

General Secretariat of the Council
of the European Communities

THIRTY-NINTH REVIEW OF THE COUNCIL'S WORK

(The Secretary General's Report)

1 JANUARY TO 31 DECEMBER 1991



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Introduction

1991 was an eventful year. The highlight was undoubtedly the successful conclusion of the two Intergovernmental Conferences opened in late 1990 to revise the Treaties for the purpose of setting up a political union and an economic and monetary union.

In concrete terms, the Conferences resulted in the text of a Treaty on European Union whose main aims are to phase in an economic and monetary union with a single currency as its long-term goal, introduce the concept of European citizenship, broaden the Community's sphere of activities and enhance its democratic legitimacy. The new Treaty also provides for implementation of a common foreign and security policy, whereby the Union's identity and role on the world stage can be asserted through common action, and the establishment of regular cooperation on justice and home affairs.

Regarding Community activities as such, the Council pressed ahead on all fronts, including taxation and transport, with a view to completion of the internal market; by the end of 1991, a decision or common position had been arrived at for 85% of the acts scheduled in the White Paper. It also adopted several major pieces of legislation on the environment and research and development policy, as well as starting a general review of the future of the CAP.

On the external relations front, the Community sought to find appropriate responses to the many and varied questions posed by the upheavals in the rest of Europe. Negotiations with the EFTA countries on setting up the European Economic Area were completed, and agreements on closer and more wide-ranging cooperation were concluded with Poland, Czechoslovakia and Hungary, in the hope of forging ever closer links between the Community and those countries. The Community also intervened in different ways and in varying circumstances to support the Soviet Union and its republics in their efforts at economic reform.

The Community stepped up its dialogue with the industrialized countries outside Europe, especially with Japan by adopting a Joint Declaration modelled on the Transatlantic Declarations it had previously made with the United States of America and Canada.

The Fourth ACP-EEC Convention, signed in Lomé on 15 December 1989, came into force on 1 September 1991, ratification procedures having been completed by the Member States, the Community and a sufficient number of ACP States. Various

cooperation agreements with countries in Latin America and Asia were also signed or brought into force, showing the Community's ongoing concern to build up its existing links with these parts of the world.

The Community sought by various means to act as a force for stability during the crises confronting the world in 1991, i.e. the Gulf War and the troubles in Yugoslavia. It also forged ahead with its new Mediterranean policy, inter alia by negotiating and signing four financial protocols with the Maghreb and Mashreq countries and Israel.

Amongst the Council's other external activities, mention should also be made of the signing in The Hague on 17 December of a European Energy Charter laying the basis for pan-European cooperation on energy production and supply.

Against this background of consolidated achievement in all areas, intense foreign affairs activity and preparation for future stages of Community development, there is now the prospect of a further enlargement, with Sweden's application for membership, submitted on 1 July, and the Commission's opinion on Austrian accession.

All these events made 1991 a special year for the Community, and helped to pave the way for the substantial changes now in prospect, starting with the full and definitive completion of the internal market on 1 January 1993.

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During its 83 meetings in 1991 the Council adopted a total of 327 regulations, 115 decisions and 63 directives.

This Review, like previous editions, has been drawn up by the General Secretariat of the Council, under the responsibility of the Secretary-General, and is intended as a work of reference for the public.

Chapter I

Functioning of the institutions

A — Council

1. Luxembourg held the Presidency of the Council during the first half of 1991, and the Netherlands during the second.

The Presidents of the meetings during the first six months were:

Mr Alex Bodry Minister for Posts and Telecommunications, the Environment and Energy

Ms Mady
Delvaux-Stehres State Secretary for Youth

Mr Robert Goebbels Minister for Transport and Economic Affairs

Mr Jean-Claude
Juncker Minister for Finance and Labour

Mr Johny Lahure Minister for Health

Mr Jacques F. Poos Minister for Foreign Affairs

Mr René Steichen Minister for Agriculture, with responsibility for Cultural Affairs and Scientific Research

Mr Georges Wohlfart State Secretary for Foreign Affairs, Foreign Trade and Cooperation

The Presidents of the meetings during the second six months were:

Mr J. G. M. Alders Minister for Housing, Planning and the Environment

Mr J. E. Andriessen Minister for Economic Affairs

Mr Piet Bukman Minister for Agriculture, Nature Conservation and Fisheries

Ms Hedy D'Ancona Minister for Welfare, Health and Cultural Affairs

Mr Piet Dankert	State Secretary for Foreign Affairs
Mr Bert De Vries	Minister for Employment and Social Security
Mr E. H. M. Hirsch Ballin	Minister for Justice
Mr Wim Kok	Minister for Finance
Ms Hanja Majj-Weggen	Minister for Transport and Public Works
Mr Jan Pronk	Minister for Development Cooperation
Mr J. M. M. Ritzen	Minister for Education and Science
Mr H. J. Simons	State Secretary for Welfare, Health and Cultural Affairs
Mr Hans van den Broek	Minister for Foreign Affairs
Ms Yvonne Van Rooy	Minister for Foreign Trade and State Secretary for Economic Affairs

The 83 meetings during 1991 were devoted to the following subjects:

- 13 General affairs
- 13 Agriculture
- 13 Economic and financial affairs
- 6 Transport
- 5 Internal market
- 5 Environment¹
- 4 Fisheries
- 3 Labour and social affairs²
- 3 Telecommunications
- 3 Development cooperation

¹ Including a joint meeting on energy and the environment.

² Including one devoted to youth and social affairs.

- 3 Energy¹
- 2 Research
- 2 Industry
- 2 Budget
- 2 Health
- 2 Cultural affairs
- 1 Education
- 1 Consumer protection
- 1 Justice

B — Intergovernmental Conferences

2. In the course of 1991 the proceedings of the two Intergovernmental Conferences which had been opened in Rome on 15 December 1990 for the purpose of revising the Treaty establishing the European Economic Community in order to set up a political union and an economic and monetary union were continued and brought to a successful conclusion.

The two Conferences ended on 11 December 1991 with political agreement among the Heads of State or Government of the Member States on the text of a Treaty on European Union, which was finally signed in Maastricht on 7 February 1992.

Intergovernmental Conference on Economic and Monetary Union

3. The Conference held 11 ministerial meetings in 1991, on 28 January, 25 February, 18 March, 8 April, 10 June, 9 September, 7 October, 11 and 12 November, 25 November, 30 November and 2 and 3 December.

¹ Including a joint meeting on energy and the environment.

Intergovernmental Conference on Political Union

4. The Conference held eight ministerial meetings in 1991, in Brussels on 4 February and 4 March, in Luxembourg on 15 April, in Brussels on 13 and 14 May, in Luxembourg on 17 June, and in Brussels on 29 July, 30 September and 28 October. There were also two conclaves, in Noordwijk on 12 and 13 November and in Brussels on 2 and 3 December respectively. Lastly, the Conference met twice at the level of Heads of State or Government, in Luxembourg on 28 and 29 June and in Maastricht on 9, 10 and 11 December.

As during the preparatory phase, the European Parliament was closely associated with the work of the Conferences: in particular, interinstitutional conferences with delegations from the European Parliament, the Commission and the Member States' representatives at the Conference were held throughout the negotiating period.

Apart from establishing an economic and monetary union with a single currency as its long-term goal, the Maastricht agreement setting up a European Union makes amendments to the Treaty establishing the European Community in order, amongst other things, to broaden its field of activities, and enhance the operation and legitimacy of its institutions. It also provides for implementation of a common foreign and security policy, close cooperation on justice and home affairs, and the introduction of a citizenship of the Union.

C — Parliamentary affairs

Presentation of the Luxembourg and Netherlands Presidency programmes

5. At its sitting on 23 January 1991, the President-in-Office of the Council, Mr J. Poos, presented the Luxembourg Presidency's programme of activities to the European Parliament. He named four **priorities**: completion of the internal market and further development of sectoral policies; creation of an economic and monetary union; transformation of the Community into a political union; and strengthening of its external relations.

On the **internal** front, the Luxembourg Presidency would be striving for progress on a number of issues so that the deadline for completing the single market could be met: free movement of persons, taxation and social and health matters. In the field of **external** relations, the emphasis was placed on concluding negotiations with EFTA and the countries of Central and Eastern Europe, but without neglecting the dialogue with the USA and Japan.

Lastly, the President of the Council assured the European Parliament that he would cooperate fully in keeping the European Parliament informed of progress at the two Intergovernmental Conferences due to end by the summer of 1991.

6. At the sitting on 9 July, the President-in-Office of the Council, Mr H. van den Broek, presented the Netherlands Presidency's programme to the European Parliament. He reiterated the Presidency's commitment to **further democratization** of the Community and to increasing the European Parliament's powers. For the Netherlands, as for the outgoing Presidency, top priority went to the internal market and conclusion of the Intergovernmental Conferences on Economic and Monetary Union and on Political Union. He pointed out that application of the **subsidiarity** principle and **majority** decision-making were essential for European progress, as with new spheres and new partners on the horizon Europe might otherwise become too unwieldy.

The Netherlands Presidency wished to continue on the course set by the previous Presidency regarding **external relations** priorities, in particular the European Economic Area, Central and Eastern Europe and the USSR, without neglecting the GATT negotiations and transatlantic relations.

Statements reviewing the Luxembourg and Netherlands Presidencies

7. On 9 July Mr J. Poos presented his review of the Luxembourg Presidency's activities to the European Parliament. He recalled the difficult circumstances facing the Community during the period, notably the Gulf War and the Yugoslav crisis, emphasizing the stabilizing role that the Europe of the Twelve had been able to play. There were lessons to be learnt from these events: the Community had to be endowed with the necessary means in the area of **foreign and security policy** if it wanted to be able to defend its aspirations and interests. Despite the international upheavals, the Presidency had been able to make progress on the priority tasks it had set itself: completion of the internal market (particularly the agreement on VAT and excise duties), progress towards economic and monetary union and political union and progress with the negotiations with EFTA, the USSR, Hungary, Poland and Czechoslovakia.

