements were made to cover international events involving the Community, such as the G7 Summit in Munich.

1156. More than 3 100 information memos and papers were released to the accredited press, while the Offices in the Member States and the delegations in non-member countries received over 1 100 telexed memos and commentaries drafted specifically to enable them to brief local press contacts on a daily basis.

Office for Official Publications

1157. In the light of the results of its departmental screening exercise,¹ the Commission felt that the interinstitutional status of the Publications Office, its experience as the publisher of Community legislation and its commercial operations made it ideally suited for the task of managing Celex (the interinsti-

¹ Twenty-fifth General Report, point 1190.

tutional system of automated documentation on Community law)¹ and Euro-base (a commercially run Commission database service). Both had hitherto been operated by the Information Technology Directorate.

1158. After the budgetary authority had approved the first instalment of appropriations for the updating of Celex and the establishment of the database in all the official languages, the transfer took effect at the end of September. The Office's Management Committee set up an interinstitutional control structure for Celex, paving the way for the adoption of the 1992-94 work programme.

1159. Towards the end of the year, the first version of the Office's computerized Community legislation consolidation system (declaratory consolidation), a project launched at the end of 1990, came on line. The system, which covers instruments in all nine language versions and enables users to find out what legislation was in force at any given point in time, should prove to be a powerful and reliable work tool for the various institutions.

1160. The Office continued to provide user departments with assistance with desk-top publishing, expanding its collection of reference works on multilingual publishing, used primarily for training. Work on an interinstitutional administrative directory, started in 1991, was completed and the directory should be available shortly as a computerized database. The Office also has plans for derived products, such as a printed version.

1161. In its drive to increase the number of sources of information on the Community, the Office concentrated on expanding its network of sales points by three means: extending the network to include new countries, particularly in Central and Eastern Europe; stepping up distribution by opening new Euro-bookshops; and, in accordance with the principles of diversification and subsidiarity, concluding agreements with national bodies operating in specialist areas.

Historical archives

1162. The Commission released for consultation² the historical archives of the ECSC High Authority, the EEC Commission and the Euratom Commission for 1961,³ thus adding some 2 000 files to the 18 000 already made accessible

¹ Point 1236 of this Report.

² The archives are kept at the European University Institute in Florence.

³ Twenty-fifth General Report, point 1221.

to the public, dating from 1952 for the ECSC and from 1958 for the EEC and Euratom under the 30-year rule.¹ In order to facilitate and rationalize use of the archives as much as possible, the Commission also created a database, Archis, comprising 12 000 documents from the ECSC files (1952-60). EEC and Euratom files will be added gradually.

1163. As a result of the evacuation of the Berlaymont building and related measures,² some 120 000 files were transferred to the central archive repository. Given the scale of the operation and the useful lessons to be learned from it, the Commission produced an information video,³ tracing the organization of the transfer through its various stages. The film also demonstrates the Commission's concern to ensure that a large part of Europe's archives are preserved and properly managed.

1164. Following a resolution adopted by the Council and the Ministers for Culture on 14 November 1991,⁴ the Commission convened and chaired the three full meetings of a group of national experts to explore ways in which the Member States might make more effective use of their archives as part of Europe's democratic heritage.

1165. The Commission was asked to help with work on the archives from the former Yugoslavia. Three meetings were held with delegations from the successor republics concerned, two in Brussels and one in Belgrade: a first package of measures was agreed upon, designed to ensure that the archives, which constitute an important part of Europe's historical heritage, are properly protected and preserved.

¹ OJ L 43, 15.2.1983; Seventeenth General Report, point 54.

² Twenty-fifth General Report, point 1222.

³ Duration: 24 minutes; languages: English and French. The video is accompanied by a booklet illustrating the points made in the video and helping interested officials teach themselves.

⁴ OJ C 314, 5.12.1991; Twenty-fifth General Report, point 1224.

Section 3

Financing Community activities

Priority activities and objectives

1166. *The commitments assumed by the Community at international level were reflected in the activities of the budgetary authority throughout the year. The budget adopted in December 1991,¹ was increased, after a number of revisions of the financial perspective, by large allocations for assistance to the independent States of the former Soviet Union,² a special food aid programme for Africa³ and aid to the people of former Yugoslavia.⁴*

The context for the preparation of the 1993 budget was special: the 1992 budget was the last one covered by the financial perspective contained in the June 1988 Interinstitutional Agreement,⁵ while discussions were in progress on the new reference framework for the next medium-term period. The entire 1993 budgetary procedure was therefore based on proposals which were an attempt to give advance shape in budget terms to the financial framework set out in the Commission's second package of structural and financial measures.⁶ As a result the budget debate was closely tied up with the negotiations on this package and for the conclusion of a new Interinstitutional Agreement.

Following the agreement reached at the Edinburgh Council on a new financial framework for 1993-99 it was possible to adopt a budget for 1993 within the limits laid down for the first year of the financial perspective agreed. The budget approved is, in the end, fairly close to the proposals in the Commission's preliminary draft budget and is a good reflection of the priorities set out in the Maastricht Treaty: the emphasis is placed on increasing economic and social cohesion (through the allocation for the Cohesion Fund), creating an environment favourable to European competitiveness (by amending and boosting research and technological development programmes and developing trans-European networks) and stepping up external action.

¹ OJ L 26, 3.2.1992; Twenty-fifth General Report, point 1250.

² Point 773 *et seq.* of this Report.

³ Point 954 of this Report.

⁴ Point 965 of this Report.

⁵ OJ L 185, 15.7.1988; Twenty-second General Report, point 84.

⁶ Point 13 *et seq.* of this Report.

Budgets

General budget

Financial perspective

1167. The 1992 budget was the last one covered by the financial perspective adopted in 1988 at the same time as the Interinstitutional Agreement on budgetary discipline and improvement of the budgetary procedure.¹ Before the budgetary procedure for 1992 began, the technical adjustment of the financial perspective in line with GNP growth and price movements (point 9 of the Interinstitutional Agreement) had been made, as had the adjustment in the light of the conditions of implementation (points 10 and 11 of the Agreement).²

1168. As no new financial framework had been adopted for the next medium-term period, the annual adjustment exercises did not have to be conducted ahead of the 1993 budgetary procedure. The preliminary draft budget for 1993³ was, however, tailored to fit into the new financial framework proposed by the Commission for 1993-97 in the communication 'From the Single Act to Maastricht and beyond: the means to match our ambitions' and in the communication on the Community's finances.⁴

1169. The financial perspective for 1992 was revised four times during the year to allow the budget to accommodate new operations or to continue operations recently started. On each occasion every effort was made to redeploy expenditure within the limits set for each of the headings concerned and even under other headings, in order to limit the amounts by which the overall expenditure ceilings had to be raised.

1170. The first revision of the financial perspective made on 12 February was designed to allow technical assistance to the Commonwealth of Independent States to continue and to step up operations to protect the tropical forests;⁵ the ceiling for heading 4 (Other policies) was raised by ECU 412 million in commitment appropriations, the ceiling for non-compulsory expenditure being

¹ OJ L 185, 15.7.1988; Twenty-second General Report, point 84.

² Twenty-fifth General Report, point 1244.

³ Bull. EC 5-1992, point 1.4.3.

⁴ Point 13 *et seq.* of this Report.

⁵ OJ C 67, 16.3.1992; Bull. EC 1/2-1992, point 1.6.2.

raised by ECU 500 million and that for compulsory expenditure being reduced by ECU 88 million. The ceiling for heading 2 (Structural operations) had to be raised by ECU 100 million in commitment appropriations as the actual inflation rate had turned out to be higher than forecast when the annual adjustments were made to the financial perspective. Redeployment was applied to heading 3 (Policies with multiannual allocations), where the ceiling was lowered by ECU 200 million, and heading 5 (Repayments and administration), where the ceiling was lowered by ECU 312 million, with the 'stock disposal' subceiling being lowered by ECU 381 million and the 'repayments' and 'administration' subceilings being raised by ECU 29 million and ECU 40 million respectively. This redeployment balanced out in full the raising of the ceilings for headings 2 and 4.

1171. The financial perspective was revised a second time on 13 May to provide cover for a special food aid programme for the countries of the Horn of Africa and certain countries in Southern Africa.¹ The ceiling for heading 4 (Other policies) was raised by ECU 200 million in commitment appropriations, with the amount for non-compulsory expenditure being increased by ECU 205 million. It was possible to lower the ceiling for heading 3 (Policies with multiannual allocations) by ECU 10 million. The overall ceiling for commitment appropriations and the ceiling for payment appropriations were thus raised by only ECU 190 million.

1172. The third revision was on 23 July and was designed to cover the inadequacy of payment appropriations available for implementing structural operations for the new German *Länder* and for certain research programmes.² The ceiling on payment appropriations was raised by ECU 550 million in respect of non-compulsory expenditure.

1173. The fourth revision agreed on 22 September was required for the continuation of the humanitarian aid programme for refugees and displaced persons in former Yugoslavia.³ The ceiling for heading 4 (Other policies) was raised by ECU 100 million in commitment appropriations, the amount for non-compulsory expenditure being increased by ECU 120 million. The overall ceiling for commitment appropriations and the ceiling for payment appropriations were raised by ECU 100 million, made up of an increase of ECU 120 million for

¹ OJ C 150, 15.6.1992; Bull. EC 5-1992, point 1.4.1.

² OJ C 241, 21.9.1992; Bull. EC 7/8-1992, point 1.6.1.

³ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.5.1.

non-compulsory expenditure and a reduction of ECU 20 million for compulsory expenditure.

The changes to the financial framework for 1992 made by these four decisions are summarized in Table 20.

The current financial perspective is set out in Table 21.

TABLE 20

Financial perspective — 1992 revisions (current prices)

	(million ECU)				
	1992	7th revision	6th revision	5th revision	4th revision
	Total	September 1992	July 1992	May 1992	February 1992
1. EAGGF Guarantee	—	—	—	—	—
2. Structural operations	100	—	—	—	100
3. Policies with multiannual allocations	-210	—	—	-10	-200
4. Other policies	712	100	—	200	412
of which: non-compulsory	825	120	—	205	500
5. Repayments and administration	-312	—	—	—	-312
of which: stock disposal	-381	—	—	—	-381
6. Monetary reserve	—	—	—	—	—
Commitment appropriations — Total	290	100	—	190	—
of which: compulsory	-494	-20	—	-5	-469
non-compulsory	784	120	—	195	469
Payment appropriations required	840	100	550	190	—
of which: compulsory	-494	-20	—	-5	-469
non-compulsory	1 334	120	550	195	469

TABLE 21
Current financial perspective
 (Commitment appropriations — current prices)

	<i>(million ECU)</i>				
	1988	1989	1990	1991	1992
1. EAGGF Guarantee ¹	27 500	28 613	30 700	33 000	35 039
2. Structural operations	7 790	9 522	11 555	14 804	18 109
3. Policies with multiannual allocations ²	1 210	1 708	2 071	2 466	2 905
4. Other policies ¹	2 103	2 468	3 229	5 648	5 936
of which: non-compulsory	1 646	1 864	2 523	4 738	5 029
5. Repayments and administration	5 700	5 153	4 930	4 559	3 893
of which: stock disposal	1 240	1 449	1 523	1 375	810
6. Monetary reserve ³	1 000	1 000	1 000	1 000	1 000
Total	45 303	48 464	53 485	61 477	66 882
of which: compulsory ⁴	33 698	33 764	35 454	37 199	38 235
non-compulsory ⁴	11 605	14 700	18 031	24 278	28 647
Payments appropriations required	43 779	46 885	51 291	58 458	64 081
of which: compulsory ⁴	33 640	33 745	35 372	37 195	38 175
non-compulsory ⁴	10 139	13 140	15 919	21 263	25 906
Payment appropriations required as per cent of GNP ⁵	1.12	1.07	1.09	1.13	1.16
Margin for unforeseen expenditure	0.03	0.10	0.09	0.06	0.04
Own resources as per cent of GNP	1.15	1.17	1.18	1.19	1.20

¹ In accordance with the joint declaration by the three institutions on the adoption of the revision of the Financial Regulation and to ensure the proper financing of food aid without having to revise the financial perspective, compliance with the ceilings for headings 1 and 4 will not prevent a transfer between the headings in Article 292 of the budget (Refunds in connection with Community food aid) and Chapter 92 (Food aid). This means that these transfers will not be included with the total appropriations to be taken into consideration for complying with the ceilings of the financial perspective. The criteria for examining these transfers are those agreed by the Council, Parliament and the Commission in their declaration of 12 February 1990.

² Chapter F on budget estimates of the European Council indicates a figure of ECU 2 400 million (1988 prices) for policies with multiannual allocations in 1992. The policies in question are research and development and integrated Mediterranean programmes. Only expenditure for which a legal basis exists may be financed under this heading. The present framework programme provides a legal basis for research expenditure of ECU 863 million (current prices) for 1992. The Regulation on integrated Mediterranean programmes provides a legal basis for an estimated amount of ECU 300 million in 1992 (current prices).

³ At current prices.

⁴ Based on the classification in the budget for 1991. The amendments resulting from decisions by the budgetary authority to change classification will be implemented as a technical adjustment under point 9 of the Agreement.

⁵ In accordance with the figures and forecasts used for the 1992 adjustment. For 1988: 1988 figures.

Budget procedure

1992 financial year

Supplementary and amending budgets

1174. The budget for 1992 was finally adopted on 12 December 1991 with ECU 66 118 million in commitment appropriations and ECU 62 827 million in payment appropriations.¹ When adopting the budget Parliament stated that it wanted to increase the total by ECU 1 660 million after securing the necessary revision of the financial perspective.

1175. Supplementary and amending budget No 1/92 was indeed adopted on 1 April² after the financial perspective had been revised. The changes made were an increase in the allocations for technical cooperation with the independent States of the former Soviet Union (ECU 450 million in commitment appropriations and ECU 200 million in payment appropriations), an increase in the allocations for the structural Funds (ECU 100 million), an increase in the appropriations for tropical forests (ECU 50 million), an increase in the administrative and staff appropriations for the Commission and the appropriations for the Court of Justice (ECU 40 million) and a reduction in the research appropriations.

1176. Supplementary and amending budget No 2/92³ was adopted on 13 May after a triilogue meeting on 5 May on the arrangements for financing a special food aid programme for Africa and an appropriate revision of the financial perspective.⁴ ECU 220 million in commitment appropriations and payment appropriations was entered under a new item entitled 'Food aid — Exceptional reserve'. The total of the 1992 budget, however, remained unchanged as the appropriations required to finance this programme were taken partly from the EAGGF Guarantee Section (ECU 190 million) and the remaining ECU 30 million was covered by a negative reserve.

1177. Supplementary and amending budget No 3/92 was adopted on 16 September.⁵ Like its two predecessors, this supplementary and amending

¹ OJ L 26, 3.2.1992; Twenty-fifth General Report, point 1250.

² OJ L 142, 25.5.1992; Bull. EC 3-1992, point 1.5.3.

³ OJ C 150, 15.6.1992; Bull. EC 5-1992, point 1.4.2.

⁴ Point 1171 of this Report.

⁵ OJ C 284, 2.11.1992; Bull. EC 9-1992, point 1.5.2.

budget first required two revisions of the financial perspective,¹ the first being made in July and the second in September, and amended both the expenditure side and the revenue side of the budget. On the expenditure side the amendments were to reduce the appropriations for the EAGGF Guarantee Section by ECU 2 754 million, to increase the appropriations for Title B7-5 by ECU 120 million for aid to former Yugoslavia, to cancel out part of the negative reserve entered by supplementary and amending budget No 2/92, to increase payment appropriations for the structural Funds (ECU 560 million allocated to the Community support frameworks for the new German *Länder*) and for research (ECU 140 million shared between four programmes under the third framework programme) and to increase the appropriations for refunds to Spain and Portugal (ECU 1.3 million). On the revenue side the estimated balance from the previous year was reduced by ECU 1.388 million and the amount of GNP-based resources to be called in was also reduced.

Implementation of the 1992 budget

1178. The rates of utilization of appropriations in 1992 are shown in Tables 22 and 23. Overall, they come to 94.7% in commitments and 93.4% in payments.

The utilization rate for agricultural guarantee expenditure (heading 1) exceeded 97%, leaving ECU 849 million unused. The main reason why not all the appropriations available were used was that requirements were reduced by movements on the agricultural markets.

The utilization rates for headings 2, 3 and 4 of the financial perspective were 98% in commitments and 94.5% in payments. This represents a considerable improvement on the previous year when the rates came to 97% in commitments and 92% in payments.

Virtually all the appropriations were used in heading 5 for the administrative expenditure of the institutions, repayments to the Member States in connection with stock disposal and the refunds and financial compensation for Spain and Portugal.

¹ Points 1172 and 1173 of this Report.

1993 financial year

Budget procedure for 1993

1179. The Commission adopted a preliminary draft budget for 1993¹ tailored to fit the second package of structural and financial measures proposed by the Commission and in particular the framework formed by the proposal relating to the financial perspective 1993-97.² This preliminary draft is the first expression in budget terms of what are considered to be the priorities in the Treaty on European Union: strengthening of economic and social cohesion, creation of an environment to promote the competitiveness of European industry and development of external action. With the adoption of letter of amendment No 1 on 9 July,³ the forecast of agricultural expenditure incorporates the financial impact of the reform of the common agricultural policy and remains below the agricultural guideline. It comes to a total of ECU 34 062 million. As regards structural operations, the preliminary draft contains not only the appropriations to achieve the target of doubling the size of the structural Funds in real terms over the period 1988-93 (ECU 20 063 million), but also ECU 1 565 million for the Cohesion Fund. The total earmarked for structural operations is ECU 22 046 million. The main thrust on the internal market concerns research and technological development and the development of trans-European networks. Research appropriations total ECU 2 795 million (up by 12.7% on 1992), a significant proportion of which are for programmes targeted at major industrial priorities. The sharp increase in allocations for trans-European networks (now totalling ECU 292 million) will have to be accompanied by a thorough recasting of operations in this area. Total appropriations under this heading (ECU 4 439 million) are up by nearly 14% on 1992. The allocations proposed for external action total ECU 4 150 million and will allow action to be stepped up substantially for the States of the former Soviet Union, the Central and East European countries, the Mediterranean area and developing countries in Asia and Latin America. Administrative expenditure for all the institutions together comes to ECU 3 576 million. The most noteworthy aspect of the preliminary draft as regards administrative expenditure is the decision, taken in the interests of budget transparency, to put all the Commission's expenditure on human resources and administration in Part

¹ Bull. EC 5-1992, point 1.4.3.

² Point 13 *et seq.* of this Report.

³ Bull. EC 7/8-1992, point 1.6.5.

A of its section of the general budget and so to drop the system of mini-budgets. The preliminary draft 1993 budget totals ECU 69.2 billion in commitment appropriations (up by 8.4% on 1992) and ECU 66.3 billion in payment appropriations (up by 8.5% on 1992).

1180. The budget debate between the two arms of the budgetary authority was inextricably linked with the negotiations on the Delors II package and the Interinstitutional Agreement for 1993-99. The two readings by both the Council and Parliament clearly reflected these institutions' positions on the Commission's proposals for a financial perspective, which was first given budgetary shape in the preliminary draft.

1181. On 29 July the Council adopted a draft budget which was distinctly lower than the preliminary draft and in which the commitment appropriations had been kept to half the maximum rate of increase.¹ The main cuts were made in non-compulsory expenditure, in particular in proposed expenditure directly linked with the Delors II package such as the Cohesion Fund, the additional allocation for the third research framework programme and the development of trans-European networks, and expenditure on internal policies, external action and administrative expenditure; the appropriations in the draft budget for internal policies were lower than in the 1992 budget and, in the case of certain budget headings, even lower than those adopted by the Council on first reading in 1992. As regards payment appropriations, the draft budget adopted on first reading produced a structural deficit of almost ECU 1.3 billion. On the whole, the Council maintained the same line in its second reading. It accepted an increase of only ECU 160 million in commitment appropriations and ECU 430 million in payment appropriations, leaving a structural deficit of around ECU 1 billion in payment appropriations. The draft adopted on 12 November thus contained ECU 65.8 billion in commitment appropriations and ECU 63.3 billion in payment appropriations.²

1182. Parliament's first reading on 29 October made many amendments linked with the negotiations on the Delors II package which meant exceeding the maximum rate of increase and thus required the Council's agreement.³ This applied in particular to the appropriations for the Cohesion Fund, the

¹ Bull. EC 7/8-1992, point 1.6.3.

² Bull. EC 11-1992, point 1.6.2.

³ Bull. EC 10-1992, point 1.6.2.

boosting of the third research and technological development framework programme, a reserve for industrial policy, the development of trans-European networks and external policies and a reserve for humanitarian aid. After Parliament's first reading the draft budget thus came to ECU 70 billion in commitment appropriations and ECU 66 billion in payment appropriations. As an agreement on the financial perspective for 1993-99 was reached at the Edinburgh European Summit, Parliament's second reading finally led to adoption of the 1993 budget on 17 December.¹ The budget contains ECU 69 058 million in appropriations for commitments (8.06% up on 1992) and ECU 65 523 million in appropriations for payments (7.24% up).

1183. Detailed analysis by financial perspective heading reveals a number of salient features. In heading 1 (Common agricultural policy) the EAGGF's budgetary framework differs from previous years in two basic respects. First, it incorporates the initial effects of the reform of the CAP and, second, the heading has been redefined to include expenditure on fisheries and income aid as well as all the expenditure under the reformed CAP. The appropriations entered in the budget come to ECU 34 052 million (up by 5.1%), leaving a margin of ECU 2 605 million below the ceiling of the financial perspective (agricultural guideline). In heading 2 (Structural operations) the ECU 22 178 million entered in the 1993 budget (19.5% more than in the 1992 budget) will be sufficient to set up a Cohesion Fund with ECU 1 565 million in commitment appropriations and ECU 1 000 million in payment appropriations, complete the doubling of the structural Funds (1993 being the final year for doubling the allocation as decided in 1988) and introduce the Konver operation (as a Community initiative) with an allocation of ECU 130 million. The margin still available beneath the ceiling for the heading decided in Edinburgh comes to ECU 14 million. In heading 3 (Internal policies), which covers policies considered decisive in creating a favourable environment for the competitiveness of European economies, i.e. research and technological development and the development of trans-European networks, as well as all the other internal policies of the Community, the research total is ECU 2 556 million (3.5% more than in 1992), including ECU 296 million in a reserve for the third framework programme and for

¹ OJ C 21, 25.1.1993; Bull. EC 12-1992.

TABLE 22

Utilization of appropriations for commitments (Commission)
at 31 December 1992, by financial perspective subdivision
(figures not final)

	(million ECU)													
	Appropriations entered in 1992 budget (including supplementary/amending budgets)		Appropriations entered in 1992 budget (including supplementary/amending budgets and transfers)		Additional appropriations from 1992 and carryovers from 1991		Total appropriations available in 1992		Against 1992 appropriations		Against additional appropriations and carryovers		Against total appropriations available in 1992	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. EAGGF Guarantee Section														
Guarantee (B1-1 to B1-3)	31 915.000		31 855.500		166.000		32 021.500		30 940.900	97.1	157.400	94.8	31 098.300	97.1
Set-aside (B1-4)	180.000		180.000		0.000		180.000		147.600	82.0	0.000	0.0	147.600	82.0
Heading 1 — Total	32 095.000		32 035.500		166.000		32 201.500		31 088.500	97.0	157.400	94.8	31 245.900	97.0
2. Structural operations														
EAGGF Guidance Section (B2-10 and B2-11)	2 700.578		2 700.578		4.754		2 705.332		2 700.471	100.0	4.610	97.0	2 705.081	100.0
ERDF (B2-12)	6 921.844		6 921.844		15.625		6 937.469		6 920.707	100.0	15.430	98.8	6 936.137	100.0
ESF (B2-13)	4 689.863		4 689.863		282.976		4 972.839		4 689.825	100.0	282.970	100.0	4 972.795	100.0
Community initiatives (B2-14 to B2-18)	2 327.000		2 327.000		112.033		2 439.033		2 198.739	94.5	110.778	98.9	2 309.517	94.7
Structural operations — Reg. 3575/90 (B2-19)	1 046.000		1 046.000		0.000		1 046.000		1 045.978	100.0	0.000	0.0	1 045.978	100.0
Pedip (B2-20)	127.700		127.700		0.000		127.700		127.700	100.0	0.000	0.0	127.700	100.0
Support programme (B2-21)	16.015		16.015		0.000		16.015		15.740	98.3	0.000	0.0	15.740	98.3
Set-aside and income aid (B2-22)	280.000		280.000		0.000		280.000		163.882	58.5	0.000	0.0	163.882	58.5
Heading 2 — Total	18 109.000		18 109.000		415.388		18 524.388		17 863.042	98.6	413.788	99.6	18 276.830	98.7
3. Policies with multiannual allocations														
IMPs (B2-3)	466.931		466.931		29.744		496.675		278.975	59.7	29.740	100.0	308.715	62.2
Research (B6)	2 438.000		2 438.000		415.120		2 853.120		2 332.153	95.7	395.393	95.2	2 727.546	95.6
Heading 3 — Total	2 904.931		2 904.931		444.864		3 349.795		2 611.128	89.9	425.133	95.6	3 036.261	90.6
4. Other policies														
Agricultural sector (B2-51)	196.645		196.645		0.000		196.645		187.745	96.5	0.000	0.0	187.745	96.5
Other regional operations (B2-6)	86.130		86.130		0.000		86.130		81.801	95.0	0.000	0.0	81.801	95.0
Transport (B2-70)	151.515		151.515		0.000		151.515		151.133	99.7	0.000	0.0	151.133	99.7
Tourism (B2-71)	5.642		5.642		0.000		5.642		5.607	99.4	0.000	0.0	5.607	99.4
Fisheries (B2-9)	594.900		569.900		0.000		569.900		552.232	96.9	0.000	0.0	552.232	96.9
Education, youth (B3-1)	269.875		269.875		25.364		295.239		269.560	99.9	25.310	99.8	294.870	99.9
Culture (B3-2)	12.896		12.896		0.000		12.896		12.893	100.0	0.000	0.0	12.893	100.0
Information (B3-3)	86.771		88.771		0.000		88.771		88.569	99.8	0.000	0.0	88.569	99.8
Other social measures (B3-4)	149.680		149.680		0.000		149.680		145.099	96.9	0.000	0.0	145.099	96.9
Energy (B4-1)	186.350		186.350		0.000		186.350		185.055	99.3	0.000	0.0	185.055	99.3
Nuclear safeguards (B4-2)	9.594		9.894		0.000		9.894		9.860	99.7	0.000	0.0	9.860	99.7
Environment (B4-3)	121.005		119.467		28.146		147.613		111.990	93.7	24.230	86.1	136.220	92.3

TABLE 22 (continued)

	Appropriations entered in 1992 budget (including supplementary/amending budgets)	Appropriations entered in 1992 budget (including supplementary/amending budgets and transfers)	Additional appropriations from 1992 and carryovers from 1991	Total appropriations available in 1992	Book commitments entered in 1992							
					Against 1992 appropriations		Against additional appropriations and carryovers		Against total appropriations available in 1992			
					Amount	%	Amount	%	Amount	%		
4. Other policies (continued)												
Consumer protection (B5-1)	20.485	20.485	0.000	20.485	19.834	96.8	0.000	0.0	19.834	96.8		
Aid for reconstruction (B5-2)	18.650	17.988	0.000	17.988	17.388	96.7	0.000	0.0	17.388	96.7		
Internal market (B5-3)	165.013	159.713	0.000	159.713	155.019	97.1	0.000	0.0	155.019	97.1		
Industry (B5-4)	63.877	66.377	1.211	67.588	65.751	99.1	1.210	99.9	66.961	99.1		
Information market and innovation (B5-5)	39.441	39.441	0.000	39.441	38.730	98.2	0.000	0.0	38.730	98.2		
Statistical information (B5-6)	47.003	49.503	0.000	49.503	49.189	99.4	0.000	0.0	49.189	99.4		
Food aid (B7-2)	742.043	801.543	0.000	801.543	801.228	100.0	0.000	0.0	801.228	100.0		
Asia and Latin America (B7-3)	590.000	590.000	0.000	590.000	434.850	73.7	0.000	0.0	434.850	73.7		
Mediterranean countries (B7-4)	429.730	417.210	85.000	502.210	303.120	72.7	85.000	100.0	388.120	77.3		
Other cooperation measures (B7-5)	505.399	505.399	1.591	506.990	478.081	94.6	1.590	99.9	479.671	94.6		
Central and Eastern Europe (B7-6)	1 483.000	1 473.500	0.000	1 473.500	996.359	67.6	0.000	0.0	996.359	67.6		
Gulf crisis (B7-7)	0.000	0.000	0.000	0.000	0.000	0.0	0.000	0.0	0.000	0.0		
	5 975.644	5 985.924	141.312	6 127.236	5 161.093	86.2	137.340	97.2	5 298.433	86.5		
Heading 4 — Total												
5. Repayments and administration												
Repayments and stock disposal (B0-1 to B0-3)	893.291	893.291	0.000	893.291	876.847	98.2	0.000	0.0	876.847	98.2		
Administration (Part A)	1 911.885	1 921.927	0.823	1 922.750	1 870.195	97.3	0.000	0.0	1 870.195	97.3		
	2 805.176	2 815.218	0.823	2 816.041	2 747.042	97.6	0.000	0.0	2 747.042	97.5		
Heading 5 — Total												
6. Monetary reserve (B1-5)	1 000.000	1 000.000	0.000	1 000.000	0.000	0.0	0.000	0.0	0.000	0.0		
7. Negative reserve	-40.000	0.000	0.000	0.000	0.000	0.0	0.000	0.0	0.000	0.0		
	62 849.751	62 850.573	1 168.387	64 018.960	59 470.805	94.6	1 133.661	97.0	60 604.466	94.7		
Grand total												

NB: The additional appropriations for 1992 comprise appropriations made available following the cancellation of commitments and the appropriations available as a result of financial contributions made by third parties.