On 12 December Mr van den Broek presented a provisional review of the Netherlands Presidency's activities to the European Parliament. He began by emphasizing the Community's commitment to finding a solution to the **Yugoslav** crisis, as witnessed by the Troika's constant visits to the area over the past six months. Although foreign policy had taken up a great deal of the Presidency's energy as it endeavoured to solve the many conflicts which had emerged once the Iron Curtain was lifted, the focal point of the Netherlands Presidency was without doubt the **conclusion of the Intergovernmental Conferences** resulting in the Maastricht Treaty.

The President of the Council also referred to the new international cooperation in the energy field launched with the signing of the **Energy Charter** by a large number of European and third countries.

Presentation to the European Parliament of the results of European Councils

8. On 17 April the President of the Council of the European Communities, Mr Santer, presented the conclusions of the European Council held in Luxembourg on 8 April and given over mainly to **foreign policy and security questions**. He set out the Community's position on the conflict in Iraq: the creation of safe havens for the Kurdish population and additional humanitarian aid. As regards the Israeli-Arab conflict, the President of the Council reiterated the Community's support for the efforts made by the United Nations Secretary-General to implement Security Council Resolutions Nos 242 and 338.

At the sitting on 5 July of the European Parliament, Mr J. Santer, Luxembourg Prime Minister and President-in-Office of the Council, presented the results of the European Council held in Luxembourg on 28 and 29 June. He stressed the contribution of the Luxembourg Presidency to the **draft Treaty** covering both political union and economic and monetary union. This extremely comprehensive contribution should enable the following Presidency to come to a decision. The Presidency's efforts in this regard were all the more commendable as a great many external demands had been made on the Presidency by international events: the Gulf crisis, the Baltic States and the Yugoslav problem.

9. On 12 December, Mr Lubbers, Netherlands Prime Minister and President-in-Office of the Council of the European Communities, presented the results of the Maastricht Summit at a sitting of the European Parliament. He emphasized that the agreement, laboriously arrived at after lengthy and difficult negotiations, represented a major step forward in European integration. The Maastricht Treaty established the **irreversibility** of European integration, even though some Member States had not wished fully to commit themselves. The President of the Council also emphasized the improvements made to the exercise of **democratic control**: the procedure for joint decision-taking and the extension of Community powers (education, health and culture).

Intergovernmental Conferences

10. In accordance with the conclusions of the Rome European Councils of 27 and 28 October and 14 and 15 December 1990, and with the decisions of the first meeting of the two Intergovernmental Conferences on Economic and Monetary Union and on Political Union (Rome, 15 December 1990), the European Parliament has been closely associated with the work of both these Conferences, in particular through eight interinstitutional meetings,¹ which were attended by a delegation from the

¹ Economic and monetary union: 8 April (Luxembourg), 11 June (Strasbourg), 9 September (Brussels) and 12 November (Brussels).
Political union: 5 March (Brussels), 15 May (Strasbourg), 1 October (Brussels) and 5 November (Brussels).

European Parliament, the Commission, the representatives of the Member States to the Intergovernmental Conferences, and the Economic and Social Committee as an observer.

11. In accordance with custom the President of the European Parliament also addressed the European Councils in Luxembourg (on 18 June) and in Maastricht (on 9 December).

He likewise presented the European Parliament's point of view at the 'conclaves' in Noordwijk (on 12 November) and Brussels (on 2 December), at which the Ministers for Foreign Affairs met informally within the framework of the Intergovernmental Conference on Political Union.

In addition, throughout their proceedings the Presidents of the Intergovernmental Conferences participated in the debates which the European Parliament held on those matters during its **part-sessions** in Strasbourg. This was the case on 23 January, 17 April, 12 June, 9 July, 9 and 23 October, 20 November and 12 December. On the last occasion, the President of the European Council and the Prime Minister of the Netherlands, Mr Lubbers, came to present to all the Members of the European Parliament the conclusions just adopted by the Maastricht European Council.

Finally, mention should be made of the **appearances**¹ of the President of the Council — not in that capacity but as President of the Intergovernmental Conference — before the European Parliament's Political Affairs Committee and in the Committees on Institutional and Economic and Monetary Affairs.

Debates held during sittings with the participation of the Council and other meetings with Members of the European Parliament

12. The President-in-Office of the Council, Mr J. Poos, took part in the debate on the situation in the Persian Gulf at the sitting on 21 January in Strasbourg. On that occasion, he set out the Community's position with regard to the recent events in the Baltic countries.

¹ Before the Committee on Institutional Affairs on 23 April and 19 September 1991; before the Committee on Economic and Monetary Affairs and Industrial Policy on 22 May and 24 September 1991; before the Political Affairs Committee on 27 February, 23 May, 15 October and 6 November 1991.

The European Parliament continued to discuss the Gulf crisis on 20 February and 13 March with the participation of Mr Poos, and the situation in the Baltic republics on 21 February with the participation of Mr G. Wohlfart. Mr Wohlfart also took part in the debate on the Schengen Agreements on 20 February.

On 17 April Mr Poos, President-in-Office of the Council, gave the European Parliament a progress report on the negotiations of the Intergovernmental Conference on Political Union. He also replied to questions on the lifting of sanctions imposed on South Africa. On the same day Mr Wohlfart replied to several oral questions on the control of arms exports and the conversion of the arms industry. Mr Wohlfart also took part in the debate held the next day on the situation of the Kurdish population in Iraq.

On 15 May Mr Poos took part in the debate on foreign and security policy, with particular regard to security in the Mediterranean and the preparations for a peace conference in the Middle East. He also replied to oral questions on the revision of the Protocol on Privileges and Immunities.

13. Mr Steichen, President-in-Office of the Agriculture Council, took part in the debate on farm prices for 1991-92 which was held at the sitting on 14 May in Strasbourg. Mr Juncker, President-in-Office of the Council for Social Affairs and the Budget, replied on 15 May to oral questions on the social action programme. He also participated in the discussion on the revision of the financial perspectives and the 1992 budget.

On 12 June Mr Poos replied to oral questions on the progress of the Intergovernmental Conference, in the framework of the debate on economic and monetary union. He then took part in the debate, on the basis of other oral questions, on political union and the social situation in the former GDR.

On 9 July Mr van den Broek, President-in-Office of the Council, replied to an oral question followed by a debate concerning Yugoslavia and the Brioni compromise.

On 10 September Mr P. Dankert reported on the situation in Yugoslavia and took part in Parliament's debate on the 1992 budget. The next day he commented on developments in the USSR and the Baltic countries, and gave a progress report on the negotiations under way for the Association Agreements with Czechoslovakia, Hungary and Poland. He also replied to oral questions on the completion of the internal market.

14. At the sitting of the European Parliament on 9 October, Mr Dankert reported on the latest developments regarding the situation in Yugoslavia. He also made a statement on behalf of the Council on political union, and replied to oral questions on Community action against racism and xenophobia in Europe. Finally, he participated in the debate on the role of the regions in economic and monetary union.

On 23 October Mr Dankert, in his capacity as President of the Intergovernmental Conference, replied to oral questions on the common foreign and security policy (CFSP). He also briefed the European Parliament on the latest developments in the Middle East Peace Conference. In addition, he made a statement on behalf of the Council on the political agreement on the European Economic Area. He then reviewed the situation in Yugoslavia. Finally, he intervened in the course of the debate on the first reading of the 1992 budget.

Mr Kok, President-in-Office of the Council on Economic and Financial Affairs, gave a progress report on economic and monetary union on 23 October.

On 20 November Mr van den Broek reported on the progress made by the Intergovernmental Conferences with three weeks to go to the Maastricht Summit, and then replied to questions put by Members. He also took part in the debate, on the basis of oral questions, on aid to the Kurdish population of Iraq, and set out the Council's point of view on the deteriorating situation in Yugoslavia and the suspension of the agreements. Finally, he made some comments with regard to the Middle East.

Mr Dankert, President-in-Office of the Budget Council, took part in a debate on the 1992 budget at the sitting on 11 December.

Mr Wohlfart, President-in-Office of the Council, made a speech at the seventh meeting between delegations from the European Parliament and from the Storting of Norway on 15 May in Strasbourg.

Mr Steichen, President-in-Office of the Council for Scientific Research, took part in the 'trialogue' of the Presidents of the three institutions held on 17 April in Strasbourg on the subject of the framework programme for research and development.

Institutional matters

COUNCIL OF EUROPE

15. On 25 April the President of the Council, Mr J. Poos, Minister for Foreign Affairs of the Grand Duchy of Luxembourg, attended a meeting of the **Committee of Ministers** of the Council of Europe and reported on the Community's activities in the previous six months.

On 15 May the President of the Council, Mr J. Poos, took part in the **fourth quadripartite meeting** in Strasbourg with Mr Williamson, Secretary-General of the Commission, representing the President, Mr Delors, Mr S. Andersson, Chairman of the Committee of Ministers and Minister for Foreign Affairs of Sweden, and Ms C.

Lalumière, Secretary-General of the Council of Europe. The participants at this meeting continued their exchange of views on developments in Central and Eastern Europe, and in the USSR, and touched on the situation in Yugoslavia. They reaffirmed the need for assistance to those countries and for integrating them, within the overall framework of the CSCE process, in a democratic Europe, either through association agreements with the Community or through accession to the Council of Europe.

Finally, the possibility of the Community acceding to the Statute of the Council of Europe was mentioned.

16. On 20 November the President of the Council, Mr H. van den Broek, Minister for Foreign Affairs of the Netherlands, participated in the **fifth quadripartite meeting** in Strasbourg, which was also attended by Mr Williamson, Secretary-General of the Commission, representing its President, Mr Delors, Ms M. Af Ugglas, Chairman of the Committee of Ministers and Minister for Foreign Affairs of Sweden, and Ms C. Lalumière, Secretary-General of the Council of Europe. Their talks focused on the dramatic situation in Yugoslavia and the hastening pace of developments in the Soviet Union. The changes taking place in Central and Eastern Europe were also examined, and in this context great interest was shown in the proposal by the Secretary-General of the Council of Europe that a law development plan be set up.

The other topics discussed at the meeting were the agreement on the European Economic Area and the prospects for bringing the Intergovernmental Conferences to a conclusion.

On 26 November Mr van den Broek, President of the Council, presented a report on the European Community's activities during the previous six months to the **Committee of Ministers** of the Council of Europe.

ECONOMIC AND SOCIAL COMMITTEE

17. On 27 February Mr Juncker, Minister for Finance and Labour of the Grand Duchy of Luxembourg and President-in-Office of the Council, attended the Economic and Social Committee's 284th plenary session in order to present the **Luxembourg Presidency's programme**.

On 25 April Mr Goebbels, Minister for Economic Affairs of the Grand Duchy of Luxembourg and President-in-Office of the Council, reported to the 286th plenary session of the Committee on the subject of the progress made by the Council regarding the harmonization of **indirect taxation**.

At its 289th plenary session on 25 September the Committee heard a speech given by Mr Dankert, State Secretary for Foreign Affairs of the Netherlands and President-in-Office of the Council. He set out the **Netherlands Presidency's programme** and informed the Committee of the Council's action in response to the political crisis in the Balkans.

On 30 December the Committee suffered the loss of its Chairman, Mr F. Staedelin, after a lengthy illness. At a solemn sitting held on 29 January 1992 tributes were paid to the memory of Mr Staedelin by, amongst others, the Presidents of the European Parliament, the Commission and the Council. This ceremony was followed by a requiem mass celebrated at the Chapel of Mary Magdalene in Brussels.

Statistics

18. **Appearances** of Presidents of the Council before Parliamentary committees: see tables on pp. 18 to 23.

19. Parliamentary questions

In 1991 the Council replied to 185 questions put during Question Time, 42 oral questions with debate, and 223 written questions.

Consultations of the European Parliament: 248

Consultations of the Economic and Social Committee: 162

Requests for urgent procedure on 48 matters.

Appearances by Presidents-in-Office of the Council before Parliamentary committees

Luxembourg Presidency (First half of 1991)

Committee	President-in-Office	Date and place
Social Affairs, Employment and the Working Environment	Mr Juncker Minister for Labour	8 January Luxembourg
Transport and Tourism	Mr Boden Minister for Small and Medium-sized Businesses and the Self-employed Minister for Tourism	28 January Brussels
Transport and Tourism	Mr Goebbels Minister for Transport	29 January Brussels
Energy, Research and Technology	Mr Steichen Minister with responsibility for Cultural Affairs	7 February Brussels
Environment, Public Health and Consumer Protection	Mr Lahure Minister for Health	7 February Brussels
ACP-EEC Joint Assembly	Mr Wohlfart State Secretary for Foreign Affairs, Foreign Trade and Cooperation	26 February Kampala (Uganda)
Environment, Public Health and Consumer Protection	Mr Bodry Minister for Regional Planning and the Environment	27 February Brussels

Committee	President-in-Office	Date and place
Women's Rights	Mr Boden Minister for Women Ms Delvaux-Stehres State Secretary for Health, Social Security, Physical Education, Sport and Youth	27 February Luxembourg
Budgetary Control	Mr Juncker Minister for Finance	28 February Brussels
Budgets	Mr Juncker Minister for Finance	28 February Brussels
Legal Affairs and Citizens' Rights	Mr Fischbach Minister for Justice	19 March Luxembourg
Development and Cooperation	Mr Wohlfart State Secretary for Foreign Affairs, Foreign Trade and Cooperation	20 March Luxembourg
Energy, Research and Technology	Mr Bodry Minister for Energy	21 March Brussels
Budgets	Mr Juncker Minister for Finance	25 March Brussels
EP-Latin American Parliament meeting	Mr Wohlfart State Secretary for Foreign Affairs, Foreign Trade and Cooperation	2 April Seville (Spain)

Committee	President-in-Office	Date and place
Institutional Affairs	Mr Poos Deputy Prime Minister, Minister for Foreign Affairs	23 April Brussels
External Economic Relations	Mr Wöhlhart State Secretary for Foreign Affairs, Foreign Trade and Cooperation	29 April Brussels

Netherlands Presidency (Second half of 1991)

Committee	President-in-Office	Date and place
Social Affairs, Employment and the Working Environment	Mr De Vries Minister for Employment and Social Affairs Ms Ter Veld State Secretary for Employment and Social Affairs	26 June Brussels
Environment, Public Health and Consumer Protection	Mr Alders Minister for Housing	15 July Brussels
Development and Cooperation	Mr Pronk Minister for Development	15 July Brussels
Transport and Tourism	Ms Maij-Weggen Minister for Transport and Public Works	15 July Brussels
Transport and Tourism	Ms van Rooy State Secretary for Economic Affairs	16 September Brussels
Institutional Affairs	Mr van den Broek Minister for Foreign Affairs	19 September Brussels
Economic and Monetary Affairs and Industrial Policy (EMU dossier)	Mr Kok Deputy Prime Minister, Minister for Finance	24 September Brussels
ACP-EEC Joint Assembly	Mr Dankert State Secretary for Foreign Affairs	24 September Amsterdam
	Mr Pronk Minister for Development Cooperation	26 September Amsterdam

Committee	President-in-Office	Date and place
Economic and Monetary Affairs and Industrial Policy	Ms Maij-Weggen Minister for Transport and Public Works (Telecommunications dossier)	25 September Brussels
Economic and Monetary Affairs and Industrial Policy	Mr Andriessen Minister for Economic Affairs	25 September Brussels
Energy, Research and Technology	Mr Andriessen Minister for Economic Affairs Mr Ritzen Minister for Education and Science	25 September Brussels
Political Affairs (within the EPC framework)	Mr van den Broek Minister for Foreign Affairs	15 October The Hague
External Economic Relations	Ms van Rooy State Secretary for Economic Affairs	29 October Brussels
Women's Rights	Ms Ter Veld State Secretary for Employment and Social Affairs	29 October Brussels
Youth, Culture, Education Information and Sport	Mr Ritzen Minister for Education and Science	31 October Brussels
Subcommittee on Fisheries	Mr Bukman Minister for Agriculture, Nature Conservation and Fisheries	5 November Brussels
Political Affairs	Mr Dankert State Secretary for Foreign Affairs	6 November Brussels
Agriculture, Fisheries and Rural Development	Mr Bukman Minister for Agriculture, Nature Conservation and Fisheries	7 November Brussels

Committee	President-in-Office	Date and place
Legal Affairs and Citizens' Rights	Mr Hirsch Ballin Minister for Justice	27 November Brussels
Social Affairs, Employment and the Working Environment	Mr De Vries Minister for Employment and Social Security	16 December Brussels
Institutional Affairs	Mr Hirsch Ballin Minister for Justice	17 December Brussels
Regional Policy and Regional Planning	Ms van Rooy State Secretary for Economic Affairs	18 December Brussels
Development and Cooperation	Mr Pronk Minister for Development Cooperation	18 December Brussels

D — Court of Justice

Consolidated text of the Rules of Procedure of the Court of Justice

20. Following approval by the Council on 21 December 1990 of the new amendments to the Court's Rules of Procedure, the Court carried out a purely linguistic revision of the Spanish, Danish, German, Greek, English, Italian, Dutch and Portuguese versions of its Rules of Procedure.

At its meeting on 29 April the Council approved this linguistic revision of the Court's Rules of Procedure.

Given that the Rules of Procedure had been amended on several occasions since their adoption on 4 December 1974, the Court submitted to the Council for its approval, in the interests of clarity and simplicity, a new consolidated text in the nine languages incorporating the full text of the Rules of Procedure as amended on successive occasions. The Council approved this new consolidated text on 7 June.

Questions concerning the operation of the Court

21. The following appointments were made in the course of 1991 (term of office from 7 October 1991 to 6 October 1997):

Judges

O. Due (DK)
R. Joliet (B)
G. Kakouris (GR)
J. Murray (IRL)
G. C. Rodríguez-Iglesias (E)
F. Schockweiler (L)

Advocates-General

C. Gulmann (DK)
F. Jacobs (UK)
C. O. Lenz (D)

Cases brought before the Court of Justice

22. In the course of 1991 the Council was a party to proceedings before the Court of Justice in 39 cases.

Fifteen cases were brought under Article 173 of the EEC Treaty. Six cases concerned applications from Member States for the annulment of a Council act. The European Parliament brought two actions for annulment against the Council; the Commission for its part brought one such case against the Council. Finally, legal persons brought six actions against the Council, including four anti-dumping cases.

Nineteen cases were brought by natural or legal persons under the second paragraph of Article 215, in conjunction with Article 178, of the EEC Treaty, seeking compensation for damages caused by Council action.

The Council also intervened in four cases concerning requests for rulings submitted under Article 177 of the EEC Treaty, in order to defend the validity of one of its acts.

Finally, the Council appealed against a judgment given by the Court of First Instance in a case concerning an official.

Cases before the Court of First Instance

23. In the course of 1991 five appeals against the Council were brought before the Court of First Instance in cases concerning officials. The Council also intervened once to defend the validity of one of its acts, in a case concerning an official brought against the Commission.