TABLE 23

Utilization of appropriations for payments (Commission)
at 31 December 1992, by financial perspective subdivision
(figures not final)

	(million ECU)													
	Appropriations entered in 1992					Additional appropriations from 1992 and carryovers from 1991	Total appropriations available in 1992	Payments made in 1992						
	Appropriations entered in 1992 budget (including supplementary/amending budgets)	Appropriations entered in 1992 budget (including supplementary/amending budgets and transfers)	Appropriations entered in 1992 budget (including supplementary/amending budgets)	Appropriations entered in 1992 budget (including supplementary/amending budgets and transfers)	Appropriations entered in 1992 budget (including supplementary/amending budgets)			Against 1992 appropriations	Against additional appropriations and carryovers	Against total appropriations available in 1992				
Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	%	%	%	
1. EAGGF Guarantee Section														
Guarantee (B1-1 to B1-3)	31 939.100	31 879.600	166.000	32 045.600	31 879.600	166.000	32 045.600	31 109.500	157.400	31 266.900	97.6	94.8	97.6	
Set-aside (B1-4)	180.000	180.000	0.000	180.000	180.000	0.000	180.000	147.600	0.000	147.600	82.0	0.0	82.0	
Heading 1 — Total	32 119.100	32 059.600	166.000	32 225.600	32 059.600	166.000	32 225.600	31 257.100	157.400	31 414.500	97.5	94.8	97.5	
2. Structural operations														
EAGGF Guidance Section (B2-10 and B2-11)														
ERDF (B2-12)	2 457.668	2 592.668	0.000	2 592.668	2 592.668	0.000	2 592.668	2 578.851	0.000	2 578.851	99.5	0.0	99.5	
ESF (B2-13)	6 722.754	7 469.458	0.000	7 469.458	7 469.458	0.000	7 469.458	7 443.712	0.000	7 443.712	99.7	0.0	99.7	
Community initiatives (B2-14 to B2-18)	4 505.178	4 005.178	0.000	4 005.178	4 005.178	0.000	4 005.178	4 004.576	0.000	4 004.576	100.0	0.0	100.0	
Structural operations — Reg. 3575/90 (B2-19)	1 689.000	1 669.433	188.580	1 858.013	1 669.433	188.580	1 858.013	1 586.118	135.794	1 721.912	95.0	72.0	92.7	
Pedip (B2-20)	1 285.000	1 285.000	0.000	1 285.000	1 285.000	0.000	1 285.000	1 237.053	0.000	1 237.053	96.3	0.0	96.3	
Support programme (B2-21)	121.600	121.600	0.000	121.600	121.600	0.000	121.600	121.600	0.000	121.600	100.0	0.0	100.0	
Set-aside and income aid (B2-22)	13.915	23.915	4.806	28.721	23.915	4.806	28.721	13.294	4.333	17.627	55.6	90.2	61.4	
	280.000	280.000	0.000	280.000	280.000	0.000	280.000	140.446	0.000	140.446	50.2	0.0	50.2	
Heading 2 — Total	17 075.115	17 447.252	193.386	17 640.638	17 447.252	193.386	17 640.638	17 125.650	140.127	17 265.777	98.2	72.5	97.9	
3. Policies with multiannual allocations														
IMPs (B2-3)	302.431	393.456	0.098	393.554	393.456	0.098	393.554	392.248	0.061	392.309	99.7	62.2	99.7	
Research (B6)	1 995.146	1 995.146	212.685	2 207.831	1 995.146	212.685	2 207.831	1 750.909	151.560	1 902.469	87.8	71.3	86.2	
Heading 3 — Total	2 297.577	2 388.602	212.783	2 601.385	2 388.602	212.783	2 601.385	2 143.157	151.621	2 294.778	89.7	71.3	88.2	
4. Other policies														
Agricultural sector (B2-51)	205.952	193.952	63.823	257.775	193.952	63.823	257.775	45.535	47.390	92.925	23.5	74.3	36.0	
Other regional operations (B2-6)	79.616	71.616	7.113	78.729	71.616	7.113	78.729	49.030	5.470	54.500	68.5	76.9	69.2	
Transport (B2-70)	120.833	120.833	4.739	125.572	120.833	4.739	125.572	112.536	4.559	117.095	93.1	96.2	93.2	
Tourism (B2-71)	5.642	5.642	2.521	8.163	5.642	2.521	8.163	2.371	2.180	4.551	42.0	86.5	55.8	
Fisheries (B2-9)	468.200	419.200	15.994	435.194	419.200	15.994	435.194	396.986	14.802	411.788	94.7	92.5	94.6	
Education, youth (B3-1)	268.875	268.875	68.382	337.257	268.875	68.382	337.257	207.078	57.220	264.298	77.0	83.7	78.4	
Culture (B3-2)	12.896	12.896	3.989	16.885	12.896	3.989	16.885	9.036	3.416	12.452	70.1	85.6	73.7	
Information (B3-3)	70.509	82.509	14.150	96.659	82.509	14.150	96.659	61.618	10.737	72.355	74.7	75.9	74.9	
Other social measures (B3-4)	170.915	170.915	35.676	206.591	170.915	35.676	206.591	91.767	30.828	122.595	53.7	86.4	59.3	
Energy (B4-1)	146.005	141.005	5.381	146.386	141.005	5.381	146.386	134.443	4.462	138.905	95.3	82.9	94.9	
Nuclear safeguards (B4-2)	6.444	6.744	5.761	12.505	6.744	5.761	12.505	3.773	4.507	8.280	55.9	78.2	66.2	
Environment (B4-3)	88.459	85.659	30.402	116.061	85.659	30.402	116.061	58.050	21.850	79.880	67.7	71.9	68.8	

TABLE 23 (continued)

(million ECU)

	Appropriations entered in 1992 budget (including supplementary/amending budgets)	Appropriations entered in 1992 budget (including supplementary/amending budgets and transfers)	Additional appropriations from 1992 and carryovers from 1991	Total appropriations available in 1992	Payments made in 1992							
					Against 1992 appropriations		Against additional appropriations and carryovers		Against total appropriations available in 1992			
					Amount	%	Amount	%	Amount	%		
4. Other policies (continued)												
Consumer protection (B5-1)	20.850	19.150	7.617	26.767	8.900	46.5	6.980	91.6	15.880	59.3		
Aid for reconstruction (B5-2)	18.650	17.988	1.084	19.072	17.048	94.8	0.000	0.0	17.048	89.4		
Internal market (B5-3)	141.424	149.024	37.849	186.873	105.994	71.1	33.282	87.9	139.276	74.5		
Industry (B5-4)	63.720	62.720	10.102	72.822	49.400	78.8	8.300	82.2	57.700	79.2		
Information market and innovation (B5-5)	36.979	37.979	4.836	42.815	35.865	94.4	4.575	94.6	40.440	94.5		
Statistical information (B5-6)	42.235	45.235	3.955	49.190	40.284	89.1	3.660	92.5	43.944	89.3		
Food aid (B7-2)	776.693	753.393	1.516	754.909	601.173	79.8	1.311	86.5	602.484	79.8		
Asia and Latin America (B7-3)	371.600	358.600	5.877	364.477	255.695	71.3	3.690	62.8	259.385	71.2		
Mediterranean countries (B7-4)	302.300	291.980	0.290	292.270	194.040	66.5	0.211	72.8	194.251	66.5		
Other cooperation measures (B7-5)	447.799	447.799	59.290	507.089	250.400	55.9	48.380	81.6	298.780	58.9		
Central and Eastern Europe (B7-6)	920.000	560.000	4.135	564.135	442.077	78.9	3.662	88.6	445.739	79.0		
Gulf crisis (B7-7)	30.000	30.000	0.000	30.000	11.186	37.3	0.000	0.0	11.186	37.3		
Heading 4 — Total	4 816.596	4 353.714	394.482	4 748.196	3 184.265	73.1	321.472	81.5	3 505.737	73.8		
5. Repayments and administration												
Repayments and stock disposal (B0-1 to B0-3)	893.291	893.291	0.000	893.291	876.847	98.2	0.000	0.0	876.847	98.2		
Administration (Part A)	1 911.885	1 921.927	161.020	2 082.947	1 640.273	85.3	141.635	88.0	1 781.908	85.5		
Heading 5 — Total	2 805.176	2 815.218	161.020	2 976.238	2 517.120	89.4	141.635	88.0	2 658.755	89.3		
6. Monetary reserve (B1-5)	1 000.000	1 000.000	0.000	1 000.000	0.000	0.0	0.000	0.0	0.000	0.0		
7. Negative reserve	-50.000	0.000	0.000	0.000	0.000	0.0	0.000	0.0	0.000	0.0		
Grand total	60 063.564	60 064.386	1 127.671	61 192.057	56 227.292	93.6	912.255	80.9	57 139.547	93.4		

NB: The additional appropriations for 1992 comprise appropriations made available following the cancellation of commitments and the appropriations available as a result of financial contributions made by third parties.

TABLE 24

1993 budget (provisional figures)
(Appropriations for commitments — Parliament's nomenclature)

	Budget 1992 (1)	Financial perspective 1993 (2)	Preliminary draft budget 1993 (3)	Council first reading (4)	Parliament first reading (5)	Council second reading (6)	1993 budget (7)	Difference 1993/92 budget (%) (8) = (7)/(1)
(thousands ECU)								
1. Common agricultural policy								
Markets (B1-1 to B 1-3, not including B1-26)	31 915 000.000		33 305 000.000	33 285 000.000	33 680 000.000	33 285 000.000	33 295 000.000	4.32
Accompanying measures (B1-5)	0.000		182 000.000	182 000.000	90 000.000	182 000.000	182 000.000	
Ser-aside (B1-40)	360 000.000		489 000.000	489 000.000	489 000.000	489 000.000	489 000.000	35.83
Income aid (B1-41)	100 000.000		59 000.000	59 000.000	59 000.000	59 000.000	59 000.000	-41.00
European Fisheries Guarantee Fund (B1-26)	29 000.000		27 000.000	27 000.000	27 000.000	27 000.000	27 000.000	-6.90
Margin	32 404 000.000	36 657	34 062 000.000	34 042 000.000	34 345 000.000	34 042 000.000	34 052 000.000	5.09
			2 595 000.000	2 615 000.000	2 312 000.000	2 615 000.000	2 605 000.000	
2. Structural operations								
Structural Funds (B2-11)	17 685 285.000		20 063 000.000	19 763 000.000	20 285 000.000	19 763 000.000	20 193 000.000	14.18
Pedig (B2-20)	127 700.000		0.000	0.000	0.000	0.000	0.000	-100.00
IMPs (B2-22)	463 620.000		623.000	623.000	623.000	623.000	623.000	-99.87
Community support frameworks (B2-21)	8 540.000		20 600.000	8 540.000	13 540.000	8 540.000	13 540.000	58.55
Fisheries Guidance (B2-23)	270 254.000		329 054.000	301 100.000	341 100.000	329 200.000	341 100.000	26.21
Cohesion Fund			1 565 000.000	0.000	1 565 000.000	0.000	1 565 000.000	
Programmes for the outermost regions (B2-24)			68 026.000	46 200.000	56 700.000	54 700.000	64 700.000	
Margin	18 557 399.000	22 192	22 046 303.000	20 119 463.000	22 261 963.000	20 156 063.000	22 177 963.000	19.51
			145 697.000	507 537.000	-69 963.000	470 937.000	14 037.000	
			145 697.000	2 072 537.000	-69 963.000	2 035 937.000	14 037.000	
3. Internal policies								
Research (B6)	2 469 119.000		2 795 332.000	2 137 432.000	3 029 822.000	2 142 232.000	2 555 822.000	3.51
Other agricultural operations (B2-5)	189 713.000		216 300.000	197 800.000	205 800.000	197 800.000	205 800.000	8.48
Other regional operations (B2-6)	85 014.000		33 000.000	19 000.000	30 000.000	19 000.000	30 000.000	-64.71
Transport (B2-7)	9 320.000		10 770.000	9 000.000	12 770.000	9 000.000	12 770.000	37.02
Fisheries and the sea (B2-9)	23 700.000		25 000.000	25 000.000	25 000.000	25 000.000	25 000.000	5.49
Education, vocational training, youth (B3-1)	240 724.000		249 767.000	210 496.000	269 079.000	238 571.000	270 079.000	12.19
Culture and audiovisual media (B3-2)	63 719.000		99 240.000	57 192.000	97 075.000	61 775.000	63 575.000	-0.23
Information and communication (B3-3)	32 878.000		37 995.000	23 322.000	33 731.000	23 322.000	33 731.000	2.59
Other social operations (B3-4)	116 887.000		147 460.000	75 985.000	168 695.000	100 285.000	168 695.000	44.32
Energy (B4-1)	180 152.000		185 257.000	168 410.000	202 292.000	181 250.000	202 292.000	12.29
Euratom nuclear safeguards (B4-2)	8 867.000		10 871.000	9 756.000	11 500.000	9 905.000	11 500.000	29.69
Environment (B4-3)	96 115.001		107 564.000	91 533.000	100 733.000	91 533.000	100 733.000	4.80
Consumer protection (B5-1)	16 125.000		16 000.000	8 000.000	16 000.000	11 900.000	16 000.000	-0.78
Aid for reconstruction (B5-2)	18 650.000		12 900.000	12 900.000	12 900.000	12 900.000	12 900.000	-30.83
Internal market (B5-3)	125 363.000		135 215.000	114 527.000	111 815.000	115 227.000	118 815.000	-5.22
Industry (B5-4)	29 537.000		32 951.000	23 350.000	32 850.000	25 350.000	32 850.000	11.22
Information market (B5-5)	10 000.000		15 500.000	10 000.000	10 000.000	10 000.000	10 000.000	0.00
Statistical information (B5-6)	29 968.000		57 100.000	31 900.000	24 000.000	31 900.000	29 000.000	-3.23
Trans-European networks (B5-7)	150 832.000		251 275.000	149 350.000	265 000.000	149 350.000	209 000.000	38.56
Negative reserve (B0-42)	0.000		0.000	0.000	0.000	0.000	0.000	
Research — Subtotal	2 469 119.000		2 795 332.000	2 137 432.000	3 029 822.000	2 142 232.000	2 555 822.000	3.51
Other policies — Subtotal	1 427 564.001	4 109	1 644 165.000	1 237 521.000	1 629 240.000	1 314 068.000	1 552 740.000	8.77
Margin	3 896 683.001		4 439 497.000	3 374 953.000	4 659 062.000	3 456 300.000	4 108 562.000	5.44
			-330 497.000	734 047.000	-550 062.000	632 700.000	438.000	

TABLE 24 (continued)

	Budget 1992 (1)	Financial perspective 1993 (2)	Preliminary draft budget 1993 (3)	Council first reading (4)	Parliament first reading (5)	Council second reading (6)	1993 budget (7)	Difference 1993/92 budget (%) (8) = (7)/(1)
4. External action								
EDF (B7-1)	0.000		0.000	0.000	0.000	0.000	0.000	
Food aid (B7-2)	486 500 000		574 000 000	574 000 000	574 000 000	574 000 000	574 000 000	17.99
Cooperation with Latin American and Asian developing countries (B7-3)	553 000 000		605 000 000	550 000 000	614 000 000	553 000 000	634 000 000	14.65
Cooperation with Mediterranean countries (B7-4)	418 730 000		476 700 000	396 700 000	408 700 000	408 700 000	408 700 000	-2.40
Other cooperation measures (B7-5)	791 709 999		486 300 000	367 253 999	603 700 000	379 253 999	623 700 000	-21.22
Cooperation with Central and East European countries and the independent States of the former Soviet Union (B7-6)	1 463 000 000		1 700 000 000	1 638 000 000	1 493 000 000	1 638 000 000	1 573 000 000	7.52
Cooperation with other third countries (B7-7)	0.000		0.000	0.000	3 000 000	0.000	3 000 000	
External aspects of certain Community policies (B7-8 and B7-9)	276 990 000		307 700 000	292 100 000	293 700 000	292 100 000	293 700 000	6.03
Negative reserve (B0-42)	-40 000 000		0.000	0.000	0.000	0.000	0.000	
External policies reserve (B0-44)	0.000		0.000	0.000	300 000 000	0.000	0.000	
Margin	3 949 929 999	4 120	4 149 700 000	3 818 053 999	4 290 100 000	3 845 053 999	4 110 100 000	4.06
Total 4			-29 700 000	301 946 001	-170 100 000	274 946 001	9 900 000	
5. Administrative expenditure of the institutions								
Commission (traditional Parr A) and former mini-budget B8 (not including buildings and pensions)	1 765 558 601		1 928 417 688	1 793 590 788	1 828 131 788	1 802 369 788	1 833 911 788	3.87
Other institutions (not including buildings)	918 180 194		1 018 286 668	959 420 310	966 853 364	960 020 310	966 853 364	5.30
Pensions	249 329 000		293 176 000	284 419 000	284 419 000	284 419 000	284 419 000	14.17
Expenditure on buildings by the Commission	134 382 500		180 950 000	163 528 900	165 028 900	165 028 900	165 028 900	22.81
Expenditure on buildings by the other institutions	138 291 150		157 773 800	150 396 000	150 396 000	151 746 000	150 396 000	8.75
Commission — Total	2 149 270 101		2 402 543 688	2 241 538 688	2 277 829 688	2 251 817 688	2 283 609 688	6.25
Other institutions — Total	1 056 471 344		1 176 060 468	1 109 816 310	1 117 249 364	1 117 249 364	1 117 249 364	5.75
Buildings — Total	272 673 650		338 723 800	313 924 900	315 424 900	316 774 900	315 424 900	15.68
Stock disposal and repayments (B-01)	893 290 548		0.000	0.000	0.000	0.000	0.000	
Total margin	4 099 031 993	3 421	3 578 604 156	3 351 354 998	3 395 079 052	3 363 583 998	3 400 859 052	-17.03
			-157 604 156	69 645 002	25 920 948	57 416 002	20 140 948	
6. Reserves								
Monetary reserve (B-16)	1 000 000 000		1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000	0.00
Guarantees	0.000		0.000	0.000	209 000 000	0.000	209 000 000	
Reserve for emergency aid								
Margin	1 000 000 000	1 522	1 000 000 000	1 000 000 000	1 209 000 000	1 000 000 000	1 209 000 000	20.90
Total 6			522 000 000	522 000 000	313 000 000	522 000 000	313 000 000	
Appropriations for commitments								
CE	35 529 521 548		36 430 547 000	36 384 362 000	36 787 362 000	36 384 362 000	36 402 362 000	2.46
NCE	28 377 522 445		32 843 557 156	29 321 462 997	33 372 842 052	29 478 638 997	32 656 122 052	15.08
CE + NCE	63 907 043 993	72 021	69 276 104 156	65 705 824 997	70 160 204 052	65 863 000 997	69 058 484 052	8.06
Appropriations for payments								
CE	35 456 891 548		2 744 895 844	6 315 175 003	1 860 795 948	6 157 999 003	2 962 515 948	
NCE	25 639 865 466		36 382 847 000	36 331 662 000	36 728 662 000	36 331 662 000	36 331 662 000	2.50
CE + NCE	61 096 757 014	68 611	29 928 193 500	26 596 604 998	29 265 494 052	27 031 379 998	29 178 977 052	13.80
Margin			66 311 040 500	62 928 266 998	65 994 156 052	63 363 041 998	65 522 639 052	7.24
			2 299 959 500	5 682 733 002	2 616 843 948	5 247 958 002	3 088 360 948	

NB: The figures for the financial perspective are based on the decision of the Edinburgh European Council, are expressed in 1993 prices and take account of the transfer of administrative expenditure from Part B to Part A.

high-definition television; the trans-European networks will be allocated ECU 209 million (up by 38.6%). Finally, ECU 1 243 million will be available for the other policies (up by 6.8%). The appropriations for other social operations have been increased considerably, by 44.3%; this includes ECU 30 million for measures for customs agents. No margin has been left available under this heading. The appropriations for heading 4 (External action) total ECU 4 110 million (up by 4%), to which should be added a reserve of ECU 209 million for emergency aid entered in heading 6. A large sum (ECU 1 573 million) is set aside for cooperation with Central and Eastern Europe. Parliament also emphasized the environmental measures arising from the Rio Conference. In all, a margin of ECU 10 million has been left available. As regards heading 5 (Administrative expenditure of the institutions), the situation concerning all Part A appropriations will remain difficult in 1993 as the ecu has fallen in value against the Belgian franc. The Commission's administrative appropriations increase by 6.3% in relation to 1992. Finally, in heading 6 (Reserves), the monetary reserve of ECU 1 000 million has been retained and an emergency aid reserve of ECU 209 million has been set up; its use will depend on a joint decision by the two arms of the budgetary authority. The reserve of ECU 313 million for guarantees will be entered in the budget at a later stage when the necessary legal base has been adopted.

Table 24 sets out the various stages of the budgetary procedure for 1993.

Own resources

1184. The budget is financed in accordance with Council Decision 88/376/EEC, Euratom on the system of the Communities' own resources.¹

1992 financial year

1185. In 1992 the budget resources totalled ECU 59 545 million, i.e. 1.08% of Community GNP. The revenue for the year is shown in Table 25.

1993 financial year

1186. Foreseeable revenue for 1993 is shown in Table 25.

¹ OJ L 185, 15.7.1988; Twenty-second General Report, point 102.

TABLE 25

Budget revenue

	1992 (outturn)	1993 (estimates)
	Million ECU	
Agricultural levies	1 220.0	1 260.9
Sugar and isoglucose levies	1 002.3	1 227.5
Customs duties	12 557.2	14 576.2
Own resources collection costs	- 1 478.0	- 1 706.7
VAT own resources	34 594.6	35 677.1
Financial contributions	—	—
GNP-based own resources	8 314.9	14 029.9
Balance of VAT and GNP-based own resources from previous years	78.0	
Budget balance from previous year	2 762.6	
Other revenue	493.0	457.7
Total	59 544.6	65 522.6
	% GNP	
Maximum own resources which may be assigned to the budget	1.20	1.20
Own resources actually assigned to the budget	1.08	1.11

Discharge procedure

1990 financial year

1187. On 18 November Parliament granted a discharge to the Commission in respect of implementation of the 1990 budget.¹ It also adopted a series of decisions and resolutions completing the procedure for giving discharge in respect of the management in 1990 of the ECSC, the EDF, the Centre for the Development of Vocational Training and the Foundation for the Improvement of Living and Working Conditions.²

¹ OJ C 337, 21.12.1992; Bull. EC 11-1992, point 1.6.3.

² OJ L 127, 13.5.1992; Bull. EC 4-1992, point 1.6.5.

1991 financial year

1188. On 30 April the Commission sent the budgetary authority and the Court of Auditors the revenue and expenditure account and balance sheet for 1991¹ together with the report² on action taken in response to Parliament's resolution accompanying the decision on the discharge in respect of the implementation of the 1989 budget.³ On 8 April Parliament had adopted a resolution on the interim Commission report.⁴

ECSC budget

1189. After taking note of Parliament's opinion⁵ and after informing the ECSC Consultative Committee, the Commission decided on 23 December to reduce the ECSC levy rate for 1993 from 0.27 to 0.25% and adopted the ECSC operating budget for 1993 on this basis.⁶ The ordinary resources (levy, net balance from previous year, fines, cancellations and budgetary resources not used the previous year), estimated at ECU 499 million, and extraordinary resources estimated at ECU 49 million should cover the ECSC's requirements, which break down as follows (million ECU):

Administrative expenditure	5
Redeployment aid	185
Aid for research	123
Interest subsidies on ECSC loans (Articles 54 and 56)	125
Social measures (steel)	60
Social measures (coal) (Rechar)	50

Changes to Financial Regulations

1190. On 2 September the Commission adopted a new proposal for the revision of the Financial Regulation applicable to the general budget of the Communities.⁷ This proposal is in response to a number of developments. To

¹ OJ L 127, 13.5.1992.

² Bull. EC 1/2-1992, point 1.6.1.

³ OJ C 129, 20.5.1991; Twenty-fifth General Report, point 1254.

⁴ OJ C 125, 18.5.1992; Bull. EC 4-1992, point 1.6.2.

⁵ OJ C 21, 25.1.1993; Bull. EC 12-1992.

⁶ Bull. EC 12-1992.

⁷ OJ C 254, 1.10.1992; COM(92) 358; Bull. EC 9-1992, point 1.5.3.

begin with it reflects the impact of the changes made to the EEC Treaty by the Treaty on European Union with the introduction of the principle of subsidiarity and the changes made to institutional arrangements (strengthening of the role of the Court of Auditors and setting up of the Committee of the Regions). The proposal also makes the necessary adjustments deriving from the signature of the Agreement on the European Economic Area.¹ Finally, to honour the undertaking given when the Financial Regulation was last revised on 13 March 1990² the Commission proposes a number of improvements concerning the presentation of borrowing and lending operations in budget documents and the treatment of these operations.

Financial Control

1191. With a view to greater decentralization of the management and control of Community funds in the Member States, the Financial Controller held a seminar in Brussels in January to meet the supreme control authorities in the Member States. The purpose was to step up cooperation in this field in response to the challenges set by greater direct responsibility of the Member States in the control and management of major Community policies and to provide all the necessary assurances concerning the sound utilization and proper management of funds coming from the Community budget.

1192. Financial Control stepped up its audit of national management and control systems for the structural Funds and studied the financial channels through which Community moneys pass on their way to final recipients. Training seminars for national officials concerned with the management and control of the structural Funds were organized this year in the United Kingdom (Northern Ireland) and Denmark.

1193. As part of increased Community aid to the countries of Central Europe under the Phare programme³ and after exploratory contacts in Poland, Hungary and Czechoslovakia, an initial training seminar was organized in February for 50 or so officials from these countries. On-the-spot inspections were also conducted in Poland, Hungary and the former Soviet Union.

¹ Point 789 of this Report.

² OJ L 70, 16.2.1990; Twenty-fourth General Report, point 1003.

³ Point 756 *et seq.* of this Report.

1194. In accordance with the Commission Decision of 7 June 1990 on the Financial Controller's role as internal auditor,¹ Financial Control conducted a financial audit of five Directorates-General or departments under the work programme adopted by the Commission. The purpose of this internal audit is to assure the Commission that the systems and methods of financial management available within its departments function properly.

1195. Financial Control drew up for the Commission its report on financial monitoring of cases of fraud affecting the Community budget and, in cooperation with the national associations of lawyers for the protection of the Community's financial interests, lent its support for operations to increase awareness of this subject by organizing conferences, round table discussions and seminars in a number of Member States (Netherlands, Italy, Spain and Germany).

Action to combat fraud

1196. On 26 May the Commission adopted its third report on the work done and progress achieved in 1991 in the fight against fraud.² On 28 September the Council welcomed the report.³ The Council set the priorities for the current year: continuation of the operation to simplify agricultural legislation, and in particular the export refunds nomenclature, improvement of the *ex ante* examination of the anti-fraud aspects of legislative proposals, generalization of the principle of targeting on the basis of risk, possibility of seminars and exchanges for national civil servants responsible for the internal administration of the common agricultural policy, consideration with the Member States of the question of incentives, and introduction of a Regulation for notification of cases of fraud in the area of the structural Funds.

1197. The Council also gave fresh political impetus to the fight against fraud by adopting conclusions in which it solemnly reaffirms the importance of these measures and calls for cooperation between the various institutional partners and close coordination by the Commission as a basis for effective action.

¹ Twenty-fourth General Report, point 1007.

² Bull. EC 5-1992, point 1.4.9.

³ Bull. EC 9-1992, point 1.5.7.

1198. Further progress was observed in 1992. The Commission adopted a new work programme which was presented to and accepted by the Member States. There were also further developments in fieldwork with the continuation of investigations. More than ever cooperation between Member States and also between the Member States and the Commission has been stepped up with due respect for the principle of subsidiarity under which the Commission has the threefold task of coordinating, stimulating and monitoring proper application of Community rules.

1199. Matters such as the completion of the internal market, the European Economic Area, the opening towards the countries of Central Europe and the Independent States of the former Soviet Union and the reform of the common agricultural policy must all be handled with due attention being given to all aspects of fraud. The Treaty on European Union contains specific provisions which might be a new springboard for the fight against fraud.

Borrowing and lending operations

1200. Table 26 shows the loans granted each year from 1990 to 1992.

Borrowing operations during the year totalled ECU 2 683 million, of which ECU 63.4 million was to refinance earlier operations.

TABLE 26
Loans granted

Instrument	(million ECU)		
	1990	1991	1992
New Community Instrument ¹	23.6	39.2	—
EEC balance-of-payments loans ¹	—	1 000.0	—
EEC financial assistance to countries of Central and Eastern Europe and other non-member countries ¹	350.0	695.0	865.0
EEC food aid	—	—	93.6
ECSC	993.8	1 382.2	1 486.2
Euratom ¹	—	—	—
EIB (from the Bank's own resources)	13 325.9	15 165.1	16 904.3
of which: loans to Community countries ²	12 656.9	14 383.6	16 140.0
loans to ACP countries and overseas territories	117.5	269.5	130.5
loans to Mediterranean countries ²	336.5	227.0	313.8
loans to Eastern Europe ¹	215.0	285.0	320.0
Total	14 693.3	18 281.5	19 349.1

¹ With partial guarantee from the general budget.

² With no guarantee from the general budget.

Operations concerning the New Community Instrument

New Community Instrument

1201. There were no NCI borrowing or lending operations during the year.

EEC — Balance of payments

1202. There were no financial operations under Regulation (EEC) No 1969/88 providing medium-term financial assistance for Member States' balances of payments,¹ as Greece did not call in the second tranche (ECU 600 million) of the ECU 2.2 billion loan granted by the Council.²

EEC — Medium-term financial assistance

1203. Following the decision to grant Romania a medium-term loan of up to ECU 375 million to be paid out in two tranches,³ the Commission borrowed ECU 190 million and paid out this first tranche in January. The second tranche of ECU 185 million was paid out in April. These two tranches carried a variable interest rate obtained by means of a swap operation. In March the Commission raised ECU 490 million and paid ECU 140 million to Bulgaria as the second tranche of the ECU 290 million assistance granted by the Council,⁴ and ECU 190 million to Czechoslovakia as the second tranche of the ECU 375 million assistance also agreed by the Council.⁵ Finally, ECU 160 million was paid to Israel under the Council Decision granting this amount in a single tranche accompanied by an ECU 27.5 million interest subsidy.⁶ The three payments carried a variable interest rate obtained by means of a swap operation.