E — Conventions

Law of the Sea

24. The European Economic Community took part in the ninth session of the Preparatory Commission for the International Sea-bed Authority and for the International Tribunal for the Law of the Sea which was held in two parts, in Kingston (25 February to 22 March) and New York (12 to 30 August).

During those proceedings the Community, which was represented in the Plenary and in the four special commissions, made contributions in particular with regard firstly to the aid system which could be set up for developing land-based copper, nickel, cobalt and manganese producer States which might be affected by sea-bed production of those metals, and secondly to Part X of the Mining Code (accounting principles and procedures applicable to sea-bed mining operators).

The ninth session was marked in particular by the registration as pioneer investors in the International Sea-bed Area of the Chinese company Comra (on 5 March) and the joint venture Interoceanmetal (on 21 August).

Chapter II

Internal market

A — Customs union — Free movement of goods — Telecommunications — Industrial policy — Trans-European networks — Competition — Fraud

Customs union

COMMON CUSTOMS TARIFF

25. In 1991 the Council adopted three Regulations amending Regulation (EEC) No 2658/87 on the Combined Nomenclature and on the Common Customs Tariff, eight Regulations temporarily suspending autonomous Common Customs Tariff duties and 17 Regulations opening or increasing Community tariff quotas for certain products or amending these Regulations.

HARMONIZATION OF CUSTOMS LEGISLATION

26. On 25 February the Council adopted a Regulation amending Regulation (EEC) No 802/68 on the common definition of the concept of the origin of goods so as to extend the scope in particular to include oil products.

On 21 March the Council adopted Regulations:

- (i) on the single administrative document; the purpose of this Regulation is to adapt the existing regulations concerning the single administrative document to meet the needs of the area without internal frontiers due to be established on 1 January 1993. Its main function is to abolish Regulations (EEC) Nos 678/85, 679/85 and 1900/85, while reintroducing in a new Council act those provisions of Regulation (EEC) No 1900/85 that remain valid;
- (ii) amending Regulation (EEC) No 3/84 introducing arrangements for movement within the Community of goods sent from one Member State for temporary use in one or more other Member States by:
 - (a) in an initial stage extending it to cover carpets that constitute commercial samples and to unaccompanied works of art,

- (b) then repealing the Regulation as from 1 January 1993, on which date it will become superfluous;
- (iii) on the use in the Community of TIR and ATA carnets as transit documents;
- (iv) amending Regulation (EEC) No 2763/83 on arrangements permitting goods to be processed under customs control before being put into free circulation. The purpose of this amendment is to facilitate management of the arrangements. The Council delegates to the Commission the responsibility for establishing the list of goods qualifying for the arrangements. The Commission may also adopt any implementing provisions required.

27. Finally, the Council adopted a common position with a view to adopting a Council Directive amending Directive 83/643/EEC of 1 December 1983 on the facilitation of physical inspections and administrative formalities in respect of the carriage of goods between Member States. This Directive was formally adopted on 18 June. The amendment stipulates that:

- (i) Member States shall take the necessary measures to ensure that in the course of any carriage operation the various inspections and formalities are carried out with the minimum of delay necessary and
 - (a) as far as possible, in one place, preferably the place of departure and/or destination of the goods,
 - (b) with the inspections being carried out by means of spot checks, except in duly justified circumstances;
- (ii) the minimum business hours of major inspection offices inside Member States are to be extended in order to facilitate the completion of controls and formalities at the place of departure or destination of goods.

28. On 21 March the Council adopted a common position on the adoption of a programme of Community action on the subject of the vocational training of customs officials (Matthaeus).

This Decision, which was formally adopted on 21 June, is among the projects initiated in the framework of measures to strengthen the customs union in the context of the setting up of the internal market. By providing in particular for exchanges of customs officials and for training seminars, the Matthaeus programme is designed to ensure that Community customs regulations are uniformly applied at the Community's external borders.

The programme is a follow-up to the pilot project involving exchanges of officials which was introduced by the Commission in 1990.

Matthaeus will provide for 1 200 exchanges of officials by the end of 1993 and will constitute a first step towards the creation of a European customs structure within which officials will be interchangeable.

29. On 22 July the Council formally adopted its common position on a Regulation concerning the elimination of controls and formalities applicable to the cabin and checked baggage of passengers taking an intra-Community flight and the baggage of passengers making an intra-Community sea-crossing. The Council formally adopted the Regulation on 19 December.

This measure is due to come into effect on 1 January 1993, at the same time as the completion of the internal market.

However, for the purposes of preventing criminal activities, particularly with regard to terrorism, drugs and trafficking in works of art, Member States will be able to carry out controls in connection with prohibitions or restrictions, provided that they are compatible with the three Treaties establishing the European Communities. Security checks on baggage will also be unaffected.

The Regulation contains, in particular, special provisions concerning the place where controls are to be carried out in the case of air transport comprising a number of successive flights, partly within the Community and partly outside it.

30. On 7 November the Council adopted:

- (i) the Regulation amending Regulation (EEC) No 918/83 setting up a Community system of reliefs from customs duty. This amendment extends the Community system of reliefs from customs duty to goods of negligible value (not exceeding ECU 22 in value per consignment), scientific instruments and appliances imported exclusively for non-commercial purposes or for medical research and items specially designed for purposes of education, employment and social promotion;
- (ii) the Regulation amending Regulation (EEC) No 4060/89 on the elimination of controls performed at the frontiers of Member States in the field of road and inland waterway transport.

The Regulation adopted provides for the possibility from 1 January 1992 of the Commission's proposing amendments to the arrangements for national controls on means of transport and the relevant documents for the transport of dangerous goods and perishable foodstuffs to take account of technological progress.

INTERNATIONAL CUSTOMS CONVENTIONS

31. On 18 March the Council adopted the Regulation applying Decision No 1/90 of the EEC-EFTA Joint Committee on Common Transit amending Appendices I

and II (concerning the obligation for the carrier to give a transit advice note at offices of transit and the provisions peculiar to common transit procedures for the carriage of goods by rail) to the Convention of 20 May 1987 on a common transit procedure.

On 19 December the Council adopted the Decision on the conclusion of the Agreement in the form of an exchange of letters on Recommendation No 1/91 of the EEC-EFTA Joint Committee on Common Transit amending the Convention of 20 May 1987 on a common transit procedure. The amendment involves aligning the Convention on the new transit rules (Regulation (EEC) No 2726/90) adopted to take account of completion of the internal market as from 1993.

ECONOMIC ACTIVITIES — STATISTICS

32. On 7 November the Council adopted the Regulation setting up a permanent system for the collection of statistics on the trading of goods between Member States to be applied as from 1 January 1993 following the abolition of physical borders and hence of the customs base from which statistics on trade in goods are traditionally obtained.

The new system to provide statistics on trade in goods between Member States is based on the principle of gathering the necessary data directly from the consignors and consignees of such goods.

Use is to be made of methods and techniques that will produce exhaustive, reliable and up-to-date information, while cutting down formalities and reducing the burdens on businesses.

On 19 December the Council adopted a Regulation aimed at extending and harmonizing Member States' survey practices with regard to industrial production and standardizing their nomenclatures so that the information gathered in each country may at the same time be used to produce European statistics on industrial production.

Free movement of goods

REMOVAL OF TECHNICAL BARRIERS TO TRADE

Dangerous substances

33. In 1991 the Council adopted three amendments to Directive 76/769/EEC relating to restrictions on the marketing and use of certain dangerous substances and preparations.

These were:

- (i) the ninth amendment,¹ adopted on 21 March, in principle banning the placing on the market of pentachlorophenol but allowing for four exceptions relating to specific usages which are to be re-examined not more than three years after the implementation of the Directive;
- (ii) the 10th and 11th amendments,² adopted on 18 June. The 10th amendment bans the use of cadmium to colour, stabilize or treat certain surfaces; the 11th amendment bans the placing on the market and use of three substances, the trade names of which are Ugilec 141, Ugilec 121 or 21 and DBBT.

Motor vehicles

34. On 27 March the Council adopted a Directive³ on the approximation of the laws of the Member States relating to the spray-suppression systems of certain categories of motor vehicles and their trailers, the basic aim of which is to improve road safety by laying down provisions concerning devices fitted to goods vehicles to reduce the projection of spray from their tyres in bad weather.

On 21 June the Council adopted a Directive⁴ on the measures to be taken against air pollution by emissions from motor vehicles. The purpose of the Directive is to consolidate Community rules on air pollution caused by emissions from cars by imposing, from 1 July 1992 for new types of cars and from 31 December 1992 for all new cars, emission standards of a severity equivalent to the strictest international standards.

On 1 October the Council adopted a Directive⁵ concerning a further reduction in the limit values for pollutants emitted by diesel engines of lorries and other heavy goods vehicles. The aim of the Directive is to reduce in two stages the limit values for emissions of carbon monoxide, hydrocarbon and oxides of nitrogen from such vehicles; it also introduces limit values for particulate emissions.

35. On 19 December the Council adopted common positions on Directives on:

- (i) the masses and dimensions of motor vehicles of category M1;
- (ii) safety glazing and glazing materials on motor vehicles and their trailers; and
- (iii) pneumatic tyres for motor vehicles and their trailers.

¹ OJ L 85, 5.4.1991.

² OJ L 186, 12.7.1991.

³ OJ L 103, 23.4.1991.

⁴ OJ L 242, 30.8.1991.

⁵ OJ L 295, 24.10.1991.

These three Directives complete the implementation of Community type-approval which should allow the free movement of motor vehicles within the internal market.

Also on that date, the Council adopted a common position on the Directive relating to speed limitation devices of heavy goods and passenger vehicles.

This Directive lays down the technical specifications with which speed limitation devices must comply as regards design and installation.

Medicinal products

36. On 21 October the Council adopted common positions on three Directives on the rational use of medicinal products for human use, regarding:

- (i) labelling and package leaflets;
- (ii) classification for supply;
- (iii) wholesale distribution.

The Directive on labelling and package leaflets will harmonize the information supplied to the user of a medicinal product which will have to appear on the outer packaging of the product concerned and in the package leaflet which it will in future be compulsory to include in the packaging.

The Directive on classification of medicinal products will harmonize the conditions for supplying medicinal products to patients by establishing a legal classification system for medicinal products, in particular for those that can be obtained only with a doctor's prescription.

The aim of the Directive on wholesale distribution of medicinal products is to exercise control over the wholesale distribution circuit for medicinal products, in order, *inter alia*, to facilitate the withdrawal of defective products from the market and to allow the campaign against counterfeit products to be waged more effectively.

At the same meeting the Council also adopted a common position on a Directive on the advertising of medicinal products. This Directive is designed to harmonize the conditions under which pharmaceutical advertising is permitted.

Machinery

37. On 20 June the Council adopted a Directive amending Directive 89/392/EEC concerning machinery to extend its scope to cover machinery with a mobility or lifting function.

Electromagnetic compatibility

38. On 19 December the Council adopted a common position with a view to amending the Directive on the harmonization of the laws of the Member States on electromagnetic compatibility. The aim of this common position is to introduce into Directive 89/336/EEC, which applies to electric and electronic apparatuses, from the point of view both of their protection against external interference and their emission of electromagnetic disturbances, a transitional period to permit the disposal of stocks of apparatuses manufactured in accordance with existing national provisions at the time of entry into force of the Directive.

PROTECTION OF INDIVIDUALS IN RELATION TO THE PROCESSING OF PERSONAL DATA IN THE COMMUNITY AND INFORMATION SECURITY

39. In 1990 the Commission submitted to the Council a **communication on the protection of individuals in relation to the processing of personal data in the Community and information security, accompanied by:**

- (i) a **proposal for a Council Directive** on the approximation of certain laws, regulations and administrative provisions of the Member States on the protection of individuals in relation to the processing of personal data (framework Directive);
- (ii) a **draft resolution** of the representatives of the governments of the Member States meeting within the Council on the application of the principles of the Directive to those parts of the public sector which do not fall within the scope of Community law;
- (iii) a **Commission declaration** on the application to the institutions and other bodies of the European Communities of the principles contained in the Council Directive on the approximation of certain laws, regulations and administrative provisions of the Member States concerning the protection of individuals in relation to the processing of personal data;
- (iv) a **proposal for a Council Directive** concerning the protection of personal data and privacy in the context of public digital **telecommunications networks**, in particular the integrated services digital network (ISDN) and public digital mobile networks;
- (v) a **recommendation for a Council Decision** on the opening of negotiations with a view to the accession of the European Communities to the Council of Europe Convention for the protection of individuals with regard to the automatic processing of personal data;
- (vi) a **proposal for a Council Decision** in the field of information security.

40. The Working Party on economic questions (data protection) began examining the communication in 1991, holding 10 meetings devoted chiefly to examining the general Directive and the proposal for a Decision referred to above.

The proposal for a general Directive is aimed at establishing an equivalent, high level of protection in all the Member States of the Community in order to remove the obstacles to the exchange of data which is necessary if the internal market is to function. To that end, it sets forth principles relating to the conditions under which the processing of personal data is lawful, the rights of the data subject (right to information, right of access, right to rectification, right of opposition, etc.), the requisite data quality (data must be accurate, collected fairly, stored for specified and lawful purposes, etc.) and the setting-up of a Working Party on the protection of personal data to advise the Commission on data protection issues.

41. The proposal for a Council Decision on the adoption of a two-year action plan on information security will complete the set of measures for strengthening the rights of individuals in relation to the processing of personal data.

The proposed action plan provides for the development of a strategic framework for information security, the analysis of security requirements, the devising of ways of satisfying certain priority needs, the drawing-up of specifications, standards and validation tests, the integration of technological and operational developments in the field of information security into a general strategic framework and the integration of certain security functions into information systems.

FOLLOW-UP TO THE DECLARATION ON THE JURISDICTION RULES IN THE PROTOCOL ON THE SETTLEMENT OF LITIGATION CONCERNING THE INFRINGEMENT AND VALIDITY OF COMMUNITY PATENTS MADE BY THE MEMBER STATES OF THE EUROPEAN COMMUNITY WHEN SIGNING THE AGREEMENT RELATING TO COMMUNITY PATENTS

42. The *ad hoc* Working Party (Exequatur), extended to include the member States of EFTA, confirmed discussing the follow-up to be given to the Declaration on the jurisdiction rules in the Protocol on the Settlement of Litigation concerning the Infringement and Validity of Community Patents which had been made by the Member States of the Community when signing the Agreement relating to Community patents.

In that Declaration the Member States of the European Economic Community, noting a request by the member States of EFTA concerning the provisions relating to jurisdiction in the Protocol on the Settlement of Litigation concerning the Infringement and Validity of Community Patents and desirous of preserving the unity of the legal system established by the Lugano Convention of 16 September 1988, ex-

pressed their willingness to enter into negotiations with the member States of EFTA with a view to concluding an appropriate instrument with those countries before the entry into force of the Protocol on Litigation.

The Working Party based its discussions on a memorandum from the EFTA delegation. It was agreed that for the purposes of further discussion in the *ad hoc* Working Party the EFTA States would prepare a detailed draft text of a Protocol with an explanatory reference in order to facilitate the understanding of their proposal.

Telecommunications

43. On 29 April the Council adopted a Directive on the approximation of the laws of the Member States concerning **telecommunications terminal equipment**, including the mutual recognition of their conformity.

The purpose of the Directive is to create the conditions for an open and unified market in telecommunications terminal equipment, which is one of the main fields of the telecommunications industry, through:

- (i) applying harmonized procedures in respect of certification, testing, marking, quality and product control in order to ensure compliance with the essential requirements defined in Directive 86/361/EEC, which constituted the first stage in the mutual recognition of approvals of terminal equipment;
- (ii) the right to connect terminal equipment lawfully placed on the market to public telecommunications networks.

The Directive will enter into force on 6 November 1992.

44. On 3 June the Council adopted a Directive and a recommendation on the coordinated introduction of **digital European cordless telecommunications (DECT)** in the Community. This technology provides a whole range of mobile communications (cordless telephones for residential use, telepoint services, cordless PABXs and on-site cordless data).

The recommendation on the coordinated introduction of DECT in the Community aims to direct and accelerate the efforts by the Member States, telecommunications administrations and industry to identify a common solution for such technology. It is based on work carried out by the European Telecommunications Standards Institute (ETSI) to formulate a DECT standard.

The purpose of the Directive is to make available in due course, in a coordinated manner, common frequencies for DECT throughout the Community. The frequency band concerned (1880-1900 MHz) will be earmarked by the Member States for digital European cordless **telecommunications**. DECT will take precedence over other services and will be protected within the designated band.

Digital cordless telecommunications should be introduced by 1992.

45. On 22 July the Council adopted a decision establishing the second phase of the **Tedis (Trade electronic data interchange system)** programme.

The second phase continues the work begun during the first phase (1988-90), whilst at the same time broadening the scope of the activities, in particular in the direction of measures concerning standardization of electronic data interchange (EDI) messages, EDI needs as regards telecommunications and sectoral and intersectoral projects bringing together the private sector and, where appropriate, certain administrations.

The objective of the Tedis programme is to ensure that electronic data interchange systems are established to the best effect, in view of the socioeconomic importance of such systems.

The implementation of the programme will be coordinated with existing or planned Community policies and activities concerning telecommunications.

The programme has a duration of three years. The amount deemed necessary for carrying it out is ECU 25 million.

46. On 12 December the Council adopted a Decision concerning a programme for the continuation of Community policy and actions for setting up an internal information services market (**Impact II) (Information market policy actions)**.

That Decision follows the implementation of a first plan of action which lasted two years (1989-90) and had a budget of ECU 36 million. Impact II takes over the general objectives of the first action programme, adjusting the lines of action and the intervention mechanisms in the light of the experience gained and the developments identified on the market.

Impact II seeks, more particularly, to:

- (i) set up an internal market in information;
- (ii) increase the competitiveness of European suppliers of information services;
- (iii) promote the use of advanced information services;
- (iv) promote a Community policy on information services;
- (v) exploit the results obtained in conjunction with other national and Community programmes.

To achieve those objectives a series of actions were introduced in various areas, while giving consideration to the possibility of third-country participation.

The programme will last for four years. The amount deemed necessary for its implementation is ECU 64 million.

47. On 19 December the Council adopted a **resolution** on the development of the common market for **satellite telecommunications** services and equipment.

The purpose of the resolution, which is addressed to the Member States and the Commission, is to define an action plan for the programmed achievement of a competition-oriented Community-wide satellite communications market and to strengthen European competitiveness in that field.

The Council agreed on the following major goals in satellite telecommunications policy:

- (i) harmonization and liberalization of satellite earth stations;
- (ii) facilitation of the provision and use of Europe-wide satellite telecommunications services;
- (iii) separation in the Member States of regulatory and operational functions in this field;
- (iv) improved access to the space segment, also covering access to the space capacity of intergovernmental organizations operating satellite systems.

48. On 19 December the Council also adopted a common position on the draft Directive on the application of **open network provision to leased lines**.

The purpose of the Directive is to ensure non-discriminatory and efficient access by users to public telecommunications networks and services in the provision of leased lines, implementing the general principles harmonized by framework Directive 90/387/EEC on open network provision (ONP).