Financing ECSC activities

1204. During 1992 the Commission continued to support coal and steel industry investment through ECSC financial loans totalling ECU 215.2 million. ECSC loans paid out in 1992 totalled ECU 1 486.2 million, compared with ECU 1 382.2 million in 1991.

¹ OJ L 178, 8.7.1988; Twenty-second General Report, point 256.

² OJ L 66, 13.3.1991; Twenty-fifth General Report, point 1271.

³ OJ L 208, 30.7.1991; Twenty-fifth General Report, point 74.

⁴ OJ L 174, 3.7.1991; Twenty-fifth General Report, point 74.

⁵ OJ L 56, 2.3.1991; Twenty-fifth General Report, point 74.

⁶ OJ L 227, 15.8.1991; Twenty-fifth General Report, point 77.

Loans for the steel industry totalled ECU 201.4 million in 1992 compared with ECU 362.9 million in 1991; and loans for the coal industry dropped from ECU 75.8 million in 1991 to ECU 13.8 million in 1992. This year loans for investments to promote the consumption of Community steel under the second paragraph of Article 54 of the ECSC Treaty amounted to ECU 816.4 million. Loans to promote the consumption of Community coal totalled ECU 15.5 million.

1205. The ECSC continued to look to the capital market for funds, raising a total of ECU 1 474.4 million, including ECU 63.4 million to refinance earlier operations (compared with ECU 1 445.7 million in 1991, including ECU 81.9 million to refinance earlier operations).

With a view to the expiry of the ECSC Treaty in 2002, on 18 November the Commission adopted an outline paper on the future of activities currently conducted under this Treaty and relating in particular to the development of ECSC financial activities.¹

Financing Euratom activities

1206. In view of the continuing unfavourable situation in the industry, there were again no loan operations in 1992 despite the fact that the Council raised the authorized ceiling by ECU 1 billion in 1990.² The grand total of loans since such operations began in 1977 is ECU 2 876 million (at the exchange rates obtaining when contracts were signed).

1207. On 9 December the Commission proposed a Council Decision to allow Euratom to contribute towards financing improvements in the degree of efficiency and safety of nuclear power stations in certain non-member countries.³

¹ Bull. EC 11-1992, point 1.6.6.

² Twenty-fourth General Report, point 48.

³ COM(92) 467; Bull. EC 12-1992.

European Investment Bank

1208. Information relating to the activities of the European Investment Bank appears in 'Economic and monetary policy' in Chapter III.¹

General budget guarantee for borrowing and lending operations

1209. The guarantee by the Community budget covers lenders when the Community floats an issue under one of its financial instruments: balance of payments facility, Euratom loans, New Community Instrument, medium-term financial assistance for Hungary, Czechoslovakia, Bulgaria, Romania, Algeria, Israel and the Baltic States. The budget guarantee is also given to the European Investment Bank for loans it grants from its own resources under the Mediterranean Protocols.²

1210. At end-1992 the ceiling for authorized borrowing and lending operations guaranteed by the general budget was ECU 39 515 million. At 31 December the guarantee was in operation for ECU 9 230 million of Community borrowing and for loans of 2 236 million granted by the EIB out of its own resources.

1211. In 1992 the budget guarantee was again activated³ for loans granted by the EIB to Lebanon and to the Republics of former Yugoslavia. When they failed to make certain repayments, the Community had to pay the EIB ECU 2.692 million at the end of August. This was the 11th occasion on which the guarantee was activated in respect of Lebanon. By the end of the year Lebanon had repaid all amounts which the guarantee had covered. The guarantee was also activated twice in respect of EIB loans to the Republics of former Yugoslavia. The Community had to pay the EIB ECU 8.412 million in October and early December. At 31 December, neither of these two amounts had been repaid by the Republics concerned.

¹ Point 52 of this Report.

² Twenty-fifth General Report, points 73 to 78.

³ Twenty-second General Report, point 134; Twenty-third General Report, point 120; Twenty-fifth General Report, point 1283.

Chapter VII

Community law

Section 1

General matters

General principles of Community law

1212. The Court of Justice, acting at the Commission's request under Article 228 of the EEC Treaty, reviewed the new dispute-settlement provisions of the draft Agreement establishing the European Economic Area (EEA). These provisions had been renegotiated following the Court's declaration in Opinion 1/91 of 14 December 1991¹ that the judicial review arrangements planned in the original draft Agreement were incompatible with the EEC Treaty. The Court examined the new provisions in the light of the principles established by the earlier Opinion and concluded that they were compatible with the EEC Treaty. In the original Opinion it held that the situation was not like an accession situation and that the Agreement could not establish a single legal framework for the full range of economic activity; it now recognized that the parties to the Agreement were planning to secure the most uniform interpretation and operation of the law that was possible in the EEA without jeopardizing the autonomy of the Community legal system. Instead of setting up an EEA Court, the new draft Agreement provided for an EEA Joint Committee to settle disputes between the two sides and to ensure the uniform interpretation of the Agreement by keeping under permanent review the decisions of the Court of Justice and of the EFTA Court to be set up by the EFTA countries with jurisdiction confined to those countries. But decisions of the Committee will have no impact on the case-law of the Court of Justice — this is felt essential to the preservation of the autonomy of the Community legal system. Where a

¹ Twenty-fifth General Report, point 1284.

dispute between the parties cannot be settled by the Committee or the Committee is unable to ensure uniform interpretation of the Agreement because there is a conflict between decisions of the EFTA Court and of the Court of Justice, the parties may agree to apply to the Court of Justice for an interpretation of the rules that are in issue. In conferring this jurisdiction on the Court of Justice without amending the EEC Treaty, the EEA Agreement remains compatible with the EEC Treaty since the Court's decision will be binding and the Court's function, which is to give binding judgments, will not be diluted.¹

1213. Council Regulation (EEC) No 4059/89 of 21 December 1989 introduced a Community cabotage scheme for road transport, valid until 31 December 1992.² The Commission had originally proposed a scheme of free cabotage, and Parliament had given an opinion endorsing that proposal. When it realized that it would not be able to secure agreement on full freedom, the Commission proceeded to amend its proposal so that it could be adopted by qualified majority. Parliament was not reconsulted on the amended proposal and accordingly applied to the Court of Justice to have the Regulation set aside. The Court upheld the application in a judgment given on 16 July.³ It observed that the amendments made to the proposal (replacement of free cabotage by the principle of temporary admission to a Community quota scheme) went to the very roots of the system to be set up and therefore had to be regarded as substantial. The Council should consequently have consulted Parliament a second time. The Court annulled the Regulation but preserved its effects pending adoption of a new Regulation.

1214. The Commission proposed a Directive on the right of residence for students with, as its sole legal basis, the second paragraph of Article 7 of the EEC Treaty, which empowers the Council to adopt rules to prohibit discrimination based on nationality. On 28 June 1990 the Council responded by adopting Directive 90/366/EEC, in which the legal basis was replaced by Article 235 of the Treaty.⁴ Parliament, supported by the Commission, brought an action for annulment on that ground, which the Court upheld on 7 July.⁵ Its reasoning was that instruments enacted under the second paragraph of Article 7 need not be confined simply to outlawing discrimination but may also govern points that are found to be necessary to secure the effective exercise of

¹ Opinion 1/92 (10 April 1992) on the draft Agreement between the Community and the EFTA countries establishing a European Economic Area.

² OJ L 390, 30.12.1989; Twenty-third General Report, point 629.

³ Case C-65/90 *Parliament v Council*, not yet reported.

⁴ OJ L 180, 13.7.1990; Twenty-fourth General Report, point 168.

⁵ Case C-295/90 *Parliament v Council*, not yet reported.

the resultant rights. It accordingly annulled Directive 90/366/EEC for want of a proper legal basis but preserved its effects pending adoption of a new Directive by the Council; students' rights are thus not curtailed by the legal argument.

1215. The Community legislation establishing milk quotas in 1984 omitted to grant quotas to milk producers who had agreed to refrain from marketing milk for a limited period under an earlier scheme entitling them to premiums. In Case 120/86 *Mulder*¹ the Court declared the rules invalid as contravening the principle of legitimate expectations. The Council responded by allowing the relevant producers a quota, valid from 1989, set at 60% of the milk delivered in the year preceding the application for a non-marketing premium. In Cases C-189/89 *Spagl v HZA Rosenheim* and C-217/89 *Pastätter v HZA Bad Reichenhall*² the Court held the 40% reduction to be invalid. The relevant producers accordingly commenced proceedings against the Community institutions for damages in respect of loss sustained by reason of the offending legislation. The Court upheld the applications in a first batch of cases,³ stating that the Community could already be held liable in terms of Article 215 of the EEC Treaty on account of the 1984 legislation. That legislation had been adopted in violation of the principle of legitimate expectations, which was a fundamental principle of Community law and a superior rule of law for the protection of individuals. The violation was serious enough to warrant an order to pay damages since, without presenting any overriding grounds of public interest, the legislature had completely omitted to have regard for the situation of the producers affected. But the Court felt that the violation committed in the form of the 60% rule introduced in 1989 was not serious enough.

1216. Germany applied for the annulment of certain provisions of Commission agricultural regulations determining the penalties to be imposed by national authorities in the event of serious irregularities in applications for Community assistance. Giving judgment on 27 October,⁴ the Court of Justice confirmed earlier rulings to the effect that the Community had the power to establish the penalties needed for the effective application of agricultural regulations. The power was not confined to orders to pay extra but extended to all penalties, provided they were necessary for the attainment of the objectives of the common agricultural policy, and included exclusion from future grants of assistance. It

¹ [1988] ECR 2321.

² [1990] ECR I-4539 and I-4585 respectively.

³ Joined Cases C-104/89 and C-37/90 *Mulder and Others v Commission and Council*: judgment given on 19 May 1992, not yet reported.

⁴ Case C-240/90 *Germany v Commission*, not yet reported.

was for the Community legislative bodies to decide what was the most appropriate solution. The Court also clarified the concept of Commission implementing powers. Only those rule-making powers that went to the root of the subject-matter in issue could be reserved for the Council; determining the nature of penalties, as by imposing extra payments or excluding the future grant of assistance, was simply implementing the principles of the basic regulation and could legitimately be delegated to the Commission. Moreover, there was no need for the Council to expressly enable the Commission in this respect: the Commission could provide for penalties in implementing regulations adopted in exercise of its general executive powers.

1217. In Case C-376/90 *Commission v Belgium*¹ the Court dismissed the Commission's action against Belgium for failure to comply with Directive 80/836/Euratom on basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation.² The Commission's view was that the Directive did not leave the Member States free to set radiation exposure limits since Article 2 of the Euratom Treaty required the Community to establish 'uniform safety standards'. Belgium had set limits for apprentices and under-age students that were tighter than those provided for by the Directive. The Court first observed that the text of the Directive itself could not be used to support the arguments of either side. But it then noted that the Directive's standards were based on recommendations of the International Commission on Radiological Protection which, since all forms of ionizing radiation are a potential health hazard, were not expressed to be mandatory standards but issued for guidance only. The underlying principle was optimum protection. The Directive did not make it explicit that the Community legislation was to depart from that approach; if there had been an intention to prohibit a higher degree of protection, that intention would have been expressed. Failing that, the Directive could not be interpreted as precluding a Member State from legislating for a higher degree of protection on the basis of a combination of economic and social considerations.

Judicial review and fulfilment by the Member States of their obligations

1218. In the exercise of its duty to monitor the application of Community law, the Commission commenced 1 209 infringement proceedings in 1992, as against 853 in 1991 and 964 in 1990, and issued 248 reasoned opinions (411 in

¹ Judgment given on 25 November, not yet reported.

² OJ L 246, 17.9.1980.

1991 and 279 in 1990). The Commission referred 64 cases to the Court of Justice this year (65 in 1991 and 78 in 1990).¹

The breakdown by country of cases referred to the Court in 1992 is as follows: Belgium: 6; Denmark: 0; Germany: 5; Greece: 4; Spain: 5; France: 1; Ireland: 9; Italy: 11; Luxembourg: 14; Netherlands: 5; Portugal: 1; United Kingdom: 3.

1219. The Court of Justice gave judgment in 50 cases brought under Article 169 of the EEC Treaty, giving judgment against Member States for failure to comply with their obligations under Community law on 38 occasions. In the course of the year 48 cases were removed from the Court's register where the Member State came into line with Community law while the litigation was in progress.

Fuller information on Commission monitoring of the application of Community law will be given in the 10th annual report on the subject, to be published in the spring of 1993.

¹ The figures relate to infringements in the form of failure to notify national measures implementing directives.

Section 2

Interpretation and application of the substantive rules of Community law

Free movement of goods and customs union

1220. Italian and United Kingdom patent laws provide for compulsory licensing where the holder does not exploit his patent by manufacturing inside the country. Exploitation by imports from other Member States is not considered to avoid the compulsion to issue licences. In Cases C-235/89 *Commission v Italy* and C-30/90 *Commission v United Kingdom*¹ the Court held that the two Member States had failed to fulfil their obligations under Article 30 of the EEC Treaty. To avoid losing the benefit of his monopoly right under the patent, the holder has an incentive to produce in the country where the patent was granted rather than import from another country; this has an effect equivalent to a quantitative restriction on imports. Article 36 does not legitimate this type of restriction on free trade since there is no justification for it that is inherent in the very nature of the patent: the discrimination is founded not on industrial and commercial property considerations but on a desire to promote national production. That goes against the very objects of the Community and so cannot be used to justify a restraint of trade between Member States.

1221. In the French overseas departments there is an official levy — the ‘octroi de mer’ (dock due) — that is raised on virtually all products shipped into them, regardless of their origin. In Case C-163/90 *Administration des douanes v Legros*² the Court of Justice gave a preliminary ruling declaring the levy to be equivalent to a customs duty and as such contrary to Community law. The levy is raised whenever goods are brought into the department and constitutes a barrier to the free movement of goods. The departure from the principle that the Community constitutes a single customs territory is not mitigated by the fact that the levy is applicable to goods from other parts of the same Member State. But the Court confined the effects of its ruling *rationae temporis* by empowering individuals to claim reimbursement of levies already paid before

¹ Judgments given on 18 February, not yet reported.

² Judgment given on 16 July, not yet reported.

the date of the ruling only if they had commenced actions or filed complaints before then.

1222. Since Belgium banned imports of waste into Wallonia (unless authorized by local authorities), the Commission brought an action against it in the Court of Justice (Case C-2/90)¹ for a declaration that the ban was contrary to Article 30 of the EEC Treaty as discriminating against waste from other Member States, which was no more dangerous than that generated in Wallonia itself. The Court held that the ban contravened Directive 84/631/EEC on hazardous waste² since that Directive established full surveillance and control arrangements, applying to cross-border movements as well as others. The interesting points in this judgment lie in those paragraphs that relate to the application of Articles 30 and 36 of the Treaty. The Court held that waste constitutes 'goods', even if it is non-recyclable and wholly devoid of commercial value, and is accordingly subject to the two Articles. It added that it is for each regional or local authority to take the measures needed for disposal of its own waste, preferably at the nearest possible place to the place where it is generated, so as to confine transport operations to whatever is strictly necessary. Given the specific nature of waste, the fact that it varies from place to place and the link with the place of generation, the Court held that the general import ban imposed was not a form of discrimination against waste generated in other Member States and in favour of Walloon waste. It could accordingly be justified on compelling environmental grounds.

1223. In Case C-3/91 *Exportur v Lor*³ the Court of Justice gave valuable guidance on the compatibility of national rules applying to geographical indications of origin with the rules governing free movement of goods. As a general rule the protection of geographical indications, in keeping with the principle of territoriality as applied to intellectual property rights, is governed by the realities and concepts of the country in which the product circulates, regardless of the conditions obtaining in the country where the geographical term originates. The Court held that the protection of geographical terms is not warranted solely where the product has qualities or properties specifically due to the place where it originated — such designations can enjoy considerable prestige in consumer perceptions even where the 'taste' of the product is not due only to its place of production or to quality standards imposed by public authorities there. They can be a valuable means for local producers to generate customers'

¹ Judgment given on 9 July, not yet reported.

² OJ L 326, 13.12.1984; Eighteenth General Report, point 378.

³ Judgment given on 10 November, not yet reported.

loyalty, and deserve protection for that reason. There is discrimination of a kind contrary to Article 30 of the EEC Treaty only where a Member State reserves designations commonly used for products that might be produced anywhere for home-produced products and requires firms from other Member States to use designations that are less familiar to the public or less well appreciated. The Court further held that a Member State may extend the protection afforded to designations relating to places or areas in its own territory to the territory of another Member State, as is the case under the Convention between France and Spain, but not where designations have acquired generic status in the country of origin. Incidentally, Council Regulation No 2081/92¹ provides that designations of origin and geographical indications of agricultural products and foodstuffs must be entered in a Community register if they are to be eligible for protection throughout the Community.

1224. In Case C-169/91 *Stoke-on-Trent City Council v B&Q plc*² the Court of Justice concluded from its earlier decisions that the provisions on free movement of goods do not stand in the way of national legislation prohibiting retailers from opening their premises on Sundays. The Court had ruled in *Torfaen Borough Council*³ that Article 30 of the EEC Treaty did not apply to national rules on Sunday closing where the restrictive effects on trade which might result from them did not exceed the effects intrinsic to such rules, and that whether the rules in issue satisfied that test was a question of fact to be determined by the national court. In its *Conforama* and *Marchandise* judgments⁴ the Court had held that Article 30 did not apply to national rules prohibiting the employment of workers on Sundays. The Court was now asked to rule on the UK Shops Act 1950, which prohibits retailers from opening on Sundays except for the sale of specified products of everyday consumption (including certain foodstuffs, intoxicating liquors, tobacco and newspapers). It found that the Act was not intended to regulate the flow of goods and that it affected the sale of both domestic and imported products. Furthermore, national rules restricting Sunday opening reflected certain choices relating to particular national or regional socio-cultural characteristics. It was for the Member States to make those choices, with due regard for Community law, in particular the proportionality principle. The Court had already stated in *Conforama* and *Marchandise* that the prohibition of employment did not appear to be excessive

¹ OJ L 208, 24.7.1992.

² Judgment given on 16 December, not yet reported.

³ Case C-145/88 [1989] ECR 3851.

⁴ Case C-312/89 [1991] ECR I-997; Case C-332/89 [1991] ECR I-1027.

in relation to the aim pursued; it now made the same finding, for the same reasons, with regard to rules prohibiting shops from opening on Sundays.

Competition

1225. In Joined Cases C-48/90 and C-66/90 *Netherlands and PTT v Commission*¹ the Court of Justice spelled out the powers enjoyed by the Commission under Article 90 of the EEC Treaty to apply the competition rules to public-sector enterprises and the conditions governing their exercise. Having held a year or so earlier in Case C-202/88 *France v Commission*² that the Commission indeed enjoyed power under Article 90(3) to issue directives laying down general rules applying to the obligations of the Member States in relation to their public enterprises, the Court now held that the Commission also had the power to issue decisions declaring a measure taken by a State to be incompatible with Treaty rules and indicating what the State should do to come into line with Community law. But if it exercised that power, the Commission must respect the principles of natural justice; in practice, before taking the decision, it should send the Member State a full, clear statement of objections, and it should hear the enterprise's side of the case and inform it of its consultations. This procedure had not been followed for Decision 90/16/EEC concerning express delivery services in the Netherlands,³ which was accordingly annulled.

1226. In Case C-294/90 *British Aerospace and Rover Group v Commission*⁴ the Court of Justice gave a clear indication of how the Commission can go about enforcing its State aid decisions. In 1988 the Commission had authorized certain forms of aid to the Rover Group on condition, among others, that the British Government refrain from giving other aid in addition. Upon ascertaining that Rover had received other aid the Commission issued a further decision requiring the British Government to demand repayment. The Court of Justice annulled this second decision on the grounds that the Commission could either treat the additional aid as infringing the original decision and proceed under Article 93(2) of the EEC Treaty for failure to comply with it or treat it as a new scheme and follow the full State aid scrutiny procedure.

1227. Three Member States — Spain, Belgium and Italy — brought actions in the Court of Justice against the Commission (Cases C-271/90, C-281/90 and

¹ Judgment given on 12 February, not yet reported.

² [1991] ECR I-1223; Twenty-fifth General Report, point 1295.

³ OJ L 10, 12.1.1990.

⁴ Judgment given on 4 February, not yet reported.

C-289/90 respectively)¹ for annulment of Directive 90/388/EEC on competition in the markets for telecommunications services.² This Directive requires the Member States to withdraw exclusive or special rights to supply telecommunications services other than voice telephony and carries forward the liberalization process started by Directive 88/301/EEC on competition in the market for telecommunications terminal equipment,³ which was the subject of Case C-202/88.⁴ The Court confirmed its earlier declaration to the effect that, by virtue of its powers under Article 90(3) of the EEC Treaty, the Commission may issue general rules specifying the obligations incumbent on the Member States as regards public enterprises on which they confer exclusive or special rights. It held that the Commission may specify such obligations in relation not only to Article 30 but also to Article 59 of the Treaty (freedom to provide services). Directive 90/388/EEC, like Directive 88/301/EEC, was annulled on the ground that it sought to regulate special rights without stating reasons for doing so; it did not state what type of special rights were to be withdrawn, nor the reasons for considering them repugnant to the Treaty. Regarding exclusive rights the Court, in contrast, confirmed its earlier ruling that the mere fact of creating a dominant position through the conferral of exclusive rights was not *per se* contrary to the Treaty; but the extension of a monopoly such as the establishment and operation of a telephone network to another market, in this case telecommunications services, with the effect that competition was eliminated on those markets, was prohibited by Articles 86 and 90.

1228. In Case T-24/90 *Automec v Commission*⁵ the Court of First Instance specified the obligations incumbent on the Commission where it receives a complaint or a request for a decision in competition matters. The Commission is not obliged to open an inquiry on every complaint it receives, and it is not obliged to declare whether there is or is not an infringement of the competition rules as alleged by the complainant. But the complainant does enjoy a number of procedural safeguards in relation to the Commission's decision on whether to open an inquiry. The Commission must attentively and diligently examine the points of fact and of law put forward by the complainant and, if it then decides to take no further action, must give reasons for its decision. It is entitled to close the case where there is no adequate Community dimension, but the Court of First Instance has jurisdiction to ascertain whether the decision is not

¹ Judgment given on 17 November, not yet reported.

² OJ L 192, 24.7.1990; Twenty-fourth General Report, point 312.

³ OJ L 131, 27.5.1988; Twenty-second General Report, point 419.

⁴ [1991] ECR I-1223; Twenty-fifth General Report, point 1295.

⁵ Judgment given on 18 September, not yet reported.

based on material inaccuracies of fact or on erroneous interpretations of either the facts or the law.

Free movement of persons and social provisions

1229. Income-tax payers in Belgium can deduct certain life-assurance premiums from their taxable earned income provided they have been paid to a Belgian insurance company. The sums later paid out under the policy then constitute taxable income. If premiums were not deducted for tax purposes, sums paid out are not taxable in Belgium. Having received applications both for a preliminary ruling and for a declaration that Belgium was infringing Community law, the Court of Justice, in Cases C-204/90 *Bachmann v Belgium* and C-300/90 *Commission v Belgium*,¹ ruled on the compatibility of these rules with Article 48 of the EEC Treaty, relating to the free movement of persons. It held that the legislation was necessary for the self-consistency of the tax laws. It first described the legislation as discriminatory in substance and declared that the absence of tax harmonization did not exclude the applicability of Article 48. But then it found that the need for consistency in tax schemes, which was a matter for each Member State, warranted the ban on deducting premiums paid to companies not established in Belgium.

1230. In Cases C-357/89 *Raulin v Netherlands Ministry of Education and Science* and C-3/90 *Bernini v Netherlands Ministry of Education and Science*² the Court of Justice confirmed earlier rulings concerning the terms on which Community nationals can demand equal treatment with nationals of a Member State regarding access to the educational system and study grants. It particularly spelled out the terms on which a student can invoke his status as migrant worker. In *Raulin* it held that Community law gives a national of a Member State who has been admitted to a course of vocational training in another Member State a right of residence in the second Member State for the purposes — and for the duration — of the training, even if he is not a 'worker'. But it added a rider to the effect that the right of residence may be subjected to specific conditions that are not governed by the principle of non-discriminatory access to vocational training, notably as regards provision for subsistence and sickness insurance. In *Bernini* the Court confirmed that a migrant worker can insist on equal treatment with nationals of the host Member State regarding grants for study in another country, even if that means his country of origin.

¹ Judgments given on 28 January, not yet reported.

² Judgments given on 26 February, not yet reported.

1231. In Case C-369/90 *Micheletti*¹ the Court declared that a person having the nationality both of a Member State and of a non-member country must be treated as a Community national for the purposes of Community law. It also reaffirmed that rules governing the acquisition and loss of nationality are within the sole power of the Member States.

1232. The Court of Justice confirmed an earlier ruling² to the effect that it has jurisdiction to give rulings on the interpretation of decisions adopted by the Association Council set up by the EEC-Turkey Association Agreement, in giving judgment in Case C-237/91 *Kus v Landeshauptstadt Wiesbaden*.³ Here, the Court was asked to consider Article 6 of Association Council Decision No 1/80, which states that a Turkish worker duly registered as belonging to the labour force of a Member State is entitled, (i) after one year's legal employment, to the renewal of his permit to work for the same employer, (ii) after three years' employment, to respond to another offer of employment for the same occupation, and (iii) after four years' employment, to free access to any paid employment of his choice. A Turkish worker had acquired the right to reside in Germany by reason of his marriage to a German national. After the dissolution of the marriage, the German authorities refused to extend his residence permit. The Court held that Article 6 applies to Turkish workers who belong to a Member State's labour force, which presupposes a stable situation and an unchallenged right to reside. But the grounds on which the right to reside was granted are not material for the purposes of Article 6: a worker need do no more than satisfy the tests of the Article to qualify for renewal of his work permit. Although Decision No 1/80 does not determine a worker's situation as regards residence, but only as regards employment, the two are closely linked: the Court found that the entitlement to renewal of a work permit after a stated period of regular employment would be devoid of all effect if Decision No 1/80 did not imply that the worker in question had the right to reside in the country concerned. So the Decision leaves it to Member States to regulate both the entry of Turkish nationals and the conditions on which they may first take up employment, but it is the Decision that determines the conditions on which they may continue in employment and hence reside in a particular Member State.

¹ Judgment given on 7 July, not yet reported.

² Case C-192/89 *Sevinçe* [1990] ECR I-3461.

³ Judgment given on 16 December, not yet reported.

Taxation

1233. Cases C-78/90 to 83/90 *Société commerciale de l'ouest v Receveur principal des douanes*¹ were references for a preliminary ruling on the legality of a parafiscal charge on certain petroleum products in France. The Court clarified its earlier cases on the subject, and specifically on the interaction between Article 12 *et seq.* of the EEC Treaty (ban on charges having equivalent effect to customs duties) and Article 95 (ban on discriminatory internal taxation). Both bans apply to charges levied by uniform criteria on both domestic and imported products if the proceeds are to be used to finance activities for the specific benefit of the domestic products on which the charge is levied. In this event the charge represents an additional burden on the imported product whereas it is the consideration for benefits or assistance enjoyed by the domestic product. If the benefits fully offset the burden borne by the domestic product, the charge is of equivalent effect to an import duty and is accordingly prohibited outright; if they offset only part of the burden, the charge is treated as a discriminatory internal tax and is prohibited to such extent as it is the consideration for them. Lastly, the Court held that the fact that a parafiscal charge can fall to be appraised under Articles 12 and 95 does not preclude a conclusion that the use made of its proceeds might constitute a form of State aid that will be incompatible with the common market if the tests of Article 92 are satisfied.

1234. Germany introduced a charge for the use of federal roads, levied on all heavy goods vehicles regardless of their place of registration. The standard road tax on vehicles registered in Germany was reduced for HGVs by an equivalent amount. In Case C-195/90 *Commission v Germany*² the Court of Justice declared that Germany was in breach of its obligations under Article 76 of the EEC Treaty, which the Court interpreted as meaning that obstacles should not be put in the way of introduction of a common transport policy by national measures altering the situation of carriers from other Member States so as to leave them worse off than domestic carriers. The Court found that in this road tax case carriers from other Member States, who did not have to pay the relevant road tax, were treated less favourably than domestic carriers, who did, since the latter could offset the new charge against their road tax. But Article 76 did not debar national measures, taken pending the establishment of a common transport policy, which had the same deleterious effects on domestic carriers as on those from other Member States.

¹ Judgment given on 11 March, not yet reported.

² Judgment given on 19 May, not yet reported.

Institutional and budgetary matters

1235. Article 199 of the EEC Treaty requires the revenue and expenditure in the Community budget to be in balance. But when Parliament adopted supplementary and amending budget No 2/90,¹ it called in VAT resources at the full rate of 1.4% and carried over only a part of the balance for 1989. The Council accordingly asked the Court of Justice to annul it (Case C-284/90 *Council v Parliament*). The Court upheld the Council's application² on the grounds that the own resources Decision and the Financial Regulation provided for the whole of the balance to be carried over to the next budget year. This rule was the expression of two fundamental principles of the Community budget — the principles of annuality and unity — which together mean that all the revenue available to the Community for a given year must be entered in the budget for that year. The balance, if any, must accordingly be carried over in its entirety. Since the effect of the rule would have been to put the 1990 budget into surplus, the Court interpreted the own resources Decision as meaning that, in such an exceptional case, to comply with the principle of the balanced budget, the VAT rate could be set below the maximum 1.4% and VAT resources should be called in solely as required to cover the year's expenditure.

¹ Twenty-fourth General Report, point 986.

² Judgment given on 31 March, not yet reported.

Section 3

Computerization of Community law

1236. By the end of the year the interinstitutional computerized system for Community law (Celex) contained approximately 135 000 documents. The Portuguese base — the last language version to be completed — was set up in the course of the year. Sector 7 (national provisions implementing Community directives) was amplified with the absorption of the internal Asmodée base and restructured so that all the data given previously in the 12 separate documents for the individual Member States are now combined in a single document for each directive. There were approximately 3 800 users of the system, including more than 1 800 external subscribers and 21 commercial hosts. Demand remained high.