Leased lines are an essential element of public telecommunications infrastructure. They form one of the principal elements of telecommunications networks operated by undertakings for their own requirements or to provide services to third parties, in particular added-value or competing services.

The common position lays down the open network provision conditions for leased lines and specifies the nature of the leased lines which are to be provided in the Member States according to harmonized arrangements.

Harmonization also extends to conditions of use, tariffing principles, ordering procedures, control by national authorities and conciliation procedures in the event of any dispute between the user and the supplier of leased lines.

49. On 19 December the Council also adopted a common position on the draft Decision on a **common international telephone access code** in the Community.

The draft Decision provides that the Member States must introduce the code '00' in public telephone networks as a common dialling code for access to the international service, by 31 December 1992 at the latest.

However, Member States faced with particular technical, financial or organizational difficulties may defer adoption of the common access code until 31 December 1998.

Special arrangements concerning telephone calls between neighbouring localities on different sides of a border between Member States may be made or maintained.

Industrial policy

STEEL

Community rules for aid to the steel industry

50. At its meeting on 18 November the Council agreed to give its assent, in accordance with Article 95 of the ECSC Treaty, to a five-year extension of the rules for aid to the steel industry which are due to expire on 31 December 1991.¹

Future of the ECSC Treaty

51. The Industry Council on 29 April was informed of the Commission's position on the future of the ECSC Treaty, namely that the ECSC Treaty should be allowed to expire as scheduled in 2002, while provision was made for the coal and steel sectors to be gradually taken over by the EEC Treaty.

At its meeting on 18 November the Council requested the Commission to submit, in time for discussion at the next Industry Council meeting, a document setting out several options for the ECSC's financial activities envisaged up to 2002.

Assents

52. As regards aid in this sector, the Council gave a whole range of assents, either pursuant to Article 95 of the ECSC Treaty² or to the second paragraph of Article 54(2)³ and Article 55(2)(c).⁴

¹ OJ C 330, 19.12.1991 (assent); OJ L 362, 31.12.1991 (Decision 3855/91/ECSC).

² OJ C 296, 15.11.1991; OJ C 304, 23.11.1991; OJ C 306, 26.11.1991.

³ OJ C 105, 20.4.1991; OJ C 138, 29.5.1991; OJ C 294, 13.11.1991; OJ C 304, 23.11.1991; OJ C 307, 27.11.1991; OJ C 6, 10.1.1992.

⁴ OJ C 306, 26.11.1991; OJ C 6, 10.1.1992.

SMALL AND MEDIUM-SIZED ENTERPRISES

53. At its meeting on 29 April the Council adopted a resolution,¹ put forward by the Presidency, on the action programme for small and medium-sized enterprises (SMEs), including craft industry enterprises. At the same meeting the Council confirmed the principle of a favourable position on releasing the additional ECU 25 million for the action programme for small and medium-sized enterprises.

On 18 June the Council adopted a Decision² revising the programme for the improvement of the business environment and the promotion of the development of enterprises, and in particular SMEs, in the Community.

At the meeting the Commission stated that it would submit to the Management Committee, in accordance with Article 4(2) of Council Decision 89/490/EEC, the draft content, timetable and estimated budget for the actions envisaged for the following financial year, and that the annual budgetary procedures would provide an opportunity to review and adjust the programme.

TEXTILE AND CLOTHING INDUSTRY

54. At its meeting on 29 April the Council agreed to examine the annual report on the textile and clothing industry at a forthcoming meeting.

On 18 November the Council discussed a Commission communication and generally shared the Commission's analysis, emphasizing the importance of this sector to the Community economy. It stressed the importance it attached to the effort to modernize the European textile industry being underpinned by the coherent and coordinated use of Community resources and by the effective reduction of the obstacles which limited the possibilities of exporting Community products. The Council asked the Commission to continue its work in this field in liaison with the Directors-General for Industry and to submit specific proposals to it in due course.

MARITIME INDUSTRIES

55. On 18 November the Council gave a favourable reception to the Commission communication concerning new challenges for maritime industries and noted with interest the proposal to set up a discussion forum.

At the meeting the Council called upon the Commission to:

- (i) give the forum a specific brief, incorporating a reference framework for establishing work priorities;

¹ OJ C 146, 5.6.1991.

² OJ L 175, 4.7.1991 (Decision 91/319/EEC).

- (ii) avoid any duplication of work already under way in the matter in other sectors or within the framework of other international organizations;
- (iii) avoid giving rise to expectations at variance with the principles of an industrial policy in a competitive and open environment.

COMPETITIVENESS OF INDUSTRIES IN THE FIELD OF BIOTECHNOLOGY

56. On 29 April the Council held a preliminary exchange of views on a Commission communication on the matter, and agreed to return to the matter at a later meeting.

At its meeting on 18 November the Council discussed a Commission communication on promoting a competitive environment for industrial activities based on biotechnology within the Community. That communication defines a Community framework for industrial activities in that area and lists a series of measures deemed necessary to encourage the competitiveness of the industries using biotechnology.

At the meeting the Council asked the Commission to continue its work and to propose appropriate measures.

RESOLUTION CONCERNING ELECTRONICS, INFORMATION AND COMMUNICATION TECHNOLOGIES

57. On 18 November the Council adopted a resolution concerning electronics, information and communication technologies.

In the resolution the Council emphasized in particular that:

- (i) the Community must be in a position to ensure rapid and effective action against unfair competition and practices;
- (ii) the efficiency of the Community's trade policy instruments, such as anti-dumping measures, should be enhanced in order to promote free and fair trade;
- (iii) the Community should continue to support the establishment of more effective multilateral rules on non-discriminatory market access for users and suppliers, including compliance measures;
- (iv) the Community should maintain its efforts to support the establishment of competition rules, with a view to achieving the elimination of practices restraining competition and the effective application of those rules in each of the Community's main trading partners;
- (v) the GATT rules should be further developed and improved with regard to their effectiveness.

58. The Council also took the view that, in the light of the results of the Uruguay Round negotiations, additional bilateral initiatives of the Community might be

necessary to create effective market access with equal opportunities, and understood the need for a more systematic gathering of information on marketing, market access and distribution practices throughout the main industrial areas in the world.

The Council invited the Commission to report on the present-day situation of market access in third countries and government practices in the field of electronics information and telecommunications technologies in the Community and its major trading partners.

It also asked the Commission to establish a centralized point of information, possibly within the Commission services, charged with monitoring marketing, marketing access and distribution practices throughout the main industrial areas in the world, and to monitor, in consultation with a high-level group composed of representatives of Member States, and with respect to trade-related matters, with the Committee referred to in Article 113 of the EEC Treaty, the progress in achieving the goals set out in the resolution, and to report at regular intervals on the progress achieved.

Trans-European networks

59. On several occasions in 1991 the Council discussed a Commission communication accompanied by a draft Council resolution on trans-European networks.

The communication was in line with the wishes expressed by the European Councils at Strasbourg in 1989 and Dublin in 1990 for the preparation of a programme of priority actions for the implementation of projects or networks, for the adoption of guidelines for financing and of more general measures to accelerate the development of trans-European networks.

It became clear, at the Council meetings on 21 March and 18 and 19 June 1991, that the most significant problems outstanding concerned vocational training and financial measures, and that the delegations' positions were such that the Council could not at that stage agree to the draft resolution.

On 7 November the Italian delegation expressly asked the Council to enter the above item in the agenda for a forthcoming meeting.

Competition

STATE AID

60. On 18 November the Council took note of a compilation of reference texts on State-aid policy and asked the Commission to send it a summary document on the operation of competition policy so that appropriate preparation could be made for a forthcoming discussion within the Council.

INSURANCE

61. On 31 May the Council adopted the Regulation on the application of Article 85(3) of the Treaty to certain categories of agreements, decisions and concerted practices in the insurance sector.

This Regulation makes it possible for the Commission to declare, under certain conditions, that Article 85(1) — prohibiting all agreements and understandings between undertakings that may restrict or distort competition — shall not apply to certain types of agreements, decisions and concerted practices which have as their object cooperation with respect to:

- (i) the establishment of common risk premium tariffs based on collectively ascertained statistics or the number of claims;
- (ii) the establishment of common standard policy conditions;
- (iii) the common coverage of certain types of risk;
- (iv) the settlement of claims;
- (v) the testing and acceptance of security devices;
- (vi) registers of, and information on, aggravated risks, provided that the keeping of these registers and the handling of this information is carried out subject to the proper protection of confidentiality.

This provision is based on, *inter alia*, the consideration that cooperation between insurance undertakings is, up to a certain point, desirable in that it guarantees the satisfactory operation of the sector and may at the same time promote the interests of consumers.

Protection under criminal law of the financial interests of the Communities and the prosecution of infringements of Community law

62. In 1976 the Commission submitted to the Council a **draft for a treaty** amending the Treaties establishing the European Communities so as to permit the adoption of common rules on the protection under criminal law of the financial interests of the Communities and the prosecution of infringements of the provisions of those Treaties.

The Commission proposal has been under discussion within the Council for a number of years but has not been adopted.

63. At the informal meeting of the Ministers for Justice held in Rome on 6 November 1990 the question of the fight against fraud involving Community funds was raised and the hope was expressed that examination of the Commission proposal for the adoption of rules on the protection under criminal law of the financial interests of the Communities and the prosecution of infringements would be resumed in a more systematic manner.

In this context and in order to escape from the deadlock on the Commission proposal of 1976 it was proposed that a **Community Decision** be used to regulate:

- (i) the prevention of fraud at the administrative level;
- (ii) administrative cooperation between the relevant government departments and with the Commission in order to prevent and detect fraud;
- (iii) the approximation or a degree of alignment of the Member States' laws, regulations and administrative provisions on the treatment of fraud in general and fraud involving Community funds in particular as punishable offences.