To meet users' pressing needs and speed up the attainment of the objectives set by the Ministers of Justice on 13 November 1991,¹ responsibility for Celex was transferred to the Publications Office, and the requisite financial resources were released for an improvements programme to amplify the available data and modernize the system. The Edinburgh European Council² highlighted the importance of Celex as one means of making Community legislation more accessible.

The 18th edition of the Celex-based *Directory of Community legislation* was issued in January; the 19th followed at the end of August.

¹ OJ C 308, 28.11.1991; Twenty-fifth General Report, point 1324.

² Bull. EC 12-1992.

The year in brief¹

1992

European Year of Safety, Hygiene and Health at Work

January

9 January

Commission adopts communication on Community relations with independent States of former Soviet Union. Point 783
of this Report

22 January

Commission adopts proposals for two Directives on internal market in electricity and natural gas. Point 694
of this Report

22 and 23 January

Commission takes part in Washington conference on assistance to independent States of former Soviet Union. Point 772
of this Report

February

3 February

Council adopts positive measures to help Croatia, Slovenia, Yugoslav republics of Bosnia-Herzegovina and Montenegro and former Yugoslav republic of Macedonia. Point 840
of this Report

¹ This chronological summary does not claim to be exhaustive. For further details, see the passages of this Report and the Bulletin cited in the margin.

Council adopts Regulation on financial and technical assistance to, and economic cooperation with, developing countries in Asia and Latin America and Regulation on EC International Investment Partners financial instrument.

Points 893 and 941 of this Report

7 February

Treaty on European Union signed in Maastricht by Foreign and Finance Ministers of Member States.

Point 1 of this Report

11 February

Commission adopts proposals for second package of structural and financial measures (Delors II).

Point 13 *et seq.* of this Report; Supplement 1/92 — Bull. EC

12 February

Mr Delors, President of Commission, presents Commission's work programme for 1992 to Parliament.

Bull. EC 1/2-1992, point 1.7.9 Supplement 1/92 — Bull. EC

New Council President, Mr de Deus Pinheiro, presents to Parliament programme for Portugal's six-month term in Council chair.

Bull. EC 1/2-1992, point 1.7.1

19 February

Commission adopts Green Paper on impact of transport on environment.

Point 645 of this Report

24 February

Commission adopts proposals for Regulations introducing a declaration of European interest to facilitate establishment of trans-European networks.

Point 649 of this Report

March

9, 10 and 18 March

Commission adopts four supporting documents for second package of structural and financial measures.

Point 15 of this Report

18 March

Commission adopts fifth Community environment programme. Point 589 of this Report

Finland presents official application for accession to European Communities. Point 794 of this Report

April*1 April*

Commission adopts special food aid programme for developing countries. Point 954 of this Report

4 April

Escudo enters exchange-rate mechanism of European Monetary System. Point 32 of this Report

7 April

Commission adopts communication entitled 'Research after Maastricht: an assessment, a strategy' and communication on cooperation in research with developing countries. Point 272 of this Report; Supplement 2/92 — Bull. EC

29 April

Commission adopts communication on new prospects for Community cultural action. Point 183 of this Report

Commission adopts communication on future of relations between Community and Maghreb. Point 848 of this Report

May*2 May*

Contracting parties sign agreement establishing European economic area. Point 789 of this Report

11 May

Council adopts Directive on adoption of standards for satellite broadcasting of television signals. Point 182 of this Report

13 May

Commission approves Green Paper on development of single market for postal services. Point 351 of this Report

Commission approves communication on Community strategy to limit carbon dioxide emissions. It adopts proposal for Decision concerning promotion of renewable energy sources (Altener programme) and proposal for Directive aimed at limiting carbon dioxide emissions by improving energy efficiency. Point 625 of this Report

Commission adopts communication concerning development cooperation policy in run-up to 2000. Point 925 of this Report

20 May

Switzerland presents official application for accession to European Communities. Point 793 of this Report

Commission adopts communication reviewing relations with Japan. Point 816 of this Report

June*1 June*

Council and representatives of Member States adopt two EEC Regulations and two ECSC Decisions imposing economic embargo on Serbia and Montenegro. Point 839 of this Report

2 June

In referendum Danes vote against ratification of Treaty on European Union. Point 2 of this Report

3 to 14 June

Community takes part in Rio Conference on Environment and Development (Unced) and signs international Conventions on Global Climate Change and Biological Diversity. Point 596 of this Report

10 June

Commission adopts two communications, one on setting up a trans-European road network and a European inland waterway network, and the other setting up a combined transport network. Point 649 of this Report

18 June

In referendum Irish vote in favour of ratification of Treaty on European Union. Point 12 of this Report

Council adopts Directive on second general system for recognition of professional education and training. Point 167 of this Report

Council adopts Directive on direct insurance other than life assurance. Point 131 of this Report

Council adopts Directive on coordination of procedures for award of public service contracts. It adopts common position on proposal concerning coordination of procedures for award of public works contracts and agrees on common position concerning procurement procedures in water, energy, transport and telecommunications sectors. Point 121 of this Report

24 June

Council adopts Directive on collective redundancies. Point 397 of this Report

Commission adopts recommendation for Decision on Cooperation Agreement with Association of South-East Asian Nations (Asean). Point 867 of this Report

26 and 27 June

Lisbon European Council underlines importance of respecting timetable for ratification of Treaty on European Union. Point 3 of this Report

29 June

Council adopts Directive on general product safety. Point 634
of this Report

Council adopts three Regulations on implementation of
new Mediterranean policy. Point 829
of this Report

30 June

Council adopts Regulations on reform of common agricul-
tural policy and agricultural prices for 1992/93. Points 506 to 513
of this Report

July*2 July*

Luxembourg Parliament ratifies Treaty on European Union. Point 12
of this Report

Commission decides to grant humanitarian aid of
ECU 120 million for refugees, displaced persons and victims
of fighting in what was Yugoslavia. Point 965
of this Report

6 July

Eighteenth Western Economic Summit opens in Munich. Point 799
of this Report

15 July

Commission adopts proposal for Regulation on control of
exports of certain dual-use goods. Point 77
of this Report

Commission adopts two proposals for Directives on appli-
cation of open network provision to voice telephony and
mutual recognition of telecommunications licences and two
communications on telecommunications tariffs and the
European telecommunications equipment industry. Point 343
of this Report

Commission adopts recommendation for Decision on nego-
tiation of partnership and cooperation agreements with
independent States of former Soviet Union. Point 784
of this Report

20 July

Council adopts Decision authorizing Commission to negotiate Cooperation Agreement with Slovenia. Point 841
of this Report

22 July

Commission adopts proposal for Regulation on measures to adapt profession of customs agent to internal market. Point 90
of this Report

23 July

Council adopts third air transport package and Regulation on admission of non-resident carriers to national road passenger transport services within a Member State. Point 674
of this Report

31 July

Greek Parliament ratifies Treaty on European Union. Point 12
of this Report

Commission adopts opinion on Sweden's application for accession to European Communities. Point 742
of this Report

Commission adopts proposal for Regulation on common organization of market in bananas. Point 525
of this Report

August*7 August*

Council adopts Regulation on extension of economic aid (Phare) programme to Slovenia. Point 753
of this Report

25 August

International conference on former Yugoslavia opens in London. Point 838
of this Report

September*2 September*

Commission adopts communication on priority action plan to improve information for young people. Point 425
of this Report

14 September

Commission adopts recommendation for Decision on negotiation of cooperation agreement with India. Point 864 of this Report

First ministerial meeting of national Tacis (programme of technical assistance for independent States of former Soviet Union) coordinators opens. Point 773 of this Report

18 September

Commission adopts proposal for Decision on framework programme (1993-97) in field of statistical information. Point 58 of this Report

20 September

In referendum French vote in favour of ratification of Treaty on European Union. Point 12 of this Report

23 September

Commission adopts communication on Community and space. Point 318 of this Report

30 September

Commission adopts proposal for Decision on fourth research and technological development framework programme 1994-98. Point 272 of this Report

Commission adopts proposal for Regulation on fisheries control. Point 569 of this Report

October*7 October*

Commission grants further emergency aid for victims of fighting in former Yugoslavia. Point 965 of this Report

12 October

Council adopts Community Customs Code. Point 88
of this Report

12 and 13 October

Community takes part in Conference of aid donors for Somalia. Point 964
of this Report

16 October

European Council holds special meeting in Birmingham and adopts declaration on 'A Community close to its citizens'. Point 5
of this Report

19 October

Council adopts eight Directives and one Decision concerning approximation of VAT rates and excise duties. Points 148 and 154
of this Report

Council adopts Directive on improvements in safety and health of pregnant workers, women workers who have recently given birth and those who are breastfeeding. Point 392
of this Report

20 October

Council reaches agreement on proposal for Regulation on supervision and control of shipments of waste. Point 608
of this Report

21 October

Commission adopts report on situation in telecommunications services sector. Point 343
of this Report

26 October

Italy ratifies Treaty on European Union. Point 12
of this Report

27 October

Commission adopts communication on subsidiarity principle. Point 6
of this Report

28 October

Heads of State or Government of Visegrad countries and Community meet in London following meeting on 5 October of Foreign Ministers of Visegrad and Community countries. Point 763 of this Report

November*4 November*

Commission adopts opinion on Finland's application for accession to European Communities. Point 742 of this Report

Belgium ratifies Treaty on European Union. Point 12 of this Report

10 November

Council adopts third Directive on direct life assurance. Point 131 of this Report

Council adopts common position on proposal for Directive and Regulation on protection of cultural goods. Point 161 of this Report

11 November

Commission adopts proposal for Regulation establishing special system of assistance to traditional ACP suppliers of bananas. Point 900 of this Report

17 November

Council adopts Decisions on conclusion of fourth financial protocol with Morocco and third financial protocol with Syria. Points 846 and 847 of this Report

18 November

Commission adopts communication on future of ECSC Treaty. Point 1205 of this Report

Council adopts declaration on development cooperation in run-up to 2000. Point 925 of this Report

Council adopts negotiating directives for conclusion of framework cooperation agreement with Central American countries. Point 882 of this Report

23 November

Commission adopts communication on competitiveness in steel industry. Point 252 of this Report

Council adopts conclusions on company taxation linked to further development of internal market. Point 147 of this Report

Commission adopts report on compatibility of outcome of EEC-US agricultural negotiations with reform of CAP. Point 967 of this Report

25 November

Norway presents official application for accession to European Communities. Point 797 of this Report

Spain ratifies Treaty on European Union. Point 12 of this Report

Commission proposes establishment of diversification and development fund for Latin American banana-producing countries. Point 892 of this Report

December

2 December

Commission approves a document on transparency. Point 7 of this Report

Commission adopts communication on report of Sutherland Group on operation of internal market after 1992. Point 69 of this Report

Commission adopts White Paper on future development of common transport policy. Point 643 of this Report

6 December

In referendum Swiss vote against ratification of Agreement establishing European Economic Area. Point 789 of this Report

9 December

Commission adopts recommendation for Decision authorizing it to open negotiations for conclusion of Euro-Maghreb agreement establishing association with Morocco

Point 848
of this Report

11 December

Portugal ratifies Treaty on European Union.

Point 12
of this Report

11 and 12 December

Edinburgh European Council offers Denmark special arrangements to enable it to hold second referendum on ratification of Treaty. It endorses Delors II package and agrees that accession negotiations with Austria, Sweden and Finland will start on 1 January 1993.

Points 11, 18 and 743
of this Report

15 December

Netherlands ratifies Treaty on European Union.

Point 12
of this Report

18 December

Germany ratifies Treaty on European Union.

Point 12
of this Report

23 December

Commission adopts Green Paper on pluralism and concentration in the media.

Point 184
of this Report

Commission adopts multiannual programme of Community action to strengthen enterprise policy, in particular for small businesses.

Point 229
of this Report

449/450

Annexes

Progress of legislation

Annex to Chapter VII

Annex

Progress of legislation

Delors II package: structural and financial measures 1993-99

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Reg.: European Cohesion Fund	OJ C 248/92 COM(92) 339 Bull. 7/8-92/1.2.1			COM(92) 599 Bull. 12-92					
Prop. for a Reg.: establishing an interim cohesion financial instrument	COM(92) 599 Bull. 12-92								

The single market and the Community economic and social area

Economic and monetary policy

Community initiatives and financial activities

Dec. 92/482/EEC: financial assistance for Albania	OJ C 188/92 Bull. 7/8-92/1.4.4		OJ C 284/92 Bull. 9-92/1.3.7	OJ C 225/92 Bull. 7/8-92/1.4.4				OJ L 287/92 Bull. 9-92/1.3.7	
Dec. 92/511/EEC: financial assistance for Bulgaria	OJ C 164/92 Bull. 6-92/1.4.7		OJ C 284/92 Bull. 9-92/1.2.8					OJ L 317/92 Bull. 10-92/1.4.14	
Dec. 92/551/EEC: financial assistance for Romania	OJ C 164/92 Bull. 6-92/1.4.8		OJ C 337/92 Bull. 11-92/1.4.13					OJ L 353/92 Bull. 11-92/1.4.13	
Dec. 92/542/EEC: financial assistance for the Baltic States	OJ C 226/92 Bull. 9-92/1.3.9		OJ C 305/92 Bull. 10-92/1.4.12					OJ L 351/92 Bull. 11-92/1.4.8	

Statistical area

Priority activities and objectives

Prop. for a Dir.: framework programme for priority actions in the field of statistical information	COM(92) 395 Bull. 9-92/1.2.4	OJ C 19/93 Bull. 11-92/1.3.5							
--	---------------------------------	---------------------------------	--	--	--	--	--	--	--

* = Cooperation procedure used
 NB: 'Bull. ...92...' stands for 'Bull. EC ...1992, point ...'; 'GR/...' stands for 'General Report, point ...'.

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
<i>Statistical information linked to the Single Act</i>									
Prop. for a Reg.: transit statistics and storage statistics	OJ C 107/92 COM(92) 97 Bull. 3-92/1.2.2	OJ C 223/92 Bull. 5-92/1.1.4	OJ C 337/92 Bull. 11-92/1.3.7		Bull. 12-92				
Prop. for a Reg.: classification of products	COM(92) 325 Bull. 7-8-92/1.3.4	OJ C 19/93 Bull. 11-92/1.3.6							
Prop. for a Reg.: statistical units for the observation of the production system	OJ C 267/92 COM(92) 353 Bull. 9-92/1.2.6	OJ C 19/93 Bull. 11-92/1.3.9	OJ C 337/92 Bull. 11-92/1.3.9		Bull. 12-92				
<i>Statistical information to support other Community policies</i>									
Dec. 92/326/EEC: statistics on services	COM(90) 578 Bull. 12-90/1.7.1		OJ C 129/91 Bull. 4-91/1.6.2					OJ L 179/92 Bull. 6-92/1.3.2	
Prop. for a Dec.: statistics on research, development and innovation	OJ C 122/92 COM(92) 91 Bull. 4-92/1.3.3								
Prop. for a Reg.: coordination in drawing up business registers for statistical purposes	COM(92) 352 Bull. 9-92/1.2.5	OJ C 19/93 Bull. 11-92/1.3.8							
Dec. 92/582/EEC: agricultural surveys in Greece	OJ C 273/92 COM(92) 415 Bull. 10-92/1.3.5		OJ C 337/92 Bull. 11-92/1.3.12					OJ L 394/92 Bull. 12-92	
Prop. for a Reg.: statistical information on crop products	COM(92) 430 Bull. 11-92/1.3.11								
Prop. for a Dir.: surveys on pigs, sheep, goat and bovine animal production	OJ C 18/93 COM(92) 577-579 Bull. 12-92								
Prop. for a Dec.: statistics of the environment	OJ C 209/90 COM(90) 319 Bull. 7-8-90/1.7.1 24th CR/976	OJ C 332/90 Bull. 9-90/1.6.2	OJ C 67/92 Bull. 1-2-92/1.3.5	OJ C 328/92 COM(92) 483 Bull. 11-92/1.3.10					

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Completing the internal market									
Business environment									
Removal of physical frontiers									
Prop. for a Reg.: mutual assistance between Member State administrations on the one hand and between these administrations and the Commission on the other hand	COM(92) 544 Bull. 12-92								
Prop. for a Dec.: exchange of national officials between Member State administrations	OJ C 299/91 COM(91) 408 Bull. 10-91/1.2.6	OJ C 98/92 Bull. 172-92/ 1.3.136	OJ C 94/92 Bull. 3-92/1.2.100	OJ C 92/92 COM(92) 113 Bull. 3-92/1.2.100	Bull. 5-92/1.1.99				
Prop. for a Reg.: control of exports of certain dual-use goods	OJ C 253/92 COM(92) 317 Bull. 7/8-92/1.3.13								
Prop. for a Reg.: checks for conformity with the rules on product safety of products imported from third countries	OJ C 329/92 COM(92) 466 Bull. 11-92/1.3.22								
Prop. for a Reg.: tariff and statistical nomenclature	COM(92) 122 Bull. 4-92/1.3.9								
Reg. (EEC) No 2913/92: customs code	OJ C 128/90 COM(90) 71 Bull. 1/2-90/1.1.5 24th GR/91	OJ C 60/91 Bull. 12-90/1.3.14	OJ C 72/91 Bull. 1/2-91/1.2.15*	OJ C 97/91 COM(91) 98 Bull. 3-91/1.2.13 25th GR/109	Bull. 5-92/1.1.10	OJ C 284/92 Bull. 9-92/1.2.12	COM(92) 423 Bull. 10-92/1.3.18	OJ L 302/92 Bull. 10-92/1.3.18	
Reg. (EEC) No 3904/92: measures to adapt the profession of customs agent to the internal market	COM(92) 328 Bull. 7/8-92/1.3.14	OJ C 19/93 Bull. 11-92/1.3.23	OJ C 337/92 Bull. 11-92/1.3.23					OJ L 394/92 Bull. 12-92	
Prop. for a Dir.: easing of controls and formalities applicable to nationals of the Member States when crossing intra-Community borders	OJ C 47/85 COM(84) 749 Bull. 12-84/2.1.9	OJ C 169/85 Bull. 4-85/2.4.32	OJ C 122/85 Bull. 4-85/2.1.5	OJ C 131/85 COM(85) 224 Bull. 5-85/2.1.9 19th GR/189					Proposal withdrawn by the Commission: Bull. 9-92/1.2.15

	Commission proposal	ESC opinion	EP first* sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Dir. 92/33/EEC: marketing of young plants and propagating material of vegetables	OJ C 46/90 COM(89) 649 Bull. 12-89/2.1.202 23th GR/183	OJ C 182/90 Bull. 5-90/1.2.191	OJ C 240/91 Bull. 7/8-91/1.2.205	OJ C 296/91 COM(91) 406 Bull. 10-91/1.2.127				OJ L 157/92 Bull. 4-92/1.3.131	
Dir. 92/34/EEC: marketing of fruit-plant propagating material	OJ C 54/90 COM(89) 651 Bull. 12-89/2.1.202 23th GR/183	OJ C 182/90 Bull. 5-90/1.2.193	OJ C 240/91 Bull. 7/8-91/1.2.207	OJ C 296/91 COM(91) 414 Bull. 10-91/1.2.128				OJ L 157/92 Bull. 4-92/1.3.131	
Prop. for a Dir.: organisms harmful to plants	COM(92) 559 Bull. 12-92								
Prop. for a Dec: equivalence of checks for the maintenance of varieties carried out in third countries	COM(92) 272 Bull. 6-92/1.3.162								
Prop. for a Dir. amending the annexes to Dir. 86/362/EEC and 86/363/EEC: pesticide residues	COM(92) 161 Bull. 4-92/1.3.132								
Dir. 92/88/EEC amending Dir. 74/63/EEC: undesirable substances and products in animal nutrition	OJ C 288/91 COM(91) 369 Bull. 10-91/1.2.126	OJ C 79/92 Bull. 1/2-92/ 1.3.185	OJ C 241/92 Bull. 7/8-92/1.3.180				OJ C 260/92 COM(92) 397 Bull. 9-92/1.2.113	OJ L 321/92 Bull. 10-92/1.3.118	
Prop. for a Reg.: feedingsuffs intended for particular nutritional purposes	OJ C 231/92 COM(92) 324 Bull. 7/8-92/1.3.181		OJ C 21/93 Bull. 12-92						
Dec. 92/438/EEC: computerization of veterinary import procedures (Shift project)	OJ C 140/92 COM(92) 167 Bull. 5-92/1.1.149		OJ C 241/92 Bull. 7/8-92/ 1.3.174					OJ L 243/92 Bull. 7/8-92/1.3.174	
Dir. 92/46/EEC: raw milk, heat-treated milk and milk-based products	OJ C 84/90 COM(89) 667 COM(89) 672 Bull. 1/2-90/ 1.1.232 Bull. 3-90/1.1.147 24th CR/100	OJ C 332/90 Bull. 9-90/1.2.151 Bull. 9-90/1.2.152	OJ C 183/91 Bull. 6-91/1.2.144 Bull. 6-91/1.2.145	OJ C 306/91 OJ C 308/91 COM(91) 420 COM(91) 425 Bull. 10-91/1.2.119 Bull. 11-91/1.2.118				OJ L 268/92 Bull. 6-92/1.3.154	
Dir. 92/120/EEC: conditions for granting derogations from health rules (other products)	OJ C 84/90 COM(89) 670 Bull. 1/2-90/1.1.230 24th CR/100	OJ C 332/90 Bull. 9-90/1.2.155	OJ C 113/90 Bull. 4-90/1.1.127					Bull. 12-92	

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Dir. 92/47/EEC: conditions for granting derogations from health rules (raw milk and milk-based products)	OJ C 84/90 COM(89) 670 Bull. 1/2-90/1.1.230 24th GR/100	OJ C 332/90 Bull. 9-90/1.2.155	OJ C 113/90 Bull. 4-90/1.1.127					OJ L 268/92 Bull. 6-92/1.3.155	
Dir. 92/48/EEC: game meat	COM(89) 496 Bull. 10-89/2.1.162	OJ C 124/90 Bull. 3-90/1.1.156	OJ C 260/90 Bull. 9-90/1.2.146	OJ C 311/90 COM(90) 555 Bull. 11-90/1.3.158				OJ L 268/92 Bull. 6-92/1.3.153	
Dir. 92/116/EEC: production and placing on the market of fresh poultry meat	OJ C 84/90 COM(89) 668 Bull. 1/2-90/1.1.231	OJ C 332/90 Bull. 9-90/1.2.153	OJ C 183/91 Bull. 6-91/1.2.140	OJ C 276/91 COM(91) 381 Bull. 10-91/1.2.117				Bull. 12-92	
Prop. for a Dir. amending Dir. 85/73/EEC: financing of health inspections and controls of fresh meat and poultry meat	OJ C 325/91 COM(91) 81 Bull. 11-91/1.2.119	OJ C 106/92 Bull. 3-92/1.2.155	OJ C 94/91 Bull. 3-92/1.2.155						
Dir. 92/117/EEC: prevention of specified zoonoses	OJ C 253/91 COM(91) 310 Bull. 9-91/1.2.81 25th GR/119	OJ C 79/92 Bull. 1/2-92/ 1.3.182	OJ C 326/91 Bull. 11-91/1.2.124					Bull. 12-92	
Dir. 92/110/EEC: minced meat and meat preparations	OJ C 84/90 COM(89) 671 Bull. 1/2-90/1.1.229	OJ C 225/90 Bull. 7/8-90/1.3.216	OJ C 183/91 Bull. 6-91/1.2.141	OJ C 288/91 COM(91) 374 Bull. 10-91/1.2.115				OJ L 394/92 Bull. 12-92	
Prop. for a Dir. amending Dir. 81/602/EEC and 88/146/EEC: prohibition of certain substances having a hormonal action and of substances having a thyrostatic action	OJ C 99/89 COM(89) 136 Bull. 3-89/2.1.140 23th GR/187	OJ C 159/89 Bull. 4-89/2.1.55	OJ C 13/92 Bull. 12-91/1.2.206	OJ C 245/90 COM(90) 396 Bull. 9-90/1.2.138; OJ C 147/92 COM(92) 207 Bull. 5-92/1.1.151					
Dir. 92/65/EEC: animals, semen, ova and embryos not subject to specific rules	OJ C 84/90 COM(89) 658 Bull. 1/2-90/1.1.227	OJ C 182/90 Bull. 3-90/1.2.181	OJ C 149/90 Bull. 5-90/1.2.181					OJ L 268/92 Bull. 6-92/1.3.151 Bull. 7/8-92/1.3.175	
Prop. for a Dir.: fresh bovine semen	OJ C 324/92 COM(92) 462 Bull. 11-92/1.3.167								
Dir. 92/118/EEC: animal health conditions governing intra-Community trade and imports into the Community	OJ C 84/90 COM(90) 658 Bull. 1/2-90/1.1.227	OJ C 182/90 Bull. 3-90/1.2.181	OJ C 149/90 Bull. 5-90/1.2.181					Bull. 12-92	

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Dir.: placing on the market of aquaculture animals and products	OJ C 324/92 COM(92) 458 Bull. 11-92/1.3.173		OJ C 39/92 Bull. 1/2-92/1.3.179					OJ L 39/92 Bull. 1/2-92/ 1.3.179	
Prop. for a Reg.: laboratories for monitoring marine biotoxins	COM(92) 551 Bull. 12-92								
Dec. 92/98/EEC: placing on the market and administration of bovine somatotrophin (BST) 25th GR/124	OJ C 24/92 COM(91) 522 Bull. 12-91/1.2.204 25th GR/124								
Dir. 92/5/EEC: amending and updating Dir. 77/99/EEC: intra-Community trade in meat products	OJ C 262/81 COM(81) 504 Bull. 9-81/2.1.83; OJ C 327/89 COM(89) 490 COM(89) 492 Bull. 10-89/2.1.160 Bull. 10-89/2.1.161; OJ C 84/90 COM(89) 669 Bull. 1/2-90/1.1.228	OJ C 62/90 Bull. 12-89/2.1.200; OJ C 124/90 Bull. 3-90/1.1.58; OJ C 168/90 Bull. 4-90/1.1.130; OJ C 240/91 Bull. 7/8-91/1.2.197 Bull. 9-90/1.2.154	OJ C 267/82 Bull. 9-82/2.1.69 OJ C 113/90 Bull. 4-90/1.1.129 Bull. 4-90/1.1.130; OJ C 240/91 Bull. 7/8-91/1.2.197	OJ C 296/91 COM(91) 375 Bull. 10-91/1.2.116				OJ L 57/92 Bull. 1/2-92/1.3.178	
Dir. 92/67/EEC: amending Dir. 89/662/EEC: veterinary checks in intra-Community trade	OJ C 164/92 COM(92) 211 Bull. 6-92/1.3.152		OJ C 241/92 Bull. 7/8-92/ 1.3.173					OJ L 268/92 Bull. 7/8-92/1.3.173	
Dir. 92/60/EEC: amending Dir. 90/425/EEC: checks applicable in intra-Community trade in certain live animals	OJ C 122/92 COM(92) 147 Bull. 4-92/1.3.127		OJ C 176/92 Bull. 6-92/1.3.149					OJ L 268/92 Bull. 6-92/1.3.149	
Dir. 92/102/EEC: identification and registration of animals	OJ C 137/92 COM(92) 148 Bull. 4-92/1.3.126		OJ C 337/92 Bull. 11-92/1.3.168				OJ L 355/92 Bull. 11-92/1.3.168		
Prop. for a Dir.: protection of animals kept for farming purposes	OJ C 156/92 COM(92) 192 Bull. 5-92/1.1.150	OJ C 332/92 Bull. 10-92/1.3.113	OJ C 337/92 Bull. 11-92/1.3.169						
Prop. for a Reg.: protection of animals at the time of slaughter or killing	OJ C 314/91 COM(91) 136 Bull. 11-91/1.2.117	OJ C 106/92 Bull. 3-92/1.2.154	OJ C 241/92 Bull. 7/8-92/1.3.176	OJ C 328/92 COM(92) 460 Bull. 11-92/1.3.171					
Dir. 92/35/EEC: measures to combat African horse sickness	OJ C 312/91 COM(91) 435 Bull. 11-91/1.2.127	OJ C 169/92 Bull. 4-92/1.3.130	OJ C 125/92 Bull. 4-92/1.3.130					OJ L 157/92 Bull. 4-92/1.3.130	

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Dir. 92/36/EEC: animal health conditions governing the movement and import of equidae	OJ C 312/91 COM(91) 435 Bull. 11-91/1.2.127	OJ C 169/92 Bull. 4-92/1.3.130	OJ C 125/92 Bull. 4-92/1.3.130					OJ L 157/92 Bull. 4-92/1.3.130	
Dir. 92/66/EEC: control of Newcastle disease	OJ C 146/91 COM(91) 137 Bull. 4-91/1.2.93 25th GR/119	OJ C 339/91 Bull. 9-91/1.2.79	OJ C 280/91 Bull. 10-91/1.2.121					OJ L 260/92 Bull. 7/8-92/1.3.178	
Dir. 92/40/EEC: introducing Community measures for the control of avian influenza	OJ C 231/91 COM(91) 304 Bull. 7/8-91/1.2.189 25th GR/119	OJ C 79/92 Bull. 1/2-92/ 1.3.183	OJ C 326/91 Bull. 11-91/1.2.126					OJ L 167/92 Bull. 5-92/1.1.154	
Dir. 92/119/EEC: control of certain animal diseases	OJ C 148/91 COM(91) 138 Bull. 4-91/1.2.89	OJ C 332/90 Bull. 9-90/1.2.77	OJ C 280/91 Bull. 10-91/1.2.120					Bull. 12-92	
Prop. for a Dir.: control of certain fish diseases	OJ C 172/92 COM(92) 204 Bull. 6-92/1.3.159	OJ C 19/93 Bull. 11-92/1.3.174							
Prop. for a Dec. amending Dir. 80/217/EEC: Community measures for the control of classical swine fever	COM(92) 437 Bull. 10-92/1.3.116		OJ C 21/92 Bull. 12-92						