64. On 13 November the Council and the representatives of the governments of the Member States adopted a resolution in which they provisionally requested an *ad hoc* group of government experts in the context of European political cooperation to continue the study of the relationship between Community law and criminal law, taking into account the judgments to be given by the Court of Justice in cases which were still pending until further decisions were taken in the light of the new structures resulting from the Intergovernmental Conference on Political Union.

They also instructed an *ad hoc* Council working party meanwhile to re-examine the Commission's 1976 proposal in order to evaluate its usefulness and current relevance.

Finally, the Council invited the Commission to carry out, as soon as possible, a **comparative legal study** of the Member States' laws, regulations and administrative provisions in order to see whether action should be taken to bring about greater compatibility of those provisions and to **submit the results of those studies no later than the first half of 1993.**

B — Right of establishment and freedom to provide services

Financial institutions

CREDIT INSTITUTIONS

Directives adopted

Directive on the prevention of the use of the financial system for the purpose of money laundering

65. On 10 June the Council adopted this Directive on the basis of an amended Commission proposal.

On publication in the *Official Journal of the European Communities* the Directive¹ was accompanied by a statement by the representatives of the governments of the Member States meeting within the Council undertaking to take all necessary steps by 31 December 1992 at the latest to enact criminal legislation enabling them to comply with their obligations not only under Community legislation but also under international instruments (the United Nations Convention, Vienna, 19 December 1988; the Council of Europe Convention, Strasbourg, 1990; the Financial Action Task Force on Money Laundering (GAFI), Paris, July 1989).

It should be recalled that on that occasion the Council and the Commission undertook to take stock of the situation before the end of 1992 to see what, in the light of the experience gained, should be done at Community level to maximize the effectiveness of the fight against money laundering in the light, in particular, of the proceedings of the aforementioned GAFI.

Directive implementing Directive 89/299/EEC on the own funds of credit institutions

66. On 3 December the Council adopted a Directive proposed by the Commission in accordance with an undertaking entered into in Article 6(2) of Directive 89/299/EEC² to include the 'fund for general banking risks' in the first category of funds. (All the items in that category serve as the basis for the calculation of the proportion of other items in the total own funds of credit institutions.)

Directive amending Directive 89/299/EEC on the own funds of credit institutions

67. On 16 December the Council adopted a common position on the above proposal for a Directive which allows mortgage credit institutions organized as cooperative societies or funds a transitional period during which any such companies that are converted into public limited-liability companies may continue to include their joint and several commitments in capital in accordance with Article 4(1) of Directive 89/299/EEC.

Directive on the supervision of credit institutions on a consolidated basis

68. On 16 December the Council adopted a common position on the above Directive, submitted on 22 November 1990, the purpose of which is to deepen and extend the perimeter of the authorities' supervision of groups of financial institutions by including other non-banking entities and taking account of the *acquis* of Community legislation adopted since 1983.

¹ Directive 91/308/EEC, OJ L 166, 28.6.1991.

² Own Funds Directive, OJ L 124, 5.5.1989.

Proceedings in progress

Capital adequacy of investment firms and credit institutions

69. During 1991 the Council carried out an intensive examination of the above proposal for a Directive, which lays down the minimum levels of capital to be held by investment firms and establishes the requirements regarding the capital which credit institutions must have to cover market risks, in particular for the purposes of securities business.

The main aim of the proposed measures is to optimize the protection requirements of depositors and investors and ensure that the financial system is stable, while enabling investment firms and credit institutions to operate on an equal footing on securities markets from 1993 onwards without, however, placing them at a disadvantage *vis-à-vis* third-country institutions.

The examination of this Directive should be completed in the first half of 1992.

Monitoring and controlling large exposures of credit institutions

70. The Council carried out a detailed examination of the above proposal for a Directive, which is intended to strengthen the prudential rules by obliging credit institutions to effect a greater spread of risks so that, for example, a client's defaulting will no longer endanger an institution's existence or, consequently, disrupt the Community financial market.

It provides, *inter alia*, that the authorities must be informed of a risk as soon as it amounts to 10% of own funds for a single client and that after the end of the transitional period a credit institution can no longer take on risks exceeding 25% of own funds in respect of any one client; the cumulative total of large exposures may not exceed 800%.

For various reasons, in particular the absence of any opinion from the European Parliament, the conclusion of the proceedings has had to be postponed to the first half of 1992.

Proposal for a Regulation on guarantees issued by credit institutions or insurance undertakings

71. Submitted on 5 January 1989 and amended on 31 January 1991, this proposal was withdrawn by the Commission, which deleted it from the White Paper.

TRANSFERABLE SECURITIES

Proceedings in progress

Investment services

72. The Council continued its detailed examination of the fundamental provisions of the proposal for a Directive on investment services in the securities field on the basis of an amended proposal submitted by the Commission on 12 February 1990 further to the European Parliament's opinion. The purpose of this Directive is to harmonize the essential provisions governing access to and the pursuit of the business of investment firms so that they may operate throughout the Community on the basis of a single authorization issued by their home Member States.

Proceedings in 1991 were aimed, in particular, at developing common guidelines on the four essential questions outstanding, namely:

- (i) the definition of the concept of regulated market;
- (ii) the obligation to carry out transactions on regulated markets;
- (iii) compulsory reporting and transparency;
- (iv) direct access to stock exchanges for credit institutions.

Progress on certain points was possible, in particular the first two questions, but a general compromise has not yet been achieved.

Takeovers and other general bids

73. Council bodies continued their examination of the amended proposal for a 13th Company Law Directive on takeovers and other general bids. The purpose of the Directive is to impose on the Member States the obligation to legislate in a harmonized manner on essential aspects of takeovers and other general bids as regards companies governed by the laws of the Member States and listed on regulated markets of one or more Member States. The proceedings have not yet resulted in agreement, in particular as regards the conditions that must be fulfilled if a Member State is to be able to require a takeover or other general bid to be made.

Insurance

Directives adopted

Annual accounts and consolidated accounts of insurance undertakings

74. On 19 December the Council adopted a Directive on the annual accounts and the consolidated accounts of insurance undertakings.¹

¹ OJ L 374, 31.12.1991.

The Directive supplements the fourth and seventh Company Law Directives (78/660/EEC and 83/349/EEC) extending harmonized accounting rules to insurance undertakings, thus plugging the last gap in Community accounting law.

Derogations from the principles laid down by the fourth and seventh Directives are permitted only where they are justified by the special nature of the activities of insurance undertakings, certain of those derogations being based on those already adopted in the context of the annual accounts of banks and other financial institutions (Directive 86/635/EEC).

75. In particular, in view of the laws of several Member States, there is provision for a three-part profit-and-loss account involving a non-life-insurance technical account, a life-assurance technical account and a non-technical account.

The Member States have been given a number of options to take account of certain very different traditional practices, in particular as regards the amount of detail to be required in balance sheets and in profit-and-loss accounts, the manner in which re-assurance amounts are shown and the disclosure of unrealized capital gains. In addition, specific provisions were adopted to ensure the comparability of accounts prepared on the basis of purchase price with those prepared on the basis of current value.

The Directive also applies to Lloyd's and to Lloyd's syndicates; the provisions that allow for the specificity of that market are the subject of an annex to the Directive.

Insurance Committee

76. The Council definitively adopted a Directive setting up an Insurance Committee consisting of representatives of the Member States and chaired by a representative of the Commission.

The Committee, which will operate under committee procedure type III(b), will assist the Commission in exercising the implementing powers conferred on it by the Council in the field of direct life assurance and direct non-life insurance. It will also be the Committee's function to advise the Commission on the preparation of any new proposals it intends to submit to the Council in the same area.

The Committee will perform its functions as from January 1992.

Proceedings in progress

Third non-life insurance Directive

77. On 19 December the Council reached general political agreement on the proposal for a third Directive on insurance other than life assurance. The purpose of that proposal for a Directive, which the Commission submitted to the Council on 27 July 1990, was the completion of the internal market in the field of direct insurance other than life assurance (indemnity insurance). It joins the series of Directives which the Council has already adopted on access to the business of indemnity insurance and its pursuit in the Community and is intended to bring about the completion of the third stage, characterized by application of the principle of home Member State supervision to all direct non-life insurance business. The Directive is founded on three fundamental principles:

- (i) coordination of the essential rules of prudential and financial control governing the business of direct non-life insurance;
- (ii) the mutual recognition on the basis of that harmonization at Community level of Member States' authorizations of insurance undertakings and prudential control systems;
- (iii) the grant of a single authorization valid throughout the Community and the monitoring of all of an undertaking's activities by its home Member State.

78. The Council gave particular attention to the improvement of the protection afforded to policyholders through the strengthening of the prudential rules to which insurance undertakings operating in the Community on the basis of the single licence will be subject and the powers and resources that must be available to the supervisory authorities for the purpose of supervising the activities of insurance undertakings with head offices within their territories.

Third direct life assurance Directive

79. On 22 March the Council received a proposal for a third Directive on the coordination of laws, regulations and administrative provisions relating to direct life assurance and amending Directives 79/267/EEC and 90/619/EEC. Council bodies have begun the examination of this proposal which is the equivalent, for the life assurance sector, of the third non-life insurance Directive on which Council proceedings have reached political agreement.

Company law

Proceedings in progress

Proposals for a Council Regulation on the Statute for a European Company and a Council Directive complementing the Statute

80. The pace of work on the proposal for a Regulation on the Statute for a European Company and the proposal for a Directive complementing the Statute was stepped up.

The European Parliament delivered its opinion in January 1991. That opinion insists on extension of the ways in which a European company can be formed and supports the argument in favour of making the text of the Regulation more flexible; on the subject of employee involvement it stresses the necessity of adopting the complementing Directive.