Removal of technical and legal frontiers

Prop. for a Dir.: labelling and presentation of foodstuffs*	OJ C 122/92 COM(91) 536 Bull. 4-92/1.3.8	OJ C 332/92 Bull. 10-92/1.3.34							
Prop. for a Dir.: additives (amending the framework Directive)*	OJ C 206/92 COM(92) 255 Bull. 6-92/1.3.22	OJ C 332/92 Bull. 10-92/1.3.35	OJ C 305/92 Bull. 10-92/1.3.35						
Prop. for a Dir.: sweeteners*	OJ C 206/92 COM(92) 255 Bull. 6-92/1.3.22								This proposal replaces the withdrawn proposal COM(91) 195

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Dir.: sweeteners*	OJ C 242/90 COM(90) 381 Bull. 7/8-90/1.3.27 24th GR/111	OJ C 120/91 Bull. 3-91/1.2.26	OJ C 129/91 Bull. 4-91/1.2.7*	OJ C 175/91 COM(91) 195 Bull. 6-91/1.2.30	Bull. 11-91/1.2.4 Bull. 12-91/1.2.30	OJ C 150/92 Bull. 5-92/1.1.19			Proposal withdrawn following rejection of the common position by Parliament
Prop. for a Dir.: colours*	OJ C 12/92 COM(91) 444 Bull. 12-91/1.2.29 25th GR/134	OJ C 313/92 Bull. 9-92/1.2.25	OJ C 305/92 Bull. 10-92/1.3.35*						
Prop. for a Dir.: additives other than colours and sweeteners*	OJ C 206/92 COM(92) 235 Bull. 6-92/1.3.22	OJ C 332/92 Bull. 10-92/1.3.35							
Prop. for a Reg.: contaminants in food*	OJ C 57/92 COM(91) 523 Bull. 1/2-92/1.3.43	OJ C 223/92 Bull. 5-92/1.1.22	OJ C 125/92 Bull. 4-92/1.3.21*		Bull. 9-92/1.2.24				
Prop. for a Dir.: official control of foodstuffs*	OJ C 51/92 COM(91) 526 Bull. 1/2-92/1.3.42	OJ C 332/92 Bull. 10-92/1.3.32	OJ C 337/92 Bull. 11-92/1.3.33	COM(92) 374 Bull. 12-92					
Prop. for a Dir.: scientific examination of questions relating to food*	OJ C 108/91 COM(91) 16 Bull. 3-91/1.2.8 25th GR/134	OJ C 14/92 Bull. 10-91/1.2.10	OJ C 94/92 Bull. 3-92/1.2.25*	OJ C 107/92 COM(92) 128 Bull. 3-92/1.2.25	Bull. 9-92/1.2.23				
Prop. for a Dir.: hygiene of foodstuffs*	OJ C 24/92 COM(91) 525 Bull. 1/2-92/1.3.41	OJ C 223/92 Bull. 5-92/1.1.21	OJ C 305/92 Bull. 10-92/1.3.33*	COM(92) 547 Bull. 12-92	Bull. 12-92				
Prop. for a Reg.: novel foods and novel food ingredients	OJ C 190/92 COM(92) 295 Bull. 7/8-92/1.3.15	OJ C 313/92 Bull. 9-92/1.2.27	OJ C 305/92 Bull. 10-92/1.3.36					OJ L 409/92 Bull. 12-92	
Prop. for a Dir.: fruit juices	OJ C 223/92 Bull. 5-92/1.1.24								
Dir. 92/115/EEC: extraction solvents*	OJ C 11/92 COM(91) 502 Bull. 12-91/1.2.31 25th GR/134	OJ C 223/92 Bull. 5-92/1.1.20	OJ C 94/92 Bull. 3-92/1.2.26*		Bull. 6-92/1.3.23	OJ C 337/92 Bull. 11-92/1.3.34			
Dir. 92/52/EEC: breast-milk substitutes	OJ C 124/92 COM(91) 441 Bull. 11-91/1.2.11 25th GR/134	OJ C 106/92 Bull. 3-92/1.2.27	OJ C 125/92 Bull. 4-92/1.3.20	OJ C 155/92 COM(92) 210 Bull. 5-92/1.1.23				OJ L 179/92 Bull. 6-92/1.3.24	

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Dir. 92/11/EEC: indications or marks identifying the lot to which a foodstuff belongs*	OJ C 219/91 COM(91) 297 Bull. 7/8-91/1.2.27 25th GR/135	OJ C 40/92 Bull. 11-91/1.2.12	OJ C 305/91 Bull. 10-91/1.2.11*		Bull. 12-91/1.2.28	OJ C 67/92 Bull. 1/2-92/1.3.40		OJ L 65/92 Bull. 3-92/1.2.24	
Prop. for a Dir.: compulsory nutrition labelling*	OJ C 282/88 COM(88) 489 Bull. 9-88/2.1.9 24th GR/218	OJ C 159/89 Bull. 4-89/2.1.28	OJ C 158/89 Bull. 5-89/2.1.27*						Proposal withdrawn by the Commission: Bull. 9-92/1.2.26
Dir. 92/25/EEC: wholesale distribution of medicinal products for human use*	OJ C 58/90 COM(89) 607 Bull. 1/2-90/1.1.24 24th GR/112	OJ C 225/90 Bull. 7/8-90/1.3.32	OJ C 183/91 Bull. 6-91/1.2.27*	OJ C 207/91 COM(91) 245 Bull. 7/8-91/1.2.5	Bull. 7/8-91/1.2.5 Bull. 10-91/1.2.14	OJ C 67/92 Bull. 1/2-92/1.3.35		OJ L 113/92 Bull. 3-92/1.2.21	
Dir. 92/26/EEC: classification for the supply of medicinal products for human use*	OJ C 58/90 COM(89) 607 Bull. 1/2-90/1.1.24 24th GR/112	OJ C 225/90 Bull. 7/8-90/1.3.30	OJ C 183/91 Bull. 6-91/1.2.25*	OJ C 207/91 COM(91) 245 Bull. 7/8-91/1.2.3	Bull. 7/8-91/1.2.3 Bull. 10-91/1.2.12	OJ C 67/92 Bull. 1/2-92/1.3.33		OJ L 113/92 Bull. 3-92/1.2.19	
Dir. 92/27/EEC: labelling of medicinal products for human use and package leaflets*	OJ C 58/90 COM(89) 607 Bull. 1/2-90/1.1.24 24th GR/112	OJ C 225/90 Bull. 7/8-90/1.3.31	OJ C 183/91 Bull. 6-91/1.2.26*	OJ C 207/91 COM(91) 245 Bull. 7/8-91/1.2.4	Bull. 7/8-91/1.2.4 Bull. 10-91/1.2.13	OJ C 67/92 Bull. 1/2-92/1.3.34		OJ L 113/92 Bull. 3-92/1.2.20	
Dir. 92/28/EEC: advertising of medicinal products for human use*	OJ C 163/90 COM(90) 212 Bull. 5-90/1.1.27 24th GR/112	OJ C 60/91 Bull. 12-90/1.3.37	OJ C 183/91 Bull. 6-91/1.2.28*	OJ C 207/91 COM(91) 245 Bull. 7/8-91/1.2.6	Bull. 7/8-91/1.2.6 Bull. 10-91/1.2.15	OJ C 67/92 Bull. 1/2-92/1.3.36		OJ L 113/92 Bull. 3-92/1.2.22	
Dir. 92/73/EEC: homeopathic medicinal products*	OJ C 108/90 COM(90) 72 Bull. 3-90/1.1.16 24th GR/112	OJ C 332/90 Bull. 9-90/1.2.23	OJ C 183/91 Bull. 6-91/1.2.24*	OJ C 244/91 COM(91) 313	Bull. 12-91/1.2.27 Bull. 1/2-92/1.3.37	OJ C 241/92 Bull. 7/8-92/1.3.24	COM(92) 372 Bull. 7/8-92/1.3.24	OJ L 297/92 Bull. 9-92/1.2.21	
Dir. 92/74/EEC: homeopathic veterinary medicinal products*	OJ C 108/90 COM(90) 72 Bull. 3-90/1.1.16 24th GR/112	OJ C 332/90 Bull. 9-90/1.2.24	OJ C 183/91 Bull. 6-91/1.2.29*	OJ C 244/91 COM(91) 113	Bull. 1/2-92/1.3.38 Bull. 3-92/1.2.23	OJ C 241/92 Bull. 7/8-92/1.3.25	COM(92) 372 Bull. 7/8-92/1.3.25	OJ L 297/92 Bull. 9-92/1.2.22	
Prop. for a Dir.: medicinal products*	OJ C 330/90 COM(90) 283 Bull. 11-90/1.3.1	OJ C 269/91 Bull. 7/8-91/1.2.23	OJ C 183/91 Bull. 6-91/1.2.23*	OJ C 310/91 COM(91) 382 Bull. 10-91/1.2.16	Bull. 12-92				
Prop. for a Dir.: high technology medicinal products*	OJ C 330/90 COM(90) 283 Bull. 11-90/1.3.1	OJ C 269/91 Bull. 7/8-91/1.2.23	OJ C 183/91 Bull. 6-91/1.2.23	OJ C 310/91 COM(91) 382 Bull. 10-91/1.2.16	Bull. 12-92				

	Commission proposal	ESC opinion	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Dir.: veterinary medicinal products*	OJ C 330/90 COM(90) 283 Bull. 11-90/1.3.1	OJ C 269/91 Bull. 7/8-91/1.2.23	OJ C 183/91 Bull. 6-91/1.2.23*	OJ C 310/91 COM(91) 382 Bull. 10-91/1.2.16				Bull. 12-92	
Prop. for a Reg.: authorization and supervision of medicinal products; Agency for the evaluation of medicinal products	OJ C 330/90 COM(90) 283 Bull. 11-90/1.3.1	OJ C 269/91 Bull. 7/8-91/1.2.23	OJ C 183/91 Bull. 6-91/1.2.23	OJ C 310/91 COM(91) 382 Bull. 10-91/1.2.16				Bull. 12-92 (agreement)	
Prop. for a Dir.: medical devices*	OJ C 237/91 COM(91) 287 Bull. 7/8-91/1.2.7 25th GR/141	OJ C 79/92 Bull. 1/2-92/1.3.39	OJ C 150/92 Bull. 5-92/1.1.17*	OJ C 251/92 COM(92) 356 Bull. 7/8-92/1.3.26	Bull. 12-92				
Dir. 92/53/EEC: type-approval of motor vehicles and their trailers*	OJ C 301/91 COM(91) 279 Bull. 7/8-91/1.2.2 25th GR/137	OJ C 79/92 Bull. 1/2-92/1.3.20	OJ C 67/92 Bull. 1/2-92/1.3.20*	OJ C 92/92 COM(92) 120 Bull. 3-92/1.2.8	Bull. 3-92/1.2.8 Bull. 4-92/1.3.16	OJ C 176/92 Bull. 6-92/1.3.18		OJ L 225/92 Bull. 6-92/1.3.18	
Dir. 92/21/EEC: masses and dimensions of motor vehicles of category M1*	OJ C 95/90 COM(89) 653 Bull. 1/2-90/1.1.19 24th GR/110	OJ C 225/90 Bull. 7/8-90/1.3.24	OJ C 284/90 Bull. 10-90/1.3.19*	OJ C 51/91 COM(91) 38 Bull. 1/2-91/1.2.25 25th GR/137	Bull. 12-91/1.2.18	OJ C 67/92 Bull. 1/2-92/1.3.22		OJ L 129/92 Bull. 3-92/1.2.10	
Dir. 92/22/EEC: glazing materials on motor vehicles	OJ C 95/90 COM(89) 653 Bull. 1/2-90/1.1.19 24th GR/110	OJ C 225/90 Bull. 7/8-90/1.3.23	OJ C 284/90 Bull. 10-90/1.3.18*	OJ C 51/91 COM(91) 38 Bull. 1/2-91/1.2.24 25th GR/137	Bull. 12-91/1.2.17	OJ C 67/92 Bull. 1/2-92/1.3.21		OJ L 129/92 Bull. 3-92/1.2.9	
Dir. 92/23/EEC: pneumatic tyres for motor vehicles*	OJ C 95/90 COM(89) 653 Bull. 1/2-90/1.1.19 24th GR/110	OJ C 225/90 OJ C 49/92 Bull. 7/8-90/1.3.25 Bull. 12-91/1.2.19	OJ C 284/90 OJ C 13/92 COM(91) 38 Bull. 10-90/1.3.20 Bull. 12-91/1.2.19*	OJ C 51/91 COM(91) 38 Bull. 1/2-91/1.2.26 25th GR/137	Bull. 12-91/1.2.19	OJ C 67/92 Bull. 1/2-92/1.3.23		OJ L 129/92 Bull. 3-92/1.2.11	
Dir. 92/24/EEC: speed limitation devices of motor vehicles*	OJ C 229/91 COM(91) 240 Bull. 7/8-91/1.2.20 25th GR/137	OJ C 40/92 Bull. 11-91/1.2.16	OJ C 13/92 Bull. 12-91/1.2.24*		Bull. 12-91/1.2.24	OJ C 67/92 Bull. 1/2-92/1.3.26		OJ L 129/92 Bull. 3-92/1.2.16	
Dir. 92/114/EEC: external projections of the cab's rear panel of motor vehicles of category N*	OJ C 230/91 COM(91) 238 Bull. 7/8-91/1.2.21 25th GR/137	OJ C 49/92 Bull. 12-91/1.2.23	OJ C 67/92 Bull. 1/2-92/1.3.25*		Bull. 6-92/1.3.19	OJ C 305/92 Bull. 10-92/1.3.26		OJ L 409/92 Bull. 12-92	
Dir. 92/97/EEC: sound level and exhaust system of motor vehicles*	OJ C 193/91 COM(91) 51 Bull. 6-91/1.2.19 25th GR/137	OJ C 49/92 Bull. 12-91/1.2.20	OJ C 125/92 Bull. 4-92/1.3.17*	OJ C 179/92 COM(92) 263 Bull. 6-92/1.3.21	Bull. 6-92/1.3.21	OJ C 305/92 Bull. 10-92/1.3.25		OJ L 371/92 Bull. 11-92/1.3.28	

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Dir.: mechanical coupling devices of motor vehicles and their trailers*	OJ C 134/92 COM(92) 108 Bull. 3-92/1.2.18	OJ C 313/92 Bull. 9-92/1.2.18	OJ C 305/92 Bull. 10-92/1.3.24						
Prop. for a Dir.: burning behaviour of materials used in interior construction of motor vehicles*	OJ C 154/92 COM(92) 201 Bull. 5-92/1.1.15	OJ C 332/92 Bull. 10-92/1.3.27	OJ C 305/92 Bull. 10-92/1.3.27*						
Prop. for a Dir.: masses and dimensions of motor vehicles	OJ C 230/91 COM(91) 239 Bull. 7/8-91/1.2.19 25th GR/137	OJ C 49/92 Bull. 12-91/1.2.22	OJ C 67/92 Bull. 1/2-92/1.3.24*						
Dir. 92/61/EEC: type-approval of two- or three-wheeled motor vehicles*	OJ C 110/91 COM(90) 669 Bull. 3-91/1.2.7 25th GR/137	OJ C 14/92 Bull. 10-91/1.2.17	OJ C 13/92 Bull. 12-91/1.2.21*	OJ C 97/92 COM(92) 42 Bull. 3-92/1.2.17	Bull. 12-91/1.2.21 Bull. 1/2-92/1.3.28	OJ C 176/92 Bull. 6-92/1.3.20		OJ L 225/92 Bull. 6-92/1.3.20	
Prop. for a Reg.: braking of two- and three-wheeled motor vehicles*	OJ C 93/92 COM(91) 496 Bull. 1/2-92/1.3.29	OJ C 313/92 Bull. 9-92/1.2.17	OJ C 305/92 Bull. 10-92/1.3.28*		Bull. 12-92				
Prop. for a Reg.: maximum speed of two- or three-wheeled motor vehicles*	OJ C 93/92 COM(91) 497 Bull. 1/2-92/1.3.30	OJ C 313/92 Bull. 9-92/1.2.17							
Prop. for a Reg.: lighting devices on two- and three-wheeled motor vehicles*	OJ C 93/92 COM(91) 498 Bull. 1/2-92/1.3.31	OJ C 313/92 Bull. 9-92/1.2.17							
Prop. for a Dir.: masses and dimensions of two- and three-wheeled motor vehicles*	COM(92) 330 Bull. 9-92/1.2.16		OJ C 337/92 Bull. 11-92/1.3.29						
Prop. for a Dir.: identification of controls for two- or three-wheeled motor vehicles*	COM(92) 331 Bull. 9-92/1.2.16		OJ C 21/93 Bull. 12-92						
Prop. for a Dir.: tell-tales and indicators for two- or three-wheeled motor vehicles*	COM(92) 332 Bull. 9-92/1.2.16		OJ C 337/92 Bull. 11-92/1.3.29						
Prop. for a Dir.: audible warning devices for two- or three-wheeled motor vehicles*	COM(92) 333 Bull. 9-92/1.2.16		OJ C 337/92 Bull. 11-92/1.3.29						

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Dir.: stands for two-wheel motor vehicles*	COM(92) 334 Bull. 9-92/1.2.16		OJ C 337/92 Bull. 11-92/1.3.29						
Prop. for a Dir.: protective devices to prevent the unauthorized use of two- or three-wheel motor vehicles*	COM(92) 335 Bull. 9-92/1.2.16		OJ C 337/92 Bull. 11-92/1.3.29						
Prop. for a Dir.: mounting of the rear registration plate of two- or three-wheel motor vehicles*	COM(92) 336 Bull. 9-92/1.2.16		OJ C 337/92 Bull. 11-92/1.3.29						
Prop. for a Dir.: statutory markings and passenger hand-holds for two- or three-wheel motor vehicles*	COM(92) 337 Bull. 9-92/1.2.16		OJ C 337/92 Bull. 11-92/1.3.29						
Prop. for a Dir.: amending for the 13th time Dir. 76/769 (dangerous substances)	OJ C 157/92 COM(92) 195 Bull. 5-92/1.1.16	OJ C 332/92 Bull. 10-92/1.3.31	OJ C 67/92 Bull. 1-2-92/1.3.32*						
Prop. for a Dir.: restrictions on the marketing and use of dangerous substances*	Bull. 9-91/1.2.7 25th GR/139	OJ C 40/92 Bull. 11-91/1.2.14							
Prop. for a Dir.: explosives for civil uses*	OJ C 121/92 COM(92) 123 Bull. 4-92/1.3.13	OJ C 313/92 Bull. 9-92/1.2.19	OJ C 305/92 Bull. 10-92/1.3.30*	COM(92) 524 Bull. 12-92	Bull. 12-92				
Prop. for a Dir.: equipment intended for use in potentially explosive atmospheres*	OJ C 46/92 COM(91) 516 Bull. 12-91/1.2.14 25th GR/143	OJ C 106/92 Bull. 3-92/1.2.14	OJ C 125/92 Bull. 4-92/1.3.14*						
Dir. 92/109/EEC: substances used in the manufacture of narcotic drugs and psychotropic substances	OJ C 21/91 COM(90) 597 Bull. 12-90/1.3.8 24th GR/167	OJ C 159/91 Bull. 4-91/1.2.5	OJ C 125/92 Bull. 4-92/1.3.18*	OJ C 157/92 COM(92) 218 Bull. 3-92/1.1.18	Bull. 7-8-92/1.3.27	OJ C 337/92 Bull. 11-92/1.3.31		OJ L 370/92 Bull. 12-92	
Prop. for a Dir.: footwear*	OJ C 74/92 COM(91) 529 Bull. 3-92/1.2.15	OJ C 297/92 Bull. 7-8-92/1.3.23	OJ C 150/92 Bull. 5-92/1.1.13*						
Prop. for a Dir.: recreational craft*	OJ C 123/92 COM(92) 141 Bull. 4-92/1.3.15	OJ C 313/92 Bull. 9-92/1.2.20	OJ C 337/92 Bull. 11-92/1.3.30						

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Dir.: machinery*	OJ C 25/92 COM(91) 547 Bull. 1/2-92/1.3.18	OJ C 223/92 Bull. 5-92/1.1.14	OJ C 241/92 Bull. 7/8-92/1.3.21	OJ C 252/92 COM(92) 363 Bull. 7/8-92/1.3.21	Bull. 12-92				
Prop. for a Dir.: lifts*	OJ C 62/92 COM(92) 35 Bull. 1/2-92/1.3.19	OJ C 287/92 Bull. 7/8-92/1.3.22	OJ C 305/92 Bull. 10-92/1.3.29						
Prop. for a Dir.: personal protective equipment	COM(92) 421 Bull. 12-92								
Dir. 92/31/EEC: electromagnetic compatibility*	OJ C 162/91 COM(91) 126 Bull. 5-91/1.2.8 25th GR/141	OJ C 339/91 Bull. 9-91/1.2.6	OJ C 13/92 Bull. 12-91/1.2.13*		Bull. 12-91/1.2.13	OJ C 94/92 Bull. 3-92/1.2.13		OJ L 126/92 Bull. 4-92/1.3.12	
Prop. for a Dir.: tractors*	Bull. 6-91/1.2.18 25th GR/137	OJ C 98/92 Bull. 1/2-92/1.3.27	OJ C 67/92 Bull. 1/2-92/ 1.3.27*						
Prop. for a Dir.: fertilizers*	Bull. 12-91/1.2.32 25th GR/140	OJ C 169/92 Bull. 4-92/1.3.19	OJ C 125/92 Bull. 4-92/1.3.19*						
Prop. for a Dir.: information procedure on technical standards and regulations	OJ C 340/92 COM(92) 491 Bull. 11-92/1.3.27								
Prop. for a Reg.: Community trade mark	OJ C 351/80 COM(80) 635 Bull. 11-80/2.1.13	OJ C 310/81	OJ C 307/83 Bull. 10-83/2.1.19; OJ C 280/91 Bull. 10-91/1.2.8	OJ C 220/84 COM(84) 470 Bull. 7/8-84/2.1.21; COM(92) 443 Bull. 11-92/1.3.41					
Prop. for a Reg.: CE mark*	OJ C 160/91 COM(91) 145 Bull. 5-91/1.3.11 25th GR/149	OJ C 14/92 Bull. 10-91/1.2.9	OJ C 125/92 Bull. 4-92/1.3.11*	COM(92) 293 Bull. 7/8-92/1.3.20			COM(92) 499 Bull. 12-92		
Prop. for a Dir.: units of measurement*	OJ C 185/91 Bull. 6-91/1.2.16 25th GR/145	OJ C 339/91 Bull. 9-91/1.2.5	OJ C 67/92 Bull. 1/2-92/1.3.17*						
Dir. 92/13/EEC: procurement procedures in the water, energy, transport and telecommunications sectors*	OJ C 216/90 COM(90) 297 Bull. 7/8-90/1.3.35 24th GR/122	OJ C 60/91 Bull. 12-90/1.3.40	OJ C 106/91 Bull. 3-91/1.2.27*	OJ C 179/91 COM(91) 158 Bull. 6-91/1.2.31	Bull. 6-91/1.2.31 Bull. 9-91/1.2.9	OJ C 39/92 Bull. 1/2-92/1.3.44		OJ L 76/92 Bull. 1/2-92/1.3.44	

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Dir. 92/50/EEC: award of public service contracts*	OJ C 23/91 COM(90) 372 Bull. 9/90/1.2.7 24th GR/123	OJ C 191/91 Bull. 5/91/1.2.13	OJ C 158/91 Bull. 5/91/1.2.13*	OJ C 250/91 COM(91) 322 Bull. 7/8-91/1.2.29	Bull. 12-91/1.2.34 Bull. 1/2-92/1.3.45	OJ C 150/92 Bull. 5/92/1.1.26	COM(92) 232 Bull. 5/92/1.1.26	OJ L 209/92 Bull. 6/92/1.3.7	
Prop. for a Dir.: procurement procedures in the water, energy, transport and telecommunications sectors*	OJ C 337/91 COM(91) 347 Bull. 9/91/1.2.2 25th GR/125	OJ C 106/92 Bull. 3/92/1.2.28	OJ C 176/92 Bull. 6/92/1.3.8*	OJ C 188/92 COM(92) 292 Bull. 7/8-92/1.3.29	Bull. 6-92/1.3.8 Bull. 12-92				
Prop. for a Dir.: award of public works contracts*	OJ C 46/92 Bull. 1/2-92/1.3.46	OJ C 106/92 Bull. 3/92/1.2.29	OJ C 125/92 Bull. 4/92/1.3.22*		Bull. 6-92/1.3.9	OJ C 305/92 Bull. 10-92/1.3.37			
Prop. for a Dir.: award of public works contracts*	OJ C 225/92 COM(92) 345 Bull. 7/8-92/1.3.28	OJ C 332/92 Bull. 10-92/1.3.38	OJ C 305/92 Bull. 10-92/1.3.38		Bull. 12-92				
Prop. for a Dir.: award of public supply contracts	COM(92) 346 Bull. 9/92/1.2.28	OJ C 332/92 Bull. 10-92/1.3.39							
Dir. 92/30/EEC: supervision of credit institutions on a consolidated basis*	OJ C 315/90 COM(90) 451 Bull. 10/90/1.3.5 24th GR/127	OJ C 102/91 Bull. 1/2-91/1.2.32	OJ C 326/91 Bull. 11-91/1.2.18*	OJ C 332/91 COM(91) 491 Bull. 12-91/1.2.38	Bull. 12-91/1.2.38	OJ C 94/92 Bull. 3-92/1.2.31		OJ L 110/92 Bull. 4-92/1.3.7	
Dir. 92/121/EEC: monitoring and controlling large exposures of credit institutions*	OJ C 123/91 COM(91) 68 Bull. 3/91/1.2.6 25th GR/160	OJ C 339/91 Bull. 9/91/1.2.11	OJ C 150/92 Bull. 5/92/1.1.27*	OJ C 175/92 COM(92) 273 Bull. 6-92/1.3.12	Bull. 6-92/1.3.12	OJ C 337/92 Bull. 11-92/1.3.36	COM(92) 554 Bull. 12-92	OJ L 409/92 Bull. 12-92	
Dir. 92/16/EEC: own funds of credit institutions	OJ C 172/91 COM(91) 188 Bull. 6/91/1.2.33 25th GR/161	OJ C 339/91 Bull. 9/91/1.2.12	OJ C 13/92 Bull. 12-91/1.2.39*		Bull. 12-91/1.2.39	OJ C 67/92 Bull. 1/2-92/1.3.48		OJ L 75/92 Bull. 3-92/1.2.30	
Prop. for a Dir.: deposit-guarantee schemes*	OJ C 163/92 COM(92) 188 Bull. 5/92/1.1.11	OJ C 332/92 Bull. 10-92/1.3.41							
Prop. for a Dir.: funds held by institutions for retirement provision	OJ C 312/91 COM(91) 301 Bull. 10/91/1.2.4 25th GR/173	OJ C 169/92 Bull. 4/92/1.3.23	OJ C 337/92 Bull. 11-92/1.3.37						
Prop. for a Reg.: guarantees issued by credit institutions or insurance undertakings*	OJ C 51/89 COM(89) 805 Bull. 12-88/2.1.141 22th GR/235	OJ C 159/89 Bull. 4/89/2.1.12	OJ C 68/90 Bull. 1/2-90/1.1.26	OJ C 53/91 COM(90) 367 Bull. 1/2-91/1.2.30					Proposal withdrawn by the Commission: Bull. 9-92/1.2.29

	Commission proposal	ESC opinion	EP first*/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Dir. 92/49/EEC: direct insurance other than life assurance*	OJ C 244/90 COM(90) 348 Bull. 7/8-90/1.3.4 24th GR/135	OJ C 102/91 Bull. 1/2-91/1.2.36	OJ C 67/92 Bull. 1/2-92/1.3.3*	OJ C 93/92 COM(92) 63 Bull. 1/2-92/1.3.8	Bull. 1/2-92/1.3.8	OJ C 150/92 Bull. 5-92/1.1.29	COM(92)252 Bull. 6-92/1.3.13	OJ L 228/92 Bull. 6-92/1.3.13	
Dir. 92/96/EEC: direct life assurance*	OJ C 99/91 COM(91) 57 Bull. 1/2-91/1.2.6 25th GR/167	OJ C 14/92 Bull. 10-91/1.2.20	OJ C 176/92 Bull. 6-92/1.3.14*	COM(92) 285 Bull. 6-92/1.3.14	Bull. 5-92/1.1.28 Bull. 6-92/1.3.14	OJ C 305/92 Bull. 10-92/1.3.40		OJ L 360/92 Bull. 11-92/1.3.19	
Prop. for a Dir.: capital adequacy of investment firms and credit institutions*	OJ C 152/90 COM(90) 141 Bull. 4-90/1.1.3 24th GR/138	OJ C 69/91 Bull. 1/2-91/1.2.31	OJ C 326/91 Bull. 11-91/1.2.19*	OJ C 50/92 COM(92) 13 Bull. 1/2-92/1.3.47	Bull. 6-92/1.3.11 Bull. 7/8-92/1.3.30	OJ C 337/92 Bull. 11-92/1.3.35			
Prop. for a Dir.: investment services in the securities field*	OJ C 43/89 COM(88) 778 Bull. 12-88/2.1.147 22th GR/247	OJ C 298/89 Bull. 9-89/2.1.12	OJ C 304/89 Bull. 10-89/2.1.16*	OJ C 42/90 COM(89) 629 Bull. 1/2-90/1.1.29	Bull. 6-92/1.3.10 Bull. 12-92				
Prop. for a Dir.: partial or total exemption from the obligation to publish listing particulars	COM(92) 566 Bull. 12-92								
Dir. 92/101/EEC: formation of public limited liability companies, maintenance and alteration of their capital*	OJ C 8/91 COM(90) 631 Bull. 12-90/1.3.172 24th GR/144	OJ C 269/91 Bull. 7/8-91/1.2.77	OJ C 240/91 Bull. 7/8-91/1.2.77*	OJ C 317/91 COM(91) 363	Bull. 5-92/1.1.31 Bull. 6-92/1.3.29	OJ C 305/92 Bull. 10-92/1.3.45		OJ L 347/92 Bull. 11-92/1.3.42	
Prop. for a Dir.: interest and royalty payments between parent companies and subsidiaries	OJ C 53/91 COM(90) 571 Bull. 11-90/1.3.102 24th GR/154	OJ C 120/91 Bull. 3-91/1.2.53	OJ C 67/92 Bull. 1/2-92/1.3.54						
Prop. for a Dir.: taking into account of the losses of permanent establishments and subsidiaries	OJ C 53/91 COM(90) 595 Bull. 11-90/1.3.103 24th GR/154	OJ C 120/91 Bull. 3-91/1.2.54	OJ C 94/92 Bull. 3-92/1.2.32						
Reg. (EEC) No. 1768/92: supplementary protection certificate for medicinal products*	OJ C 114/90 COM(90) 101 Bull. 3-90/1.1.95 24th GR/151	OJ C 69/91 Bull. 1/2-91/1.2.72	OJ C 19/91 Bull. 12-90/1.3.174*		Bull. 12-91/1.2.74 Bull. 1/2-92/1.3.53	OJ C 150/92 Bull. 5-92/1.1.30		OJ L 182/92 Bull. 6-92/1.3.28	
Prop. for a Dir.: legal protection of databases	OJ C 156/92 COM(92) 24 Bull. 1/2-92/1.3.14	OJ C 19/93 Bull. 11-92/1.3.40							

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Dir.: term of protection of copyright	OJ C 92/92 COM(92) 33 Bull. 1/2-92/1.3.13	OJ C 287/92 Bull. 7/8-92/1.3.32	OJ C 337/92 Bull. 11-92/1.3.39						
Dir. 92/100/EEC: rental right, lending right and certain rights related to copyright*	OJ C 33/91 COM(90) 586 Bull. 12-90/1.3.170 24th GR/150	OJ C 269/91 Bull. 7/8-91/1.2.80	OJ C 67/92 Bull. 1/2-92/1.3.50*	OJ C 128/92 COM(92) 159 Bull. 4-92/1.3.25	Bull. 6-92/1.3.27	OJ C 305/92 Bull. 10-92/1.3.42		OJ L 346/92 Bull. 11-92/1.3.38	
Prop. for a Dir.: accession to the Berne Convention and the Rome Convention*	OJ C 24/91 COM(90) 582 Bull. 12-90/1.3.169 24th GR/150	OJ C 269/91 Bull. 7/8-91/1.2.79	OJ C 326/91 Bull. 11-91/1.2.35*	OJ C 57/92 COM(92) 10 Bull. 1/2-92/1.3.51					
Prop. for a Dir.: legal protection of biotechnological inventions	OJ C 10/89 COM(88) 496 Bull. 10-88/2.1.17 22th GR/266	OJ C 159/89 Bull. 4-89/2.1.44	OJ C 305/92 Bull. 10-92/1.3.44	COM(92) 389 Bull. 12-92					
Prop. for a Dir.: copyright and neighbouring rights applicable to satellite broadcasting and cable retransmission*	OJ C 255/91 COM(91) 276 Bull. 7/8-91/1.2.76 25th GR/186	OJ C 98/92 Bull. 1/2-92/1.3.52	OJ C 305/92 Bull. 10-92/1.3.43	COM(92) 526 Bull. 12-92					

Removal of tax frontiers

Dir. 92/77/EEC: approximation of VAT rates	OJ C 250/87 COM(87) 321 Bull. 7/8-87/1.2.1 21st GR/153	OJ C 237/88 Bull. 7/8-88/2.4.55	OJ C 183/91 Bull. 6-91/1.2.36	OJ C 44/92 COM(92) 5 Bull. 1/2-92/1.3.55				OJ L 316/92 Bull. 10-92/1.3.9	
Reg. (EEC) No 218/92: administrative cooperation in the field of indirect taxation	OJ C 187/90 COM(90) 183 Bull. 5-90/1.2.4 25th GR/195	OJ C 332/90 Bull. 9-90/1.2.30	OJ C 324/90 OJ C 39/92 Bull. 11-90/1.3.22 Bull. 1/2-92/1.3.56	OJ C 131/91 COM(91) 115 Bull. 4-91/1.2.13				OJ L 24/92 Bull. 1/2-92/1.3.56	
Prop. for a Dir.: VAT harmonization (abolition of certain derogations)	OJ C 205/92 COM(92) 215 Bull. 7/8-92/1.3.12	OJ C 332/92 Bull. 10-92/1.3.46							
Prop. for a Dir.: VAT arrangements applicable to passenger transport	COM(92) 416 Bull. 9-92/1.2.11	OJ C 19/93 Bull. 11-92/1.3.43							

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Dir.: VAT scheme for gold	COM(92) 441 Bull. 10-92/1.3.47								
Dir. 92/111/EEC: simplification of the VAT system	COM(92) 448 Bull. 11-92/1.3.18	OJ C 19/93 Bull. 11-92/1.3.18	OJ C 337/92 Bull. 11-92/1.3.18					OJ L 384/92 Bull. 12-92	
Dir. 92/12/EEC: general arrangements for products subject to excise duty	OJ C 322/90 COM(90) 431 Bull. 9-90/1.2.2 24th GR/159	OJ C 69/91 Bull. 1/2-91/1.2.38	OJ C 183/91 Bull. 6-91/1.2.37	COM(92) 6 Bull. 1/2-92/1.3.9				OJ L 76/92 Bull. 1/2-92/1.3.9	
Dir. 92/108/EEC amending Dir. 92/12/EEC: general arrangements for products subject to excise duty	OJ C 283/92 COM(92) 426 Bull. 10-92/1.3.48	OJ C 19/93 Bull. 11-92/1.3.44	OJ C 337/92 Bull. 11-92/1.3.44					OJ L 390/92 Bull. 12-92	
Dir. 92/78/EEC: structures of excise duties on manufactured tobacco	OJ C 322/90 COM(90) 433 Bull. 9-90/1.2.4 24th GR/159	OJ C 69/91 Bull. 1/2-91/1.2.40	OJ C 94/92 Bull. 3-92/1.2.34				COM(92) 368 Bull. 9-92/1.2.31	OJ L 316/92 Bull. 10-92/1.3.10	
Dir. 92/79/EEC: taxes on cigarettes	OJ C 251/87 COM(87) 325 Bull. 7/8-87/1.2.1 and 1.2.3 21st GR/153	OJ C 237/88 OJ C 255/90 Bull. 7/8-88/2.4.59 Bull. 7/8-90/1.3.43	OJ C 94/92 Bull. 3-92/1.2.35	OJ C 12/90 COM(89) 525 Bull. 10-89/2.1.38 23th GR/247			COM(92) 370 Bull. 9-92/1.3.32	OJ L 316/92 Bull. 10-92/1.3.11	
Dir. 92/80/EEC: taxes on tobacco other than cigarettes	OJ C 251/87 COM(87) 326 Bull. 7/8-87/1.2.1 and 1.2.3 21st GR/153	OJ C 237/88 OJ C 225/90 Bull. 7/8-88/2.4.59 Bull. 7/8-90/1.3.43	OJ C 94/92 Bull. 3-92/1.2.36	OJ C 12/90 COM(89) 525 Bull. 10-89/2.1.38 23th GR/247			COM(92) 370 Bull. 9-92/1.2.33	OJ L 316/92 Bull. 10-92/1.3.12	
Dir. 92/81/EEC: structures of excise duties on mineral oils	OJ C 322/90 COM(90) 434 Bull. 9-90/1.2.5 24th GR/159	OJ C 69/91 Bull. 1/2-91/1.2.41	OJ C 183/91 Bull. 6-91/1.2.38	OJ C 45/92 COM(92) 4 Bull. 1/2-92/1.3.58				OJ L 316/92 Bull. 10-92/1.3.13	
Dir. 92/82/EEC: rates of excise duty on mineral oils	OJ C 262/87 COM(87) 327 Bull. 7/8-87/1.2.1 to 1.2.5 21st GR/153	OJ C 237/88 OJ C 225/90 Bull. 7/8-88/2.4.60 Bull. 7/8-90/1.3.42	OJ C 183/91 Bull. 6-91/1.2.39	OJ C 48/92 COM(92) 3 Bull. 1/2-92/1.3.59				OJ L 316/92 Bull. 10-92/1.3.14	
Dir. 92/83/EEC: structures of excise duties on beverages	OJ C 322/90 COM(90) 432 Bull. 9-90/1.2.3 24th GR/159	OJ C 69/91 Bull. 1/2-91/1.2.39	OJ C 67/92 Bull. 1/2-92/1.3.57				COM(92) 369 Bull. 9-92/1.2.34	OJ L 316/92 Bull. 10-92/1.3.16	

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Dir. 92/84/EEC: rates of excise duty on alcoholic beverages	OJ C 250/87 COM(87) 328 Bull. 7/8-87/1.2.1 and 1.2.3 21st GR/153	OJ C 237/88 OJ C 225/90 Bull. 7/8-88/2.4.61 Bull. 7/8-90/1.3.41	OJ C 94/92 Bull. 3-92/1.2.37	OJ C 12/90 COM(89) 327 Bull. 10-89/2.1.38 23th CR/247			COM(92) 369 Bull. 9-92/1.2.35	OJ L 316/92 Bull. 10-92/1.3.17	
Prop. for a Dir.: excise duties on motor fuels from agricultural sources	OJ C 73/92 COM(92) 36 Bull. 1/2-92/1.3.10	OJ C 223/92 Bull. 5-92/1.1.32	OJ C 36/86 Bull. 1-86/2.1.60						Proposal withdrawn by the Commission: Bull. 9-92/1.2.36
Prop. for a Dir.: indirect taxes which affect the consumption of alcoholic drinks	OJ C 114/85 COM(85) 50 Bull. 4-85/2.1.47 19th GR/265	OJ C 330/85 Bull. 10-85/2.5.58							Proposal withdrawn by the Commission: Bull. 9-92/1.2.30
Prop. for a Dir.: convergence of VAT rates and excise duties	OJ C 250/87 COM(87) 324 Bull. 7/8-87/1.2.4 21st GR/250	OJ C 237/88 Bull. 7/8-88/2.4.58							

Trans-European networks

Prop. for a Reg.: declaration of European interest to facilitate the establishment of trans-European networks	OJ C 71/92 COM(92) 15 Bull. 1/2-92/1.3.15	OJ C 287/92 Bull. 7/8-92/1.3.34	OJ C 337/92 Bull. 11-92/1.3.45						
---	---	------------------------------------	-----------------------------------	--	--	--	--	--	--

A people's Europe

Removal of intra-Community physical frontiers

Reg. (EEC) No 3911/92: export of cultural goods	OJ C 53/92 COM(91) 447 Bull. 1/2-92/1.3.12	OJ C 223/92 Bull. 5-92/1.1.25	OJ C 176/92 Bull. 6-92/1.3.26	OJ C 172/92 COM(92) 280 Bull. 6-92/1.3.25	Bull. 11-92/1.3.20 Bull. 12-92			OJ L 395/92 Bull. 11-92/1.3.21 Bull. 12-92	
Prop. for a Dir.: return of cultural objects*	OJ C 33/92 COM(91) 447 Bull. 1/2-92/1.3.12	OJ C 223/92 Bull. 5-92/1.1.25	OJ C 176/92 Bull. 6-92/1.3.25*						

	Commission proposal	ESC opinion	EP first*/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
<i>Free movement of persons</i>									
Dir. 92/51/EEC: second general system for the recognition of professional education and training complementing Dir. 89/48/EEC*	OJ C 263/89 COM(89) 372 Bull. 7/8-89/2.1.3 23th GR/259	OJ C 75/90 Bull. 1/2-90/1.1.95 24th GR/170	OJ C 149/90 Bull. 5-90/1.2.66 24th GR/170*	OJ C 217/90 COM(90) 389 Bull. 7/8-90/1.3.89 24th GR/170	Bull. 12-91/1.2.168 Bull. 1/2-92/1.3.135	OJ C 150/92 Bull. 5-92/1.1.103		OJ L 209/92 Bull. 6-92/1.3.108	
Prop. for a Dir.: doctors*	Bull. 12-91/1.2.42 25th GR/216	OJ C 98/92 Bull. 1/2-92/1.3.49	OJ C 125/92 Bull. 4-92/1.3.24		Bull. 12-92				
<i>Health</i>									
Prop. for a Reg.: European Drugs Monitoring Centre and European Information Network on Drugs and Drug Addiction (Reitox)	OJ C 43/92 COM(91) 463 Bull. 11-91/1.2.196 25th GR/1006	OJ C 223/92 Bull. 5-92/1.1.196	OJ C 150/92 Bull. 5-92/1.1.196	OJ C 164/92 COM(92) 237 Bull. 5-92/1.1.196					
Dir. 92/41/EEC amending Dir. 89/622/EEC concerning the labelling of tobacco products*	OJ C 29/91 COM(90) 538 Bull. 11-90/1.3.205 24th GR/177	OJ C 191/91 Bull. 5-91/1.2.166 25th GR/225	OJ C 240/91 Bull. 7/8-91/1.2.288 25th GR/225*	OJ C 260/91 COM(91) 336 Bull. 9-91/1.2.129	Bull. 11-91/1.2.195 25th GR/225	OJ C 94/92 Bull. 3-92/1.2.216	Bull. 4-92/1.3.182	OJ L 158/92 Bull. 5-92/1.1.190	
Prop. for a Dir.: advertising of tobacco products*	OJ C 124/89 COM(89) 163 Bull. 3-89/2.1.85 23th GR/423	1st opinion: OJ C 62/90 Bull. 12-89/2.1.116 23th GR/423; 2nd opinion: OJ C 313/92 Bull. 9-92/1.2.151	1st opinion: OJ C 96/90 Bull. 3-90/1.1.193 24th GR/176; 2nd opinion*: OJ C 67/92 Bull. 1/2-92/1.3.257	OJ C 116/90 COM(90) 147 Bull. 4-90/1.1.162 24th GR/176; OJ C 167/91 COM(91) 111 Bull. 5-91/1.2.165 25th GR/225; OJ C 129/92 COM(92) 196 Bull. 4-92/1.3.181					

	Commission proposal	ESC opinion	EP first*/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
<i>Audiovisual policy</i>									
Dir. 92/38/EEC: standards for satellite broadcasting of television signals	OJ C 194/91 COM(91) 242 Bull. 7/8-91/1.2.98 25th GR/231	OJ C 40/92 Bull. 11-91/1.2.60 25th GR/231	OJ C 326/91 Bull. 12-91/1.2.86 25th GR/231	OJ C 332/91 COM(91) 530 Bull. 12-91/1.2.86 25th GR/231	Bull. 1/2-92/1.3.258	OJ C 94/92 Bull. 3-92/1.2.219		OJ L 137/92 Bull. 5-92/1.1.201	
<i>Protection of personal data</i>									
Prop. for a Dir.: protection of individuals in relation to the processing of personal data	OJ C 277/90 COM(90) 314 Bull. 7/8-90/1.3.310 24th GR/186	OJ C 159/91 Bull. 4-91/1.2.140 25th GR/240	OJ C 94/92 Bull. 3-92/1.2.214	OJ C 311/92 COM(92) 422 Bull. 10-92/1.3.177				OJ L 123/92 Bull. 3-92/1.2.213	
Dec. 92/242/EEC: information security	OJ C 277/90 COM(90) 314 Bull. 7/8-90/1.3.315 24th GR/186	OJ C 159/91 Bull. 4-91/1.2.140 25th GR/240	OJ C 94/92 Bull. 3-92/1.2.213						
Prop. for a Dir.: protection of personal data and privacy in the context of public digital telecommunications networks*	OJ C 277/90 COM(90) 314 Bull. 4-91/1.2.140 24th GR/186	OJ C 159/91 Bull. 4-91/1.2.140 25th GR/240	OJ C 94/92 Bull. 3-92/1.2.215*						
<i>Competition</i>									
<i>General rules applying to businesses</i>									
Reg. (EEC) No 240/92: application of the rules on competition to undertakings in the air transport sector	OJ C 225/91 COM(91) 272 Bull. 7/8-91/1.2.33 25th GR/244	OJ C 169/92 Bull. 4-92/1.3.29	OJ C 125/92 Bull. 4-92/1.3.29					OJ L 240/92 Bull. 7/8-92/1.3.35	

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EEC) No 2411/92: agreements and concerted practices in the air transport sector	OJ C 225/91 COM(91) 272 Bull. 7/8-91/1.2.34 25th GR/244	OJ C 169/92 Bull. 4-92/1.3.30	OJ C 241/92 Bull. 7/8-92/1.3.36					OJ L 240/92 Bull. 7/8-92/1.3.36	

Application of the competition rules to government intervention

Dir. 92/68/EEC: aid to ship-building	OJ C 155/92 SEC(92) 991 Bull. 5-92/1.1.45	OJ C 241/92 Bull. 7/8-92/1.3.56	OJ C 241/92 Bull. 7/8-92/1.3.56					OJ L 219/92 Bull. 7/8-92/1.3.56	
--------------------------------------	---	------------------------------------	------------------------------------	--	--	--	--	------------------------------------	--

Enterprise policy and services

Priority activities and objectives

Prop. for a Dec. multiannual programme on small and medium-sized enterprises	COM(92) 470 Bull. 12-92								
--	----------------------------	--	--	--	--	--	--	--	--

Programme of work concerning cooperatives, mutual societies, associations and foundations

Prop. for a Reg.: Statutes for a European cooperative society, mutual society and association and props. for Dir. supplementing these with regard to the involvement of employees	OJ C 99/92 COM(91) 273 Bull. 12-91/1.2.73 25th GR/301	OJ C 223/92 Bull. 3-92/1.1.59							
---	--	----------------------------------	--	--	--	--	--	--	--

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
<i>Tourism</i>									
Dec. 92/421/EEC: Community action plan to assist tourism	COM(91) 97 Bull. 3-91/1.2.52 25th GR/305	OJ C 49/92 Bull. 12-91/1.2.78	OJ C 67/92 Bull. 1/2-92/ 1.3.100	OJ C 120/92 COM(92) 130 Bull. 4-92/1.3.59				OJ L 231/92 Bull. 6-92/1.3.56 Bull. 7/8-92/1.3.81	
<i>Industrial policy</i>									
<i>Priority activities and objectives</i>									
Dec. 92/278/EEC: consolidation of the EC-Japan Centre for Industrial Cooperation	OJ C 173/91 COM(91) 193 Bull. 5-91/1.2.48	OJ C 94/92 Bull. 3-92/1.2.56						OJ L 144/92 Bull. 3-92/1.1.60	
<i>Research and technology</i>									
<i>Community R&TD policy</i>									
Prop. for a Dec.: supplementary financing of the third framework programme	OJ C 225/92 COM(92) 309 Bull. 7/8-92/1.3.82	OJ C 19/92 Bull. 11-92/1.3.84	OJ C 337/92 Bull. 11-92/1.3.84	OJ C 45/92 COM(92) 1 Bull. 1/2-92/1.3.101	Bull. 3-92/1.2.57	OJ C 125/92 Bull. 4-92/1.3.65		Bull. 12-92	
Dec. 92/273/EEC: specific research programmes to be implemented by the JRC for the EEC (1992-94)	OJ C 234/91 COM(91) 281 Bull. 7/8-91/1.2.89 25th GR/309	OJ C 49/92 Bull. 12-91/1.2.79	OJ C 13/90 Bull. 12-91/1.2.79*	OJ C 45/92 COM(92) 1 Bull. 1/2-92/1.3.101				OJ L 141/92 Bull. 3-92/1.2.58 Bull. 4-92/1.3.66	
Dec. 92/274/EEC and 92/275/EEC: specific research programmes to be implemented by the JRC for Euratom (1992-94) and supplementary programme (1992-95)	OJ C 234/91 COM(91) 281 Bull. 7/8-91/1.2.89 25th GR/309	OJ C 49/92 Bull. 12-91/1.2.79	OJ C 13/92 Bull. 12-91/1.2.79*						

	Commission proposal	ESC opinion	EP first*/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
<i>Industrial and materials technologies</i>									
Dec. 92/247/EEC: specific R&TD programme in the field of measurements and testing (1990-94)*	OJ C 174/90 COM(90) 157 Bull. 4-90/1.1.60 Bull. 5-90/1.2.97 24th CR/263	OJ C 41/91 Bull. 11-90/1.3.72	OJ C 326/91 Bull. 11-91/1.2.48*	OJ C 4/92 COM(91) 503 Bull. 12-91/1.2.82	Bull. 12-91/1.2.82	OJ C 94/92 Bull. 3-92/1.2.59	COM(92) 102 Bull. 3-92/1.2.59	OJ L 126/92 Bull. 4-92/1.3.67	
<i>Life sciences and technologies</i>									
Dec. 92/218/EEC: specific R&TD programme in the field of biotechnology (1990-94)*	OJ C 174/90 COM(90) 160 Bull. 5-90/1.2.100 24th CR/273	OJ C 31/91 Bull. 10-90/1.3.65	OJ C 280/91 Bull. 10-91/1.2.43*	OJ C 289/91 COM(91) 386 Bull. 10-91 1.2.43	Bull. 10-91/1.2.43 Bull. 11-91/1.2.45	OJ C 67/92 Bull. 1/2-92/ 1.3.102	COM(92) 60 Bull. 1/2-92/ 1.3.102	OJ L 107/92 Bull. 3-92/1.2.60	
<i>Human capital and mobility</i>									
Dec. 92/217/EEC: specific R&TD programme in the field of human capital and mobility (1990-94)	OJ C 174/90 COM(90) 165 Bull. 4-90/1.1.68 Bull. 5-90/1.2.105 24th CR/299	OJ C 332/90 Bull. 9-90/1.2.75	OJ C 158/91 Bull. 5-91/1.2.60	OJ C 188/91 COM(91) 234 Bull. 6-91/1.2.71	Bull. 10-91/1.2.44 Bull. 11-91/1.2.46	OJ C 39/92 Bull. 1/2-92/ 1.3.103	COM(92) 21 Bull. 1/2-92/ 1.3.103	OJ L 107/92 Bull. 3-92/1.2.61	
<i>Telecommunications, information industries and innovation</i>									
<i>Telecommunications policy</i>									
Prop. for a Dir.: application of open network provision (ONP) to voice telephony	OJ C 263/92 COM(92) 247 Bull. 7-8-92/1.3.86	OJ C 19/93 Bull. 11-92/1.3.92							

	Commission proposal	ESC opinion	EP first* / sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Dir.: mutual recognition of licences to operate telecommunications services	OJ C 248/92 COM(92) 254 Bull. 7/8-92/1.3.87								
Prop. for a Dir.: frequency bands for the terrestrial flight telecommunications system (TFTS)	OJ C 222/92 COM(92) 314 Bull. 7/8-92/1.3.90								Proposal withdrawn by the Commission: Bull. 11-92/1.3.88
Prop. for a Dir.: frequency bands for road transport tele-matic systems	OJ C 221/92 COM(92) 341 Bull. 7/8-92/1.3.91								Proposal withdrawn by the Commission: Bull. 11-92/1.3.89
Dir. 92/44/EEC: application of open network provision to leased lines*	OJ C 58/91 COM(91) 30 Bull. 1/2-91/1.2.92 25th GR/374	OJ C 269/91 Bull. 7/8-91/1.2.99	OJ C 305/91 Bull. 10-91/1.2.52*		Bull. 10-91/1.2.59 Bull. 12-91/1.2.90	OJ C 150/92 Bull. 5-92/1.1.70		OJ L 165/92 Bull. 6-92/1.3.66	
Prop. for a Dir.: frequency bands to be designated for the coordinated introduction of digital short-range radio (DSRR) in the Community	OJ C 189/91 COM(91) 215 Bull. 6-91/1.2.79 25th GR/374	OJ C 40/92 Bull. 11-91/1.2.57	OJ C 94/92 Bull. 3-92/1.2.71						
Dec. 92/264/EEC: harmonization of the international telephone access code in the Community*	OJ C 157/91 COM(91) 165 Bull. 5-91/1.2.63 25th GR/374	OJ C 269/91 Bull. 7/8-91/1.2.100	OJ C 326/91 Bull. 11-91/1.2.61*		Bull. 12-91/1.2.87	OJ C 94/92 Bull. 3-92/1.2.70		OJ L 137/92 Bull. 5-92/1.1.68	
Prop. for a Dir.: satellite earth stations	OJ C 4/92 COM(92) 451 Bull. 12-92								
<i>Dissemination and exploitation of the results of Community and national R&TD programmes</i>									
Dec. 92/277/EEC: dissemination and exploitation of knowledge resulting from specific programmes*	OJ C 53/91 COM(90) 611 Bull. 12-90/1.3.122 24th GR/326	OJ C 339/91 Bull. 9-91/1.2.41	OJ C 13/92 Bull. 12-91/1.2.81*	OJ C 52/92 COM(92) 7 Bull. 1/2-92/1.3.110	Bull. 1/2-92/1.3.110	OJ C 125/92 Bull. 4-92/1.3.73		OJ L 141/92 Bull. 4-92/1.3.73	

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Employment and social policy									
<i>Employment</i>									
Reg. (EEC) No 2434/92 amending Reg. (EEC) No 1612/68 on freedom of movement for workers within the Community*	OJ C 254/91 COM(91) 316 Bull. 9-91/1.2.57 25th GR/417	OJ C 40/92 Bull. 11-91/1.2.86	OJ C 94/92 Bull. 3-92/1.2.93*	OJ C 107/92 COM(92) 115 Bull. 3-92/1.2.93	Bull. 4-92/1.3.88	OJ C 241/92 Bull. 7/8-92/1.3.112		OJ L 245/92 Bull. 7/8-92/ 1.3.112	
<i>Social security</i>									
Dec. 92/440/EEC: European Year of the Elderly and of Solidarity between Generations, 1993	OJ C 25/92 COM(91) 508 Bull. 1/2-92/1.3.131	OJ C 169/92 Bull. 4-92/1.3.97	OJ C 176/92 Bull. 6-92/1.3.107					OJ L 245/92 Bull. 6-92/1.3.107	
Reg. (EEC) No 1247/92 amending Regs. (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community	OJ C 240/85 COM(85) 396 Bull. 7/8-85/2.1.97 19th GR/435	OJ C 344/85 Bull. 11-85/2.5.27 19th GR/435	OJ C 343/85 Bull. 10-85/2.1.69 19th GR/435					OJ L 136/92 Bull. 12-91/1.2.131 25th GR/439 Bull. 4-92/1.3.85	
Reg. (EEC) No 1248/92 amending Regs. (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community	OJ C 206/89 COM(89) 370 Bull. 7/8-89/2.1.107 23th GR/414	OJ C 53/90 Bull. 11-89/2.1.89 23th GR/414	OJ C 291/89 Bull. 10-89/2.1.87 23th GR/414					OJ L 136/92 Bull. 12-91/1.2.132 25th GR/439 Bull. 4-92/1.3.86	

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EEC) No 1249/92 amending Regs. (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community	OJ C 219/91 COM(91) 247 Bull. 7/8-9/1.2.134 25th GR/438	OJ C 49/92 Bull. 12-9/1.2.137 25th GR/438	OJ C 280/91 Bull. 10-9/1.2.76 25th GR/438					OJ L 136/92 Bull. 4-9/1.3.87	
Prop. for a Reg. amending Regs. (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community	OJ C 46/92 COM(91) 528 Bull. 12-9/1.2.138 25th GR/438	OJ C 98/92 Bull. 1/2-9/2 1.3.124	OJ C 94/92 Bull. 3-9/2/1.2.94						
Prop. for a Reg. amending Regs. (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community	OJ C 251/92 COM(92) 315 Bull. 7/8-9/2/1.3.116	OJ C 332/92 Bull. 10-9/2/1.3.82	OJ C 305/92 Bull. 10-9/2/1.3.82						

Living and working conditions

Dir. 92/85/EEC: protection at work of pregnant women or women who have recently given birth*	OJ C 281/90 COM(90) 406 Bull. 9-90/1.2.53 24th GR/371	OJ C 41/91 Bull. 11-90/1.3.54 24th GR/371	OJ C 19/91 Bull. 12-90/1.3.99 25th GR/446*	OJ C 25/91 COM(90) 692 Bull. 1/2-9/1/2.117 25th GR/446	Bull. 11-91/1.2.90 Bull. 12-91/1.2.144 25th GR/446	OJ C 150/92 Bull. 5-92/1.1.96	COM(92) 259 Bull. 6-92/1.3.106	OJ L 348/92 Bull. 10-92/1.3.77	
Dir. 92/56/EEC amending Dir. 75/129/EEC relating to collective redundancies	OJ C 310/91 COM(91) 292 Bull. 9-91/1.2.55 25th GR/454	OJ C 79/92 Bull. 1/2-9/2 1.3.125	OJ C 94/92 Bull. 3-9/2/1.2.95	OJ C 117/92 COM(92) 127 Bull. 3-92/1.2.95				OJ L 245/92 Bull. 4-92/1.3.84 Bull. 6-92/1.3.97	
Prop. for a Dec.: third Community action programme to assist disabled people (Helios 2) (1992-96)	OJ C 293/91 COM(91) 350 Bull. 10-91/1.2.71 25th GR/449	OJ C 79/92 Bull. 1/2-9/2 1.3.130	OJ C 305/92 Bull. 10-92/1.3.86	COM(92) 482 Bull. 11-92/1.3.132					

Health and safety

	Commission proposal	ESC opinion	EP first*/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Dir. 92/29/EEC: medical treatment on board vessels*	OJ C 183/90 COM(90) 272 Bull. 6-90/1.3.74 24th GR/371	OJ C 332/90 Bull. 9-90/1.2.57 24th GR/371	OJ C 48/91 Bull. 1/2-91/ 1.2.118 25th GR/459*	OJ C 74/91 COM(91) 65 Bull. 1/2-91/ 1.2.118; COM(91) 552 Bull. 12-91/1.2.146 25th GR/459	Bull. 6-91/1.2.115 Bull. 10-91/1.2.83 25th GR/459	OJ C 326/91 Bull. 11-91/1.2.91		OJ L 113/92 Bull. 3-92/1.2.97	
Dir. 92/57/EEC: safety and health at temporary or mobile work sites*	OJ C 213/90 COM(90) 275 Bull. 7/8-90/1.3.80 24th GR/371	OJ C 120/91 Bull. 3-91/1.2.80 25th GR/461	OJ C 72/91 Bull. 1/2-91/ 1.2.119 25th GR/461*	OJ C 112/91 COM(91) 117 Bull. 4-91/1.2.70 25th GR/461	Bull. 10-91/1.2.82 Bull. 12-91/1.2.143	OJ C 150/92 Bull. 3-92/1.1.95	COM(92) 260 Bull. 6-92/1.3.103	OJ L 245/92 Bull. 6-92/1.3.103	
Dir. 92/91/EEC: safety and health of workers in the extractive industries*	OJ C 32/91 COM(90) 663 Bull. 12-90/1.3.103	OJ C 191/91 Bull. 5-91/1.2.86 25th GR/462	OJ C 280/91 Bull. 10-91/1.2.85 25th GR/462*	OJ C 46/92 COM(91) 493 Bull. 12-91/1.2.145 25th GR/462	Bull. 4-92/1.3.92	OJ C 241/92 Bull. 7/8-92/1.3.122	COM(92) 366 Bull. 7/8-92/1.3.122	OJ L 348/92 Bull. 11-92/1.3.128	
Dir. 92/104/EEC: safety and health protection of workers in the extractive industries (exploration and exploitation of minerals in mines and quarries)*	OJ C 38/92 COM(92) 14 Bull. 1/2-92/1.3.128	OJ C 169/92 Bull. 4-92/1.3.93	OJ C 150/92 Bull. 10-92/1.1.93*	OJ C 171/92 COM(92) 251 Bull. 6-92/1.3.105	Bull. 6-92/1.3.105	OJ C 305/92 Bull. 10-92/1.3.85	COM(92) 489 Bull. 12-92	OJ L 404/92 Bull. 12-92	
Prop. for a Dir. amending Dir. 92/679/EEC on exposure to biological agents at work	OJ C 217/92 COM(92) 261 Bull. 7/8-92/1.3.124	OJ C 19/93 Bull. 11-92/1.3.130							
Prop. for a Dir.: safety and health in transport activities	COM(92) 234 Bull. 11-92/1.3.129								
Prop. for a Dir.: protection of workers from exposure to physical agents	COM(92) 560 Bull. 12-92								
Dir. 92/58/EEC: safety and/or health signs at work*	OJ C 53/91 COM(90) 664 Bull. 12-90/1.3.102 24th GR/371	OJ C 159/91 Bull. 4-91/1.2.68 25th GR/462	OJ C 240/91 Bull. 7/8-91/1.2.139 25th GR/462	OJ C 279/91 COM(91) 383 Bull. 10-91/1.2.81 25th GR/462	Bull. 12-91/1.2.142 25th GR/462 Bull. 1/2-92/1.3.127	OJ C 150/92 Bull. 3-92/1.1.94	COM(92) 258 Bull. 6-92/1.3.104	OJ L 245/92 Bull. 6-92/1.3.104	
Prop. for a Dir.: safety and health requirements for work on board fishing vessels*	OJ C 337/91 COM(91) 466 Bull. 11-91/1.2.92	OJ C 169/92 Bull. 4-92/1.3.94	OJ C 241/92 Bull. 7/8-92/ 1.3.123*	OJ C 311/92 COM(92) 409 Bull. 10-92/1.3.84					

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Measures for the most remote regions									
<i>Agriculture</i>									
Reg. (EEC) No 1600/92: specific measures for the Azores and Madeira concerning certain agricultural products	OJ C 145/92 COM(92) 143 Bull. 4-92/1.3.111	OJ C 223/92 Bull. 5-92/1.1.111	OJ C 176/92 Bull. 6-92/1.3.121	COM(92) 271 Bull. 6-92/1.3.121				OJ L 173/92 Bull. 6-92/1.3.121	
Reg. (EEC) No 1601/92: specific measures for the Canary Islands concerning certain agricultural products	OJ C 145/92 COM(92) 144 Bull. 5-92/1.1.111	OJ C 223/92 Bull. 5-92/1.3.121	OJ C 176/92 Bull. 6-92/1.3.121	COM(92) 271 Bull. 6-92/1.3.121				OJ L 173/92 Bull. 6-92/1.3.121	
<i>Fisheries</i>									
Reg. (EEC) No 1603/92: enhanced aid system for the formation of producers' organizations in the French overseas departments, in the Canary Islands, in Madeira and in the Azores	OJ C 97/92 COM(92) 103 Bull. 3-92/1.2.111	OJ C 223/92 Bull. 5-92/1.1.112	OJ C 176/92 Bull. 6-92/1.3.120	COM(92) 271 Bull. 6-92/1.3.120				OJ L 173/92 Bull. 6-92/1.3.120	
Prop. for a Reg.: specific measures in favour of cephalopods producers of the Canary Islands	COM(92) 567 Bull. 12-92								
<i>Customs, tariff and trade measures</i>									
Reg. (EEC) No 1604/92 amending Reg. (EEC) No 2504/88 on free zones and free warehouses	OJ C 97/92 COM(92) 112 Bull. 3-92/1.2.112		OJ C 176/92 Bull. 6-92/1.3.124					OJ L 173/92 Bull. 6-92/1.3.124	

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EEC) No 1602/92 temporarily derogating from implementation of anti-dumping measures on imports into the Canary Islands of certain sensitive products	OJ C 97/92 COM(92) 109 Bull. 3-92/1.2.113		OJ C 176/92 Bull. 6-92/1.3.122	COM(92) 271 Bull. 6-92/1.3.122				OJ L 173/92 Bull. 6-92/1.3.122	
Reg. (EEC) No 1606/92 temporarily suspending autonomous CCT duties on imports into the Canary Islands of certain tobacco falling within CN codes 2402 and 2403	OJ C 100/92 COM(92) 111 Bull. 3-92/1.2.113		OJ C 176/92 Bull. 6-92/1.3.123	COM(92) 271 Bull. 6-92/1.3.123				OJ L 173/92 Bull. 6-92/1.3.123	
Reg. (EEC) No 1605/92 temporarily suspending autonomous CCT duties on imports of certain industrial products into the Canary Islands	OJ C 100/92 COM(92) 111 Bull. 3-92/1.2.113		OJ C 176/92 Bull. 6-92/1.3.123	COM(92) 271 Bull. 6-92/1.3.123				OJ L 173/92 Bull. 6-92/1.3.123	
Dec. 92/319/EEC temporarily suspending the customs duty applying to the import into the Canary Islands of an ECSC product	OJ C 100/92 COM(92) 111 Bull. 6-92/1.3.123		OJ C 176/92 Bull. 6-92/1.3.123	COM(92) 271 Bull. 6-92/1.3.123				OJ L 173/92 Bull. 6-92/1.3.123	
Taxation									
Prop. for a Reg. application of the tax, called 'arbitrio insular — tarifa especial' (sensitive products — Canary Islands)	COM(92) 592 Bull. 12-92								
Agriculture									
<i>Content of the common agricultural policy</i>									
Reg. (EEC) No 1738/92: common organization of the market in cereals	OJ C 303/91 COM(91) 379 Bull. 1/2-92/1.3.167	OJ C 98/92 Bull. 1/2-92/1.3.167	OJ C 125/92 Bull. 4-92/1.3.122					OJ L 180/92 Bull. 5-92/1.1.139 Bull. 6-92/1.3.141	Reform of the CAP

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EEC) No 1765/92: support system for producers of certain arable crops; Reg. (EEC) No 1766/92: common organization of the market in cereals	OJ C 303/91 COM(91) 379 Bull. 10-91/1.2.99 25th GR/531	OJ C 98/92 Bull. 1/2-92/ 1.3.167	OJ C 125/92 Bull. 4-92/1.3.122					OJ L 181/92 Bull. 5-92/1.1.139 Bull. 6-92/1.3.141	Reform of the CAP
Reg. (EEC) No 2064/92: specific measures for certain grain legumes	OJ C 303/91 COM(91) 379 Bull. 10-91/1.2.99 25th GR/531	OJ C 98/92 Bull. 1/2-92/ 1.3.167	OJ C 125/92 Bull. 4-92/1.3.122					OJ L 215/92 Bull. 5-92/1.1.139 Bull. 6-92/1.3.141	Reform of the CAP
Reg. (EEC) No 2065/92: calculation of the aid for dried fodder for the 1993/94 marketing year	OJ C 303/91 COM(91) 379	OJ C 98/92	OJ C 125/92					OJ L 215/92 Bull. 5-92/1.1.139 Bull. 6-92/1.3.141	Reform of the CAP
Reg. (EEC) No 2066/92: common organization of the market in beef and veal; Reg. (EEC) No 2067/92: measures to promote and market quality beef and veal; Reg. (EEC) No 2068/92: intervention prices for adult bovine animals	OJ C 303/91 COM(91)379 Bull.10-91/1.2.102 25th GR/531	OJ C 98/92 Bull. 1/2-92/ 1.3.171	OJ C 94/92 Bull. 3-92/1.2.148					OJ L 215/92 Bull. 5-92/1.1.142 Bull.6-92/1.3.144	Reform of the CAP
Reg. (EEC) No 2069/92: common organization of the market in sheepmeat and goatmeat; Reg. (EEC) No 2070/92: premiums for sheepmeat producers	OJ C 303/91 COM(91) 379 Bull. 10-91/1.2.103 25th GR/531	OJ C 98/92 Bull. 1/2-92/ 1.3.171	OJ C 94/92 Bull. 3-92/1.2.148					OJ L 215/92 Bull. 5-92/1.1.143 Bull. 6-92/1.3.145	Reform of the CAP
Reg. (EEC) No 2073/92: common organization of the market in tobacco; Reg. (EEC) No 2070/92: premiums for leaf tobacco and processing quotas; Reg. (EEC) No 2077/92: inter-branch agreements	OJ C 295/91 COM(91) 338 COM(91) 339 Bull. 10-91/1.2.100 25th GR/531	OJ C 98/92 Bull. 1/2-92/ 1.3.168 1.3.169	OJ C 94/92 Bull. 3-92/1.2.145 1.2.146					OJ L 215/92 Bull. 5-92/1.1.140 Bull. 6-92/1.3.142	Reform of the CAP
Reg. 2071/92: common organization of the market in milk; Reg. 2072/92: additional levy in the milk products sector; Reg. 2073/92: target price for milk; Reg. 2074/92: promoting consumption of milk	OJ C 337/91 COM(91) 409 Bull. 10-91/1.2.101 25th GR/531	OJ C 98/92 Bull. 1/2-92/ 1.3.170	OJ C 94/92 OJ C 125/92 Bull. 3-92/1.2.147 Bull. 4-92/1.3.123					OJ L 215/92 Bull. 5-92/1.1.141 Bull. 6-92/1.3.143	Reform of the CAP

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EEC) No 3950/92: additional levy in the milk products sector	OJ C 337/91 COM(91) 409 Bull. 10-91/1.2.101	OJ C 98/92 Bull. 1/2-92/ 1.3.170	OJ C 94/92 Bull. 3-92/1.2.147					OJ L 408/92 Bull. 12-92	
Reg. (EEC) No 3508/92: integrated administration and control system for certain Community aid schemes	OJ C 9/92 COM(91) 533 Bull. 12-91/1.2.196	OJ C 98/92 Bull. 1/2-92/ 1.3.173	OJ C 337/92 Bull. 11-92/1.3.163					OJ L 355/92 Bull. 11-92/1.3.163	
Regs. (EEC) Nos 1373/92 to 1380/92, 1739/92 to 1761/92 and 2046/92 to 2062/92: prices for agricultural products and related measures (1992/93)	OJ C 119/92 COM(92) 94 Bull. 3-92/1.2.141	OJ C 169/92 Bull. 4-92/1.3.133	OJ C 150/92 Bull. 5-92/1.1.145					OJ L 147/92 L 180/92 L 215/92 Bull. 5-92/1.1.145 Bull. 6-92/1.3.148	
Reg. (EEC) No 2078/92: agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside; Reg. (EEC) No 2079/92: aid scheme for early retirement; Reg. (EEC) No 2080/92: forestry measures	OJ C 300/91 COM(91) 415 Bull. 10-91/1.2.104 25th CR/531	OJ C 98/92 Bull. 1/2-92/ 1.3.172	OJ C 94/92 Bull. 3-92/1.2.149					OJ L 215/92 Bull. 5-92/1.1.144 Bull. 6-92/1.3.146	Reform of the CAP
Reg. (EEC) No 2157/92: protection of forests against atmospheric pollution	OJ C 312/91 COM(91) 431 Bull. 11-91/1.2.109	OJ C 106/92 Bull. 3-92/1.2.151	OJ C 241/92 Bull. 7/8-92/1.3.168					OJ L 217/92 Bull. 7/8-92/1.3.168	
Reg. (EEC) No 2158/92: protection of forests against fire	OJ C 312/91 COM(91) 431 Bull. 11-91/1.2.110	OJ C 106/92 Bull. 3-92/1.2.151	OJ C 241/92 Bull. 7/8-92/1.3.169					OJ L 217/92 Bull. 7/8-92/1.3.169	
Reg. (EEC) No 2081/92: protection of geographical indications and designations of origin	OJ C 30/91 Bull. 12-90/1.3.166 25th CR/546	OJ C 269/91 Bull. 7/8-91/1.2.171	OJ C 326/91 Bull. 11-91/1.2.111	OJ C 69/92 COM(92) 32 Bull. 1/2-92/1.3.177				OJ L 208/92 Bull. 7/8-92/ 1.3.164	
Reg. (EEC) No 2082/92: certificates of specific character for agricultural products and foodstuffs	OJ C 30/91 Bull. 12-90/1.3.166 25th CR/546	OJ C 40/92 Bull. 11-91/1.2.112	OJ C 326/91 Bull. 11-91/1.2.112	OJ C 71/92 COM(92) 28 Bull. 3-92/1.2.152				OJ L 208/92 Bull. 7/8-92/ 1.3.165	
Reg. (EEC) No 2083/92 amending Reg. (EEC) No 2092/91: organic production	OJ C 74/92 COM(92) 69 Bull. 3-92/1.2.153	OJ C 223/92 Bull. 5-92/1.1.148	OJ C 241/92 Bull. 7/8-92/1.3.172					OJ L 208/92 Bull. 7/8-92/1.3.172	

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Dec. 92/192/EEC: transitional compensation for farmers in Germany	OJ C 54/92 COM(91) 551 Bull. 12-91/1.2.226	OJ C 106/92 Bull. 3-92/1.2.158	OJ C 176/92 Bull. 6-92/1.3.147					OJ L 215/92 Bull. 6-92/1.3.47	
Prop. for a Reg. amending Reg. (EEC) No 1360/78: producer groups and associations thereof	OJ C 312/91 COM(91) 438 Bull. 11-91/1.2.107	OJ C 79/92 Bull. 1/2-92/ 1.3.174	OJ C 125/92 Bull. 4-92/1.3.124						
Prop. for a Reg.: plant variety rights	OJ C 244/90 COM(90) 347 Bull. 7/8-90/1.3.166 24th CR/436	OJ C 60/91 Bull. 12-90/1.3.183	OJ C 305/92 Bull. 10-92/1.3.111						

Management of the common agricultural policy

Reg. (EEC) No 3875/92: special arrangements for imports of maize and sorghum into Spain from 1987 to 1991	OJ C 138/92 COM(92) 168 Bull. 4-92/1.3.135	OJ C 19/93 Bull. 11-92/1.3.183	OJ C 21/93 Bull. 12-92					OJ L 391/92 Bull. 12-92	
Prop. for a Reg.: common organization of the markets in the sugar sector	OJ C 265/92 COM(92) 403 Bull. 9-92/1.2.116		OJ C 337/92 Bull. 11-92/1.3.183					Bull. 11-92/1.3.183	
Prop. for a Reg.: common organization of the market in sugar	COM(92) 573 Bull. 12-92								
Reg. (EEC) No 593/92 amending Reg. (EEC) No 2262/84: special measures in respect of olive oil	OJ C 206/91 COM(91) 269 Bull. 7/8-91/1.2.215	OJ C 67/92 Bull. 1/2-92/ 1.3.194						OJ L 64/92 Bull. 3-92/1.2.164	
Reg. (EEC) No 1332/92: measures to develop the consumption of table olives	OJ C 213/90 OJ C 162/91 COM(90) 345 COM(91) 189 Bull. 7/8-90/1.3.198 Bull. 5-91/1.2.124	OJ C 67/92 Bull. 1/2-92/ 1.3.195 Bull. 1/2-92/1.3.196						OJ L 145/92 Bull. 5-92/1.1.159	
Prop. for a Reg.: marketing standards for certain fats	OJ C 36/92 COM(91) 462 Bull. 11-91/1.2.105	OJ C 223/92 Bull. 5-92/1.1.160	OJ C 337/92 Bull. 11-92/1.3.185						

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EEC) No 833/92 amending Reg. (EEC) No 1442/88: permanent abandonment premiums in respect of wine-growing areas	OJ C 211/91 COM(91) 241 Bull. 7/8-91/1.2.223	OJ C 169/92 Bull. 4-92/1.3.150	OJ C 39/92 Bull. 1/2-92/1.3.205					OJ L 88/92 Bull. 3-92/1.2.170	
Reg. (EEC) No 3280/92: spirit drinks	OJ C 69/92 COM(92) 55 Bull. 1/2-92/1.3.207	OJ C 169/92 Bull. 4-92/1.3.150	OJ C 241/92 Bull. 7/8-92/1.3.195		Bull. 7/8-92/1.3.195	OJ C 305/92 Bull. 10-92/1.3.139		OJ L 327/92 Bull. 11-92/1.3.198	
Reg. (EEC) No 3279/92: definition, description and presentation of aromatized wines, aromatized wine-based drinks* and aromatized wine-product cocktails*	OJ C 69/92 COM(92) 55 Bull. 1/2-92/1.3.207	OJ C 169/92 Bull. 4-92/1.3.150	OJ C 241/92 Bull. 7/8-92/1.3.195	COM(92) 391 Bull. 9-92/1.2.121	Bull. 7/8-92/1.3.195	OJ C 305/92 Bull. 10-92/1.3.138		OJ L 327/92 Bull. 11-92/1.3.197	
Reg. (EEC) No 2332/92: sparkling wines	SEC(89) 1989		OJ C 149/90					OJ L 231/92 Bull. 7/8-92/1.3.196	
Reg. (EEC) No 1869/92 amending Reg. (EEC) No 1442/88: permanent abandonment premiums in respect of wine-growing areas	OJ C 64/92 COM(92) 49 Bull. 1/2-92/1.3.224	Bull. 4-92/1.3.163	OJ C 176/92 Bull. 6-92/1.3.183					OJ L 189/92 Bull. 6-92/1.3.183	
Prop. for a Reg.: common organization of the market in bananas	OJ C 232/92 COM(92) 359 Bull. 7/8-92/1.3.162	OJ C 19/93 Bull. 11-92/1.3.19	OJ C 21/93 Bull. 12-92					Bull. 12-92 (agreement)	
Prop. for a Reg.: common organization of the market in potatoes	OJ C 333/92 COM(92) 185 Bull. 11-92/1.3.162								
Reg. (EEC) No 1156/92 amending Reg. (EEC) No 1035/72: common organization of the market in fruit and vegetables	OJ C 64/92 COM(92) 51 Bull. 1/2-92/1.3.20		OJ C 125/92 Bull. 4-92/1.3.143					OJ L 122/92 Bull. 4-92/1.3.143	
Prop. for a Reg. amending Reg. (EEC) No 1035/72: common organization of the market in fruit and vegetables	OJ C 307/92 COM(92) 442 Bull. 10-92/1.3.133								
Reg. (EEC) No 525/92: temporary compensation for the consequences of the situation in Yugoslavia on transport of some fresh fruit and vegetables from Greece	OJ C 24/92 COM(91) 537 Bull. 1/2-92/1.3.201		OJ C 67/92 Bull. 1/2-92/1.3.201					OJ L 38/92 Bull. 1/2-92/1.3.201	

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EEC) No 3438/92: transport of fruit and vegetables from Greece	OJ C 222/92 COM(92) 323 Bull. 7/8-92/1.3.191		OJ C 337/92 Bull. 11-92/1.3.189					OJ L 330/92 Bull. 11-92/1.3.189	
Reg. (EEC) No 1569/92 amending Reg. (EEC) No 426/86: common organization of the market in products processed from fruit and vegetables	OJ C 116/92 COM(92) 138 Bull. 4-92/1.3.146	OJ C 223/92 Bull. 5-92/1.1.163	OJ C 176/92 Bull. 6-92/1.3.171					OJ L 166/92 Bull. 6-92/1.3.171	
Reg. (EEC) No 1991/92: special scheme for raspberries intended for processing	OJ C 113/92 COM(92) 129 Bull. 4-92/1.3.147		OJ C 241/92 Bull. 7/8-92/1.2.193					OJ L 199/92 Bull. 7/8-92/1.3.193	
Regs. (EEC) Nos 1570/92 and 1571/92: common organization of the market in raw tobacco	OJ C 32/92 COM(92) 40 Bull. 6-92/1.3.210		OJ C 176/92 Bull. 6-92/1.3.174					OJ L 166/92 Bull. 6-92/1.3.174	
Reg. (EEC) No 860/92 amending Reg. (EEC) No 727/70: common organization of the market in raw tobacco. Reg. (EEC) No 861/92: maximum guaranteed quantities in the raw tobacco sector	OJ C 60/92 COM(92) 54 Bull. 1/2-92/1.3.209		OJ C 94/92 Bull. 3-92/1.2.144					OJ L 91/92 Bull. 3-92/1.2.144	
Reg. (EEC) No 3124/92 amending Reg. (EEC) No 1686/71: common organization of the market in hops	OJ C 204/91 COM(91) 263 Bull. 7/8-91/1.2.228		OJ C 67/92 Bull. 1/2-92/1.3.212					OJ L 313/92 Bull. 10-92/1.3.142	
Reg. (EEC) No 3339/92: amount of aid to hop producers for the 1991 harvest	OJ C 179/92 COM(92) 281 Bull. 6-92/1.3.176		OJ C 305/92 Bull. 10-92/1.3.143					OJ L 336/92 Bull. 11-92/1.3.202	
Prop. for a Reg.: list of regions in which production aid for hops is granted only to recognized producer groups	COM(92) 301 Bull. 7/8-92/1.3.202								
Reg. (EEC) No 3338/92: aid to hop producers and special measures for certain regions	COM(92) 310 Bull. 7/8-92/1.3.203		OJ C 305/92 Bull. 10-92/1.3.144	OJ C 365/92 COM(92) 399 Bull. 9-92/1.2.125				OJ L 336/92 Bull. 11-92/1.3.201	
Reg. (EEC) No 3336/92: common organization of the market in live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage	OJ C 166/92 COM(92) 249 Bull. 6-92/1.3.170		OJ C 303/92 Bull. 10-92/1.3.131		OJ L 336/92 Bull. 11-92/1.3.188				

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EEC) No 2138/92: additional rules on the common organization for drinking milk	OJ C 320/91 COM(91) 454 Bull. 11-91/1.2.155		OJ C 150/92 Bull. 5-92/1.1.170					OJ L 214/92 Bull. 7/8-92/1.3.208	
Prop. for a Reg.: consumption aid for butter	OJ C 221/92 COM(92) 347 Bull. 7/8-92/1.3.207		OJ C 337/92 Bull. 11-92/1.3.204					Bull. 11-92/1.3.204	
Prop. for a Reg.: common organization of the market in beef and veal	OJ C 264/92 COM(92) 408 Bull. 9-92/1.2.126		OJ C 337/92 Bull. 11-92/1.3.208					Bull. 12-92	
Prop. for a Reg.: common organization of the market in eggs and poultry	OJ C 326/92 COM(92) 428 Bull. 11-92/1.3.214								
Prop. for a Reg.: marketing measures for poultry meat and eggs	COM(92) 468 Bull. 11-92/1.3.213								
Prop. for a Reg. amending Reg. (EEC) No 827/68: common organization of the market in certain products listed in Annex II	OJ C 263/91 COM(91) 328 Bull. 9-91/1.2.90		OJ C 125/92 Bull. 4-92/1.3.134						
Reg. (EEC) No 3813/92: unit of account and conversion rates	OJ C 188/92 COM(92) 275 Bull. 7/8-92/1.3.163	OJ C 332/92 Bull. 10-92/1.3.122	OJ C 337/92 Bull. 11-92/1.3.181					OJ L 387/92 Bull. 12-92	
Reg. (EEC) No 3814 to 3818/92: amending the transitional measures for Spain	COM(92) 253 Bull. 11-92/1.3.161		OJ C 21/93 Bull. 12-92					OJ L 387/92 Bull. 12-92	
Reg. (EEC) No 3876/92: extension of the transitional period for Spain and Portugal	COM(92) 447 Bull. 11-92/1.3.179		Bull. 12-92					OJ L 391/92 Bull. 12-92	
Reg. (EEC) No 477/92: extension of the transitional period for Spain	OJ C 299/91 COM(91) 424 Bull. 10-91/1.2.130		OJ C 67/92 Bull. 1/2-92/1.3.188					OJ L 55/92 Bull. 1/2-92/1.3.188	
Reg. (EEC) No 3311/92: measures for farmers affected by the drought in Portugal	OJ C 251/92 COM(92) 348 Bull. 7/8-92/1.3.185		OJ C 305/92 Bull. 10-92/1.3.123					OJ L 332/92 Bull. 11-92/1.3.180	

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EEC) No 1973/92 establishing a financial instrument for the environment (Life)	OJ C 44/91 COM(91) 28 Bull. 1/2-91/1.2.220 25th GR/632	OJ C 191/91 Bull. 3-91/1.2.163 25th GR/632	OJ C 267/91 Bull. 8-91/1.2.124 25th GR/632	OJ C 277/91 COM(91) 362 Bull. 10-91/1.2.191 25th GR/632				OJ L 206/92 Bull. 12-91/1.2.296 25th GR/632 Bull. 5-92/1.1.123 OJ L 373/92 Bull. 11-92/1.3.105	
Reg. (EEC) No 3627/92, distribution of rights of transit (ecopoints) for vehicles having a laden weight greater than 7.5 tonnes transiting through Austria	Bull. 7/8-92/1.3.100	OJ C 19/93 Bull. 11-92/1.3.105	OJ C 337/92 Bull. 11-92/1.3.105						

Industry and the environment, civil protection

Reg. (EEC) No 880/92: Community award scheme for an eco-label	OJ C 75/91 COM(91) 37 Bull. 1/2-91/1.2.235 25th GR/637	OJ C 339/91 Bull. 9-91/1.2.125 25th GR/637	OJ C 19/92 Bull. 12-91/1.2.292 25th GR/637	OJ C 12/92 COM(91) 544 Bull. 12-91/1.2.292 25th GR/637				OJ L 99/92 Bull. 12-91/1.2.292 25th GR/637 Bull. 3-92/1.2.124	
Reg. (EEC) No 2455/92: export and import of certain dangerous chemicals	OJ C 17/91 COM(90) 391 Bull. 12-90/1.3.146	OJ C 191/91 Bull. 5-91/1.2.152 25th GR/635	OJ C 305/91 Bull. 10-91/1.2.183 25th GR/635	OJ C 6/92 Bull. 12-91/1.2.293 25th GR/635				OJ L 251/92 Bull. 12-91/1.2.293 Bull. 7/8-92/1.3.148	
Dir. 92/32/EEC amending for the seventh time Dir. 67/548/EEC (classification, packaging and labelling of dangerous substances)*	OJ C 33/90 COM(89) 575 Bull. 1/2-90/1.1.126 23th GR/196	OJ C 332/90 Bull. 9-90/1.2.92 24th GR/524	OJ C 284/90 Bull. 10-90/1.3.83 24th GR/524	OJ C 318/90 COM(90) 566 Bull. 11-90/1.3.94 24th GR/524		OJ C 13/92 Bull. 12-91/1.2.303 25th GR/634	COM(92) 8 Bull. 1/2-92/1.3.156	OJ L 154/92 Bull. 4-92/1.3.114	
Prop. for a Reg.: Community eco-audit-scheme	OJ C 76/92 COM(91) 439 Bull. 12-91/1.2.297 25th GR/638 Bull. 3-92/1.2.125	OJ C 332/92 Bull. 10-92/1.3.100							
Dir. 92/112/EEC: reduction of pollution caused by waste from the titanium dioxide industry*	OJ C 317/91 COM(91) 338 Bull. 10-91/1.2.185 25th GR/64	OJ C 98/92 Bull. 1/2-92/1.3.159	OJ C 94/92 Bull. 3-92/1.2.127*		Bull. 6-92/1.3.132	OJ C 305/92 Bull. 10-92/1.3.102		OJ L 409/92 Bull. 12-92	Council agreement on the common positions: Bull. 5-92/1.2.125
Prop. for a Reg.: evaluation and control of the environmental risks of existing substances*	OJ C 276/90 Bull. 7/8-90/1.3.132 COM(90) 227 24th GR/525	OJ C 102/91 Bull. 1/2-91/1.2.226 25th GR/635	OJ C 280/91 Bull. 10-91/1.2.179 25th GR/635*	OJ C 334/91 Bull. 12-91/1.2.294	Bull. 12-91/1.2.294 25th GR/635 Bull. 7/8-92/1.3.149	OJ C 337/92 Bull. 11-92/1.3.156	COM(92) 601 Bull. 12-92		

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Reg. supervision and control of shipments of waste within, into and out of the Community*	OJ C 289/90 COM(90) 415 Bull. 9-90/1.2.85 24th GR/535	OJ C 269/91 Bull. 7/8-91/1.2.269 25th GR/646	OJ C 94/92 Bull. 3-92/1.2.129*	OJ C 115/92 COM(92) 121 Bull. 3-92/1.2.129				Bull. 10-92/1.3.99	
Prop. for a Dir.: packaging and packaging waste	OJ C 263/92 COM(92) 278 Bull. 7/8-92/1.3.144								
Prop. for a Dir.: incineration of hazardous waste	OJ C 130/92 COM(92) 9 Bull. 1/2-92/1.3.149 Bull. 3-92/1.2.128	OJ C 332/92 Bull. 10-92/1.3.101							
Prop. for a Dir.: landfill of waste	OJ C 190/91 COM(91) 102 Bull. 4-91/1.2.134 24th GR/645	OJ C 40/92 Bull. 11-91/1.2.182							
<i>Quality of the environment and natural resources</i>									
Dir. 92/43/EEC: protection of natural habitats and wild fauna and flora	OJ C 247/88 COM(88) 381 Bull. 7/8-88/2.1.120 22th GR/592	OJ C 31/91 Bull. 10-90/1.3.87 24th GR/527	OJ C 324/90 Bull. 1-90/1.3.96 24th GR/527	OJ C 195/90 COM(90) 59 Bull. 3-90/1.1.87 24th GR/527; OJ C 75/91 COM(91) 27 Bull. 1/2-91/1.2.234 25th GR/659				OJ L 206/92 Bull. 12-91/1.2.295 25th GR/659 Bull. 5-92/1.1.132	
Prop. for a Dir. amending Dir. 79/409/EEC on the conservation of wild birds	OJ C 115/91 OJ C 255/92 COM(91) 42 Bull. 3-91/1.2.168 25th GR/655	OJ C 191/91 Bull. 5-91/1.2.154 25th GR/655	OJ C 150/92 Bull. 5-92/1.1.133 25th GR/655	OJ C 260/92 COM(92) 398 Bull. 9-92/1.2.104					
Prop. for a Reg.: possession of and trade in specimens of species of wild fauna and flora	OJ C 26/92 COM(91) 448 Bull. 11-91/1.2.179 25th GR/655	OJ C 223/92 Bull. 5-92/1.1.134							

Consumers

Health and physical safety of consumers

	Commission proposal	ESC opinion	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Dir. 92/59/EEC: general product safety*	OJ C 193/89 COM(89) 162 Bull. 4-89/2.1.121 25th GR/544	OJ C 75/90 Bull. 1/2-90/ 1.1.137 24th GR/545	OJ C 96/90 Bull. 3-90/1.1.94 24th GR/545	OJ C 156/90 COM(90) 259 Bull. 6-90/1.3.130 24th GR/545	Bull. 10-91/1.2.195 Bull. 12-91/1.2.316 25th GR/681	OJ C 173/92 Bull. 6-92/1.3.194	COM(92) 267 Bull. 6-92/1.3.194	OJ L 228/92 Bull. 6-92/1.3.194	
Prop. for a Dec.: Community system for the exchange of information in respect of certain products	OJ C 347/92 COM(92) 429 Bull. 11-92/1.3.235								
Prop. for a sixth Dir. relating to cosmetic products	OJ C 52/91 COM(90) 488 Bull. 1/2-91/1.2.239 25th GR/683	OJ C 269/91 Bull. 7/8-91/1.2.284	OJ C 176/92 Bull. 6-92/1.3.197	OJ C 249/92 COM(92) 364 Bull. 9-92/1.2.148	Bull. 11-92/1.3.231 Bull. 12-92				

Economic and legal interests of consumers

Prop. for a Dir.: unfair terms in consumer contracts*	OJ C 243/90 COM(90) 322 Bull. 7/8-90/1.3.150 24th GR/554	OJ C 159/91 Bull. 4-91/1.2.139 25th GR/687	OJ C 326/91 Bull. 11-91/1.2.194 25th GR/687*	OJ C 73/92 COM(92) 66 Bull. 3-92/1.2.212	Bull. 6-92/1.3.195 Bull. 9-92/1.2.149	OJ C 21/93 Bull. 12-92			
Prop. for a Dir.: contracts relating to the utilization of immovable property on a timeshare basis	OJ C 222/92 COM(92) 220 Bull. 5-92/1.1.189								
Prop. for a Dir.: protection of consumers in respect of contracts negotiated at a distance	OJ C 156/92 COM(92) 11 Bull. 4-92/1.3.179	OJ C 19/93 Bull. 11-92/1.3.234							
Prop. for a Dir.: comparative advertising, amending Dir. 84/450/EEC on misleading advertising	OJ C 180/91 COM(91) 147 Bull. 5-91/1.2.164 25th GR/686	OJ C 49/92 Bull. 12-91/1.2.317 25th GR/686	OJ C 337/92 Bull. 11-92/1.2.232						

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
T									
ransport policy									
General strategy									
Sixth Dir. 92/20/EEC: summer-time arrangements*	OJ C 719/91 COM(91) 253 Bull. 7/8-91/1.2.105 25th GR.693	OJ C 40/92 Bull. 11-91/1.2.65 25th GR.693	OJ C 13/92 Bull. 12-91/1.2.98 25th GR.693		Bull. 1/2-92/1.3.112	OJ C 94/92 Bull. 3-92/1.2.75		OJ L 89/92 Bull. 3-92/1.2.75	
I									
nfrastructure									
Prop. for a Dec.: establishment of a network of high-speed trains	Bull. 12-90/1.3.271 24th GR/562		OJ C 150/92 Bull. 5-92/1.1.73						
Prop. for a Reg. amending Reg. (EEC) No 3359/90; programme in the field of transport infrastructure aimed at completion of an integrated transport market in 1992	OJ C 236/92 COM(92) 231 Bull. 6-92/1.3.73	OJ C 19/93 Bull. 11-92/1.3.94	OJ C 337/92 Bull. 11-92/1.3.94						
Prop. for a Dir.: trans-European road network	OJ C 236/92 COM(92) 231 Bull. 6-92/1.3.73	OJ C 19/93 Bull. 11-92/1.3.93							
Prop. for a Dec.: European inland waterway network	OJ C 236/92 COM(92) 231 Bull. 6-92/1.3.73	OJ C 19/93 Bull. 11-92/1.3.93							
M									
ultimodal transport									
Prop. for a Dec.: establishment of a combined transport network in the Community	OJ C 282/92 COM(92) 230 Bull. 6-92/1.3.74	OJ C 19/93 Bull. 11-92/1.3.95							

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Dir. 92/106/EEC amending Dir. 75/130/EEC: combined road/rail carriage of goods Reg. (EEC) No 3378/92 amending Reg. (EEC) No 1107/70: aids for transport by rail, road and inland waterway	OJ C 282/92 COM(92) 230 Bull. 6-92/1.3.74 OJ C 282/92 COM(92) 230 Bull. 6-92/1.3.74	OJ C 19/93 Bull. 11-92/1.3.96 OJ C 19/93 Bull. 11-92/1.3.97	OJ C 337/92 Bull. 11-92/1.3.96	COM(92) 538 Bull. 12-92 COM(92) 538 Bull. 12-92				OJ L 368/92 Bull. 12-92 OJ L 364/92 Bull. 12-92	
<i>Inland transport</i>									
Reg. (EEC) No 881/92: access to the market for the carriage of goods by road to or from the territory of a Member State or passing across the territory of one or more Member States Reg. (EEC) No 684/92: international carriage of passengers by coach and bus	OJ C 238/91 COM(91) 293 Bull. 7-8-91/1.2.103 25th CR/699	OJ C 40/91 Bull. 11-91/1.2.69 25th GR/699	OJ C 39/92 Bull. 1/2-92/ 1.3.115	COM(92) 104 Bull. 3-92/1.2.76 OJ C 301/88 COM(88) 595 Bull. 10-88/2.1.180; OJ C 31/89 COM(88) 770 Bull. 12-88/2.1.330 22th GR/723				OJ L 95/92 Bull. 12-91/1.2.94 Bull. 3-92/1.2.76 OJ L 74/92 Bull. 12-91/1.2.95 25th GR/700 Bull. 3-92/1.2.77	
Reg. (EEC) No 2454/92: conditions under which non-resident carriers may operate national road passenger transport services within a Member State Prop. for a Reg.: definitive system under which non-resident carriers may operate domestic road haulage services within a Member State	OJ C 77/87 COM(87) 31 Bull. 2-87/2.1.169 21st GR/626	OJ C 356/87 Bull. 11-87/2.4.45	OJ C 94/88 Bull. 3-88/2.1.186 22nd GR/722	OJ C 301/88 COM(88) 596 Bull. 10-88/2.1.179 22th GR/722 OJ C 160/92 Bull. 5-92/1.1.74				OJ L 251/92 Bull. 6-92/1.3.75 Bull. 7-8-92/1.3.95	
Reg. (EEC) No 3912/92 on the abolition of controls at the Community's internal frontiers relating to means of transport registered in non-Community countries	OJ C 317/91 COM(91) 377 Bull. 10-91/1.2.54 23th GR/698	OJ C 169/92 Bull. 4-92/1.3.74	OJ C 150/92 Bull. 5-92/1.1.74	OJ C 172/92 COM(92) 283 Bull. 6-92/1.3.82				OJ L 395/92 Bull. 12-92	
OJ C 103/92 COM(92) 105 Bull. 3-92/1.2.80	OJ C 287/92 Bull. 7-8-92/1.3.97	OJ C 305/92 Bull. 10-92/1.3.70							

	Commission proposal	ESC opinion	EP first* / sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Dir.: charging of transport infrastructure costs to heavy goods vehicles	OJ C 79/88 COM(87) 716 Bull. 6-88/2.4.52 Bull. 12-87/2.1.275 21st GR/631	1st opinion: OJ C 208/88 Bull. 6-88/2.4.52 24th GR/631; 2nd opinion: OJ C 159/91 Bull. 4-91/1.2.52 25th GR/701; 3rd opinion: OJ C 19/93 Bull. 11-92/1.3.99	1st opinion: OJ C 159/89 Bull. 5-89/2.1.214 24th GR/631; 2nd opinion: OJ C 150/92 Bull. 5-92/1.1.76; 3rd opinion: OJ C 21/93 Bull. 12-92	OJ C 75/91 COM(90) 540 Bull. 11-90/1.3.182 24th GR/569 COM(92) 405 Bull. 9-92/1.2.62				OJ L 57/92 Bull. 12-91/1.2.92 Bull. 1/2-92/1.3.113 OJ L 57/92 Bull. 12-91/1.2.93 Bull. 1/2-92/1.3.114 OJ L 225/92 Bull. 6-92/1.3.80 OJ L 225/92 Bull. 6-92/1.3.81	
Dir. 92/6/EEC: speed limiting devices fitted to certain categories of motor vehicle	OJ C 225/91 COM(91) 291 Bull. 7-8-91/1.2.112 25th GR/706	OJ C 40/92 Bull. 11-91/1.2.67 23th GR/706	OJ C 13/92 Bull. 12-91/1.2.92 23th GR/706	OJ C 313/91 COM(91) 417 Bull. 11-91/1.2.66 25th GR/704					
Dir. 92/7/EEC amending Dir. 85/3/EEC: technical characteristics of certain road vehicles	OJ C 292/90 COM(90) 486 Bull. 10-90/1.3.190 24th GR/570	OJ C 159/91 Bull. 4-91/1.2.56 25th GR/704	OJ C 183/91 Bull. 6-91/1.2.89 23th GR/704	OJ C 165/92 COM(92) 241 Bull. 6-92/1.3.80					
Dir. 92/54/EEC amending Dir. 77/143/EEC: roadworthiness tests for motor vehicles and their trailers (brakes)	OJ C 189/91 COM(91) 243 Bull. 7-8-91/1.2.109 25th GR/706	OJ C 49/92 Bull. 12-91/1.2.104 23th GR/706	OJ C 94/92 Bull. 3-92/1.2.79						
Dir. 92/55/EEC amending Dir. 77/143/EEC: roadworthiness tests for motor vehicles and their trailers (emissions)	OJ C 189/91 COM(91) 244 Bull. 7-8-91/1.2.110 25th GR/706	OJ C 49/92 Bull. 12-91/1.2.105 23th GR/706	OJ C 150/92 Bull. 5-92/1.1.75						
Prop. for a Dir.: officer for the prevention of the risk inherent in the carriage of dangerous goods	OJ C 185/91 COM(91) 4 Bull. 6-91/1.2.86 25th GR/707	OJ C 40/92 Bull. 11-91/1.2.68	OJ C 150/92 Bull. 5-92/1.1.72	OJ C 233/92 COM(92) 327 Bull. 7-8-92/1.3.94					
<i>Sea transport</i>									
Reg. (EEC) No 3577/92: freedom to provide maritime transport services within Member States	OJ C 363/89 COM(89) 266 Bull. 7-8-89/2.1.201 23th GR/637	OJ C 56/90 Bull. 11-89/2.1.188 23th GR/637	1st opinion: OJ C 295/90 Bull. 10-90/1.3.193 24th GR/576; 2nd opinion: OJ C 337/92 Bull. 11-92/1.3.100	OJ C 73/91 COM(91) 54 Bull. 1/2-91/1.2.100 25th GR/719				OJ L 364/92 Bull. 6-92/1.3.76 Bull. 12-92	

	Commission proposal	ESC opinion	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
<i>Sectoral aspects</i>									
Prop. for a Dec.: promotion of renewable energy sources in the Community (Altener programme)	OJ C 179/92 COM(92) 180 Bull. 5-92/1.1.78	OJ C 19/93 Bull. 11-92/1.3.119							
Nuclear safety									
<i>Radiation protection</i>									
Prop. for a Dir.: health protection against the dangers of ionizing radiation	Bull. 7/8-92/1.3.139								
Prop. for a Reg.: shipments of radioactive substances within the Community	Bull. 7/8-92/1.3.160	OJ C 19/93 Bull. 11-92/1.3.119		OJ C 347/92 COM(92) 520 Bull. 12-92					
<i>Radioactive waste</i>									
Dir. 92/3/Euratom: supervision and control of shipments of radioactive waste between Member States and into and out of the Community	OJ C 5/90 COM(89) 559 Bull. 11-89/2.1.135 23th GR/701	OJ C 168/90 Bull. 4-90/1.1.84 24th GR/651	OJ C 267/91 Bull. 9-91/1.2.126 25th GR/796	OJ C 210/90 COM(90) 328 Bull. 7/8-90/1.3.149				OJ L 35/92 Bull. 1/2-92/1.3.150	

	Commission proposal	ESC opinion	EP first/sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EEC) No 443/92: financial and technical assistance to and economic cooperation with the developing countries in Asia and Latin America	OJ C 119/91 COM(91) 104 Bull. 4-91/1.3.41 25th GR/930		OJ C 267/91 Bull. 9-91/1.3.37 25th GR/950	OJ C 284/91 COM(91) 364 Bull. 10-91/1.3.26 25th GR/930				OJ L 52/92 Bull. 1/2-92/1.4.40	

Relations with the African, Caribbean and Pacific countries and the overseas countries and territories
Implementation of the fourth Lomé Convention

Prop. for a Reg. special system of assistance to traditional ACP suppliers of bananas	OJ C 344/92 COM(92) 465 Bull. 11-92/1.4.44								
---	--	--	--	--	--	--	--	--	--

General developed cooperation
Generalized tariff preferences

Reg. (EEC) No 282/92: generalized preferences scheme — renewal for products from developing countries, extension to the Baltic States and Albania and lifting of the suspension for Korea	OJ C 334/91 COM(91) 480 Bull. 12-91/1.3.43 25th GR/996		OJ C 39/92 Bull. 1/2-92/1.4.39					OJ L 31/92 Bull. 1/2-92/1.4.59	
Reg. (EEC) No 1509/92 withdrawing Hungary, Poland and Czechoslovakia from the lists of beneficiaries of the generalized preferences scheme	OJ C 69/92 COM(92) 44 Bull. 1/2-92/1.4.15		OJ C 150/92 Bull. 5-92/1.2.18					OJ L 159/92 Bull. 6-92/1.4.9	
Reg. (EEC) No 3917/92: prolongation of the generalized preferences scheme for products from developing countries and extension to Georgia and to the Independent States of the former USSR	OJ C 335/92 COM(92) 417 Bull. 10-92/1.4.46	OJ C 19/93 Bull. 11-92/1.4.54						OJ L 396/92 Bull. 12-92	

Annexes to Chapter VII
Activities of the Court of Justice

TABLE I
Cases analysed by subject-matter
1992

	ECSC		EEC											Privileges and immunities Article 220 Conventions	Appeals in staff cases	Total			
	Direct actions	Appeals	Free movement of goods	Customs	Agriculture	Fisheries	Right of establishment and freedom to supply services	Free movement of workers and social security	Transport	Competition		State aid	Taxation				Commercial policy and dumping	Environment	Other
										Direct actions	Appeals								
Actions brought	—	1	21	12	184	14	12	49	14	21	15	18	20	5	15	18	9	9	438
Cases not resulting in a judgment	—	—	12	3	15	16	8	8	3	3	1	2	5	1	4	8	—	—	89
Cases decided	2	—	27	14	51	13	15	49	3	6	1	3	26	12	7	10	5	12	256

TABLE 2
Cases analysed by type (EEC Treaty)
1992

	Proceedings brought under										Total	
	Art. 169	Art. 173				Art. 175	Art. 177	Arts 178 and 215	Art. 181	Art. 220 Conven- tions		Appeals (competi- tion)
		By gov- ernment	By Com- munity institutions	By individ- uals	Total							
Actions brought	50	29	1	34	64	3	157	132	1	5	15	427
Cases not resulting in a judgment	43 ¹	18	—	7	25	3	15	1	1	—	1	89
Cases decided	47	15	4	28	47	1	136	4	1	5	1	242
In favour of applicant	35	2	4	7	13	—	—	2	1	—	—	51
Dismissed on the merits	10	11	—	13	24	—	—	2	—	—	—	36
Rejected as inadmissible	2	2	—	8	10	1	—	—	—	—	1	14

¹ Including 1 case brought under Article 170.

Activities of the Court of First Instance

TABLE 1
Cases analysed by subject-matter
1992

	ECSC	EEC (competition)	Staff cases	Total
Actions brought	—	36	79	115
Cases not resulting in a judgment	—	5	23	28
Cases decided	1	38	55	94

Institutions and other bodies

European Parliament

Secretariat
Centre européen, Plateau du Kirchberg
L-2929 Luxembourg
Tel.: 43001

Council of the European Communities

General Secretariat
Rue de la Loi 170
B-1048 Brussels
Tel.: 234 61 11

Commission of the European Communities

Rue de la Loi 200
B-1049 Brussels
Tel.: 299 11 11

Court of Justice

Plateau du Kirchberg
L-2925 Luxembourg
Tel.: 43031

Court of Auditors

12 rue Alcide de Gasperi
L-1615 Luxembourg
Tel.: 43981

Economic and Social Committee

Rue Ravenstein 2
B-1000 Brussels
Tel.: 519 90 11

List of abbreviations

Acnat	Action by the Community relating to nature conservation
ACP	African, Caribbean and Pacific countries party to the Lomé Convention
AIM	Advanced informatics in medicine
Altener	Programme to promote renewable energy sources
Asean	Association of South-East Asian Nations
Asset	Assessment of Safety Significant Event Team
ATA	Admission temporaire — Temporary admission
Avicenne	Science and technology cooperation with Maghreb and other Mediterranean countries
BCC	Business Cooperation Centre
BC-Net	Business Cooperation Network
BCR	Community Bureau of Reference
BEMA	Biogenic emissions in the Mediterranean area
Bridge	Biotechnology research for innovation, development and growth in Europe
Brite/Euram	Basic research in industrial technologies for Europe/raw materials and advanced materials
Caddia	Cooperation in automation of data and documentation for imports/exports and agriculture
CAP	Common agricultural policy
CCAMLR	Commission for the Conservation of Antarctic Marine Living Resources
CCC	Consumers' Consultative Council
CCT	Common Customs Tariff
Cecaf	Fishery Committee for the Eastern Central Atlantic
CEIES	Advisory Committee on Statistical Information in the Economic and Social Spheres
CEN	European Committee for Standardization

Cenelec	European Committee for Electrotechnical Standardization
CERM	Coordinated emergency response measures
Cirea	Centre for Information, Discussion and Exchange on Asylum
CIS	Commonwealth of Independent States
CIS	Customs Information System
Cites	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CN	Combined Nomenclature
Codesa	Convention for a Democratic South Africa
Comett	Community programme in education and training for technology
Cordis	Community research and development information service
COST	European cooperation on scientific and technical research
CPA	Classification of products by activity
Craft	European cooperative research action for technology
Crest	Scientific and Technical Research Committee
CSCE	Conference on Security and Cooperation in Europe
CSF	Community support framework
CSO	Committee of Senior Officials (CSCE)
CSTP	Scientific and Technical Committee for Fisheries
CTS	Conformance testing services
DECT	Digital European cordless telecommunications
Delta	Development of European learning through technological advance
Drive	Dedicated road infrastructure for vehicle safety in Europe
DSIS	Distributed statistical information system
DSRR	Digital short-range radio
EAGGF	European Agricultural Guidance and Guarantee Fund
Easoe	European Arctic Stratospheric Ozone Experiment
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
ECCD	European Committee to Combat Drugs
ECE	Economic Commission for Europe (UN)
ECHO	European Office for Emergency Humanitarian Aid
ECIP	EC International Investment Partners
Eclair	European collaborative linkage of agriculture and industry through research

EDF	European Development Fund
EDMC	European Drugs Monitoring Centre
EDU	European Drugs Unit
EEA	European Economic Area
EEIG	European economic interest grouping
EFTA	European Free Trade Association
Ehlass	European home and leisure accident surveillance system
EIB	European Investment Bank
EICs	Euro-Info-Centres
EMI	European Monetary Institute
EMS	European Monetary System
EMU	Economic and monetary union
Envireg	Community initiative concerning the environment in the regions
Epoch	European programme on climatology and natural hazards
Erasmus	European Community action scheme for the mobility of university students
ERDF	European Regional Development Fund
ERM	Exchange-rate mechanism
ESA	European system of integrated economic accounts
ESCB	European System of Central Banks
ESF	European Social Fund
Esprit	European strategic programme for research and development in information technology
ETSI	European Telecommunications Standards Institute
Eures	European Employment Service (formerly Sedoc)
Euret	European research for transport
Euroform	Community initiative for the development of new qualifications, new skills and new employment opportunities
Euros	Community register of shipping
FADN	EEC farm accountancy data network
FAO	Food and Agriculture Organization of the United Nations
FAST	Forecasting and assessment in the field of science and technology
Flair	Food-linked agro-industrial research
Force	Action programme for the development of continuing vocational training

Forest	Forestry sectoral research and technology
GATT	General Agreement on Tariffs and Trade (UN)
GCC	Gulf Cooperation Council
GEF	Global Environment Facility
GSP	Generalized system of preferences
HDTV	High-definition television
Helios	Action programme to promote social and economic integration and an independent way of life for disabled people
Horizon	Community initiative on handicapped persons and certain other disadvantaged groups
HS	Harmonized Commodity Description and Coding System
IAEA	International Atomic Energy Agency (UN)
IATA	International Air Transport Association
IBC	Integrated broadband communications
IBRD	International Bank for Reconstruction and Development (World Bank) (UN)
IBSFC	International Baltic Sea Fishery Commission
ICES	International Council for the Exploration of the Sea
ICRC	International Committee of the Red Cross
ICRP	International Commission on Radiological Protection
IDA	Interchange of data between administrations
IEA	International Energy Agency (OECD)
IEC	International Electrotechnical Commission
IEFR	International Emergency Food Reserve
IFRC	International Federation of Red Cross and Red Crescent Societies
ILCA	Instituto Latinoamericano de la Cooperación para la Agricultura
IMF	International Monetary Fund (UN)
IMP	Integrated Mediterranean programme
Impact	Information market policy actions
INRO	International Natural Rubber Organization
Insis	Interinstitutional system of integrated services
Interreg	Community initiative concerning border areas
ISDN	Integrated services digital network
ISIS	Integrated standards information system
ISO	International Organization for Standardization
ISTC	International Science and Technology Centre

IT	Information technology
ITER	International Thermonuclear Experimental Reactor
ITTO	International Tropical Timber Organization
IWC	International Whaling Commission
JET	Joint European Torus
JICS	Joint Interpreting and Conference Service
JOPP	Joint venture Phare programme
Joule	Joint opportunities for unconventional or long-term energy supply
JRC	Joint Research Centre
Leader	Links between actions for the development of the rural economy
LIFE	Financial instrument for the environment
Lingua	Action programme to promote foreign language competence in the Community
MAST	Marine science and technology
Matthaeus	Action programme for the vocational training of customs officials
MCA	Monetary compensatory amount
Media	Measures to encourage the development of the audiovisual industry
Medspa	Strategy and plan of action for the protection of the environment in the Mediterranean
Metap	Mediterranean environmental technical assistance programme
MFA	Multifibre Arrangement (<i>Arrangement regarding International Trade in Textiles</i>)
MGP	Multiannual guidance programme
MGQ	Maximum guaranteed quantity
Monitor	Research programme on strategic analysis, forecasting and assessment in research and technology
MOU	Memorandum of understanding
NAFO	Northwest Atlantic Fisheries Organization
Nafta	North American Free Trade Agreement
Nasco	North Atlantic Salmon Conservation Organization
NCI	New Community Instrument
NEAFC	North-East Atlantic Fisheries Commission
NET	Next European Torus
NGO	Non-governmental organization
NIP	National indicative programme

Norspa	Action to protect the environment in the coastal areas and coastal waters of the Irish Sea, North Sea, Baltic Sea and North-East Atlantic Ocean
NOW	Community initiative for the promotion of equal opportunities for women in the field of employment and vocational training
Oapec	Organization of Arab Petroleum Exporting Countries
OAS	Organization of American States
OCTs	Overseas countries and territories
OECD	Organization for Economic Cooperation and Development
OICVP	Veterinary and Phytosanitary Inspections Office
ONP	Open network provision
OPET	Organization for the promotion of energy technologies
PACE	Community action programme for improving the efficiency of electricity use
Pedip	Programme to modernize Portuguese industry
Petra	Action programme for the vocational training of young people and their preparation for adult and working life
Phare	Poland and Hungary — Aid for economic restructuring
PINC	Community's illustrative nuclear programme
PIP	Priority information programme
Poseican	Programme of options specific to the remote and insular nature of the Canary Islands
Poseidom	Programme of options specific to the remote and insular nature of the overseas departments
Poseima	Programme of options specific to the remote and insular nature of Madeira and the Azores
Prisma	Preparation of industries situated in the regions for the single market
RACE	Research and development in advanced communications technologies for Europe
R&TD	Research and technological development
Rapat	Radiation Protection Advisory Team
Rechar	Programme to assist the conversion of coalmining areas
Recite	Regions and cities of Europe
Regen	Community initiative on energy networks
Regis	Community initiative concerning the most remote regions
Renaval	Programme to assist the conversion of shipbuilding areas
Resider	Programme to assist the conversion of steel areas

Retex	Community initiative for regions heavily dependent on the textiles and clothing sector
Reward	Recycling of waste R&D
SAST	Strategic analysis in the field of science and technology
SAVE	Specific actions for vigorous energy efficiency
Scent	System for a customs enforcement network
Science	Plan to stimulate the international cooperation and interchange necessary for European researchers
SCSI	Steering Committee for Statistical Information
Sedoc	European system for the international clearing of vacancies and applications for employment (see Eures)
SELA	Latin American Economic System
SPA	Special programme of assistance for sub-Saharan Africa
Spear	Support programme for a European assessment of research
SPES	Stimulation plan for economic science
Sprint	Strategic programme for innovation and technology transfer
Stabex	System for the stabilization of ACP and OCT export earnings
STEP	Science and technology for environmental protection
Stride	Science and technology for regional innovation and development in Europe
Sysmin	Special financing facility for ACP and OCT mining products
Systran	Computer translation system
TAC	Total allowable catch
Tacis	Technical assistance to the Commonwealth of Independent States and Georgia
Taric	Integrated Community tariff
Tedis	Trade electronic data interchange system
Teleman	Research and training programme on remote handling in hazardous or disordered nuclear environments
Télématique	Community initiative for regional development concerning services and networks related to data communication
Tempus	Trans-European mobility scheme for university studies
TFTS	Terrestrial flight telecommunications system
Thermie	Programme for the promotion of energy technology
TIR	International carriage of goods by road
TNA	Telematics networks between administrations
TPA	Third-party access (to gas and electricity distribution networks)

UN	United Nations
Unced	United Nations Conference on Environment and Development
Unctad	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
Unesco	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNIDCP	United Nations International Drug Control Programme
Unido	United Nations Industrial Development Organization
Unprofor	United Nations protection force
Unrwa	United Nations Relief and Works Agency for Palestine Refugees in the Near East
Untac	United Nations Transitional Authority in Cambodia
Value	Programme for the dissemination and utilization of research results
VIES	VAT information exchange system for intra-Community trade
VOCs	Volatile organic compounds
WARC	World Administrative Radio Conference
WFC	World Food Council (UN)
WFP	World Food Programme (UN)
WHO	World Health Organization (UN)
WIPO	World Intellectual Property Organization (UN)

Publications cited in this Report

General Report on the Activities of the European Communities
(abbr.: General Report), published annually by the Commission

Works published in conjunction with the General Report:

- *The Agricultural Situation in the Community*
(abbr.: Agricultural Report), published annually
- *Report on Competition Policy*
(abbr.: Competition Report), published annually

Bulletin of the European Communities
(abbr.: Bull. EC), published monthly by the Commission

Supplement to the Bulletin of the European Communities
(abbr.: Supplement ... — Bull. EC), published at irregular intervals by the Commission

- 1/92 1992: a pivotal year
Address by Jacques Delors, President of the Commission, to the European Parliament
From the Single Act to Maastricht and beyond: the means to match our ambitions — The Commission's programme for 1992
- 2/92 Research after Maastricht — An assessment — A strategy
- 3/92 Europe and the challenge of enlargement

Official Journal of the European Communities
Legislation series (abbr.: OJ L)
Information and notices series (abbr.: OJ C)
Supplement on public works and supply contracts (abbr.: OJ S)

Reports of Cases before the Court
(abbr.: ECR), published by the Court of Justice in annual series, parts appearing at irregular intervals throughout the year

**All the above publications are printed and distributed through
the Office for Official Publications of the European Communities,
L-2985 Luxembourg**

Annual Report of the European Investment Bank
published and distributed by the EIB,
100, boulevard Konrad Adenauer
L-2950 Luxembourg

European Communities—Commission

Twenty-sixth General Report on the Activities of the European Communities—1992

Luxembourg: Office for Official Publications of the European Communities

1993 — XXV, 520 pp. — 16.2 × 22.9 cm

ISBN 92-826-5340-4

Price (excluding VAT) in Luxembourg: ECU 20

The General Report on the Activities of the European Communities is published annually by the Commission as required by Article 18 of the Treaty of 8 April 1965 establishing a Single Council and a Single Commission of the European Communities.

The Report is presented to the European Parliament and provides a general picture of Community activities over the past year.