Proceedings continued on the basis of the amended proposal which the Commission submitted in May, which took extensive account of the amendments proposed by the European Parliament, in particular as regards access to the formation of European companies. Precision and clarity were improved as a result of the amendment of the text, particularly as regards the hierarchy of the rules applicable to European companies.

One entire reading at the technical level was completed on the basis of the guidelines given by the Council meeting on the internal market on 7 November.

Amended proposal for a fifth Council Directive on the structure of public limited-liability companies and the powers and obligations of their organs

81. The Council continued the examination of the amended proposal for a fifth Directive, submitted to the Council on 19 August 1983, on the structure of public limited-liability companies and the powers and obligations of their organs, at present in the course of its third reading. That examination also covered a second amendment to the original proposal submitted by the Commission in January intended to reinforce the principle of the equal treatment of shareholders as regards the exercise of their voting rights and appointments to company organs. That amendment is incorporated in the enacting terms produced by the Commission to make the management of public companies more transparent and as far as possible remove all obstacles to takeover and other bids. Proceedings on these proposals should receive a boost when agreement is reached on the European Company.

Bankruptcy Convention

82. It should be recalled that in order to finalize an appropriate bankruptcy instrument applicable amongst the Member States of the Community the Permanent Representatives Committee mandated an *ad hoc* Working Party on the Bankruptcy Convention in 1990 and appointed a permanent chairman to it.

Working on the basis of delegations' replies to a questionnaire on the broad lines to be followed in the establishment of a bankruptcy convention, the permanent chairman drew up a preliminary draft convention, distinguished from the previous 1982 draft essentially by the fact that it allowed the opening of secondary proceedings restricting the scope of the main proceedings.

Work began in June and has been vigorously pushed forward.

Amended proposal for a Council Directive amending Directive 77/91/EEC on the formation of public limited-liability companies and the maintenance and alteration of their capital

83. Further to the opinion of the European Parliament and that of the Economic and Social Committee the Commission submitted an amended proposal to the Council in November 1991. It is intended to extend the arrangements laid down in the second Directive as regards the acquisition of own shares to the acquisition of a company's shares by its subsidiaries in such a way as to prevent any circumvention of the rules laid down in the second Directive. These are, in particular, rules preventing a company's subscribing, acquiring or holding more than 10% of its own shares.

Examination of the Commission's amended proposal at the technical level highlighted a very high degree of convergence regarding the objective to be achieved, while seeking an arrangement that would allow the maintenance of the legislative provisions that certain Member States had already adopted in order to achieve the result aimed at in this proposal.

Procurement procedures

Proceedings in progress

Directive on the procurement procedures of entities operating in the water, energy, transport, and telecommunications sectors

84. On 16 September, with a view to the adoption of this Directive, the Council adopted a common position which was forwarded to the European Parliament for a second reading.

The purpose of the Directive is to ensure compliance with the Community provisions laid down in Directive 90/531/EEC¹ on the procurement procedures of entities operating in the water, energy, transport and telecommunications sectors, the so-called 'excluded sectors'. The Directive provides that effective and rapid means of redress shall be made available to suppliers and entrepreneurs in the event of infringements of Community law. It also provides for three other mechanisms to ensure compliance with Community rules in the field of the correction of infringements:

- (i) an optional attestation system;
- (ii) a corrective mechanism under which the Commission can request details in the event of a clear and manifest infringement of Community rules;
- (iii) an optional conciliation procedure at Community level.

¹ OJ L 297, 29.10.1990.

Directive on the procedures for the award of public service contracts

85. On 19 December the Council agreed in principle on the adoption of a common position on the proposal for a Directive on public service contracts which the Commission had submitted on 18 December 1990.

The Directive is intended to open service contracts worth more than ECU 200 000 awarded by public authorities to Community competition. Certain service contracts in which intra-Community trade is very limited, however, will be the subject only of *ex post facto* publicity. The Directive also includes a review clause operative three years after the Directive is brought into force, so that its scope may be re-examined.

Professions and trades

Proceedings in progress

Second general system for the recognition of professional education

86. On 19 December the Council reached agreement in principle on the adoption of a common position on the amended proposal for a Directive on a second general system for the recognition of professional education. This draft Directive is intended to supplement Directive 89/48/EEC, which introduced a first general system for the recognition of higher education diplomas awarded on completion of professional education and training of at least three years' duration.

This draft Directive is the last in a set of measures aimed at guaranteeing every Community national recognition of the qualifications acquired in another Member State on the part of a host Member State regulating a professional activity. Recognition is based on the principle of mutual confidence without prior coordination of the training for the various professions concerned.

87. In principle, the Directive covers two levels of training, i.e. holders of diplomas awarded on the completion of less than three years of higher or further education and holders of secondary-education certificates and also applies to certain persons without diplomas who have acquired professional experience.

The draft Directive provides for links between the levels of the two systems to cover professions which come under the first system in one Member State and under the second in another.

The draft Directive therefore makes a significant contribution to achieving freedom of movement for persons pursuing an activity as it will facilitate pursuit of the regulated activities concerned for both employed and self-employed persons.

Tourism

Proceedings in progress

88. Council bodies began examination of the proposal for a **Council Decision on a Community action plan to assist tourism.**

The purpose of this proposal is to establish a framework programme in the field of tourism, also drawing on experience acquired during the European Year of Tourism.¹ Its purpose is to strengthen the horizontal approach whereby tourism is taken into account in Community and national policies and to implement certain new specific actions.

C — Intellectual property

Patent law

LEGAL PROTECTION OF BIOTECHNOLOGICAL INVENTIONS

89. Council bodies completed the fourth reading of the proposal for a Council Directive on the legal protection of biotechnological inventions. Work will resume as soon as the Commission departments have submitted an amended proposal on the basis of the opinion of the European Parliament.

LEGAL PROTECTION OF MEDICINAL PRODUCTS

90. On 19 December the Council adopted a common position on the substance of the proposal for a Regulation concerning the creation of a supplementary protection certificate for medicinal products.

The purpose of the proposal is to improve the legal protection in the Member States of medicinal products covered by a patent, the period of protection of which is shortened *de facto* by the current system of authorization to place medicinal products on the market, by introducing a supplementary certificate which will take effect as soon as the patent expires. Through the introduction of a supplementary certificate the pharmaceutical industry in the Member States should be placed in a situation similar to that of the pharmaceutical industry in certain third countries.

¹ Decision 89/46/EEC, OJ L 17, 21.1.1989.

Trade-mark law

PROPOSAL FOR A REGULATION ON THE COMMUNITY TRADE MARK

91. In March the Council reconsulted the European Parliament on the budgetary provisions of the proposal for a Regulation on the Community trade mark, as it intends to modify these provisions as compared with the amended Commission proposal. However, it has not had a chance to examine the additional opinion delivered by the European Parliament in October 1991.

In 1991 the Council bodies also examined certain technical questions outstanding in respect of the proposal for a Regulation, together with the proposal for a Regulation on the rules of procedure of the boards of appeal of the future Community Trade-mark Office.

COUNCIL DIRECTIVE APPROXIMATING THE LAWS OF THE MEMBER STATES RELATING TO TRADE MARKS

92. By Decision of 19 December,¹ the Council extended until 31 December 1992 the deadline for Member States' compliance with the first Council Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks.²

Copyright and related rights

COMPUTER PROGRAMS

93. On 14 May the Council marked an important stage in the completion of the internal market by adopting Council Directive 91/250/EEC on the legal protection of computer programs,³ the purpose of which is to ensure that Member States protect computer programs under copyright law as literary works within the meaning of the Berne Convention for the Protection of Literary and Artistic Works.

The adopted text corresponds to that of the common position adopted by the Council on 13 December 1990, no amendment having been voted by the European Parliament when it gave this common position its second reading in April 1991.

¹ OJ L 6, 11.1.1992.

² OJ L 40, 11.2.1989.

³ OJ L 122, 17.5.1991.

CONSTITUTION OF A COMMON BASIS FOR FURTHER HARMONIZATION IN THE FIELD OF COPYRIGHT AND RELATED RIGHTS

94. During 1991 the Council bodies examined the proposal for a Council Decision concerning the accession of the Member States to the Berne Convention for the Protection of Literary and Artistic Works, as revised by the Paris Act of 24 July 1971, and the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention) of 26 October 1961.¹ The aim of this proposal for a Decision is to provide a common basis for the further harmonization of copyright and related rights in the Community, that basis being constituted by the minimum obligations under the Paris Act of the Berne Convention (copyright) and under the Rome Convention (related rights). The proposed Decision would oblige Member States to ratify both Conventions or to accede to and comply with them.

After receiving the opinions of the European Parliament and the Economic and Social Committee, the Council held a policy debate in December. Noting that the Member States were in favour of harmonizing their national legislation in this area on the basis of the two Conventions, but had grave misgivings about the method proposed by the Commission, it agreed to examine three alternative methods, two of which would consist of harmonization Directives and the third of a Declaration of Intent, on the part of those Member States not yet party to them, to accede to the two Conventions.

RENTAL RIGHT AND LENDING RIGHT

95. Pending the opinion of the European Parliament the Council conducted a detailed examination of the proposal for a Council Directive on rental right, lending right and on certain rights relating to copyright.² The aim of this proposal is to create an exclusive right of rental and public lending right in the field of intellectual property, to harmonize certain related rights and to harmonize the duration of protection of the rights covered by the proposal, pending a more complete proposal for harmonization of the duration of protection of copyright and related rights.

BROADCASTING

96. Pending the opinions of the European Parliament and of the Economic and Social Committee the Council bodies began during the second half of 1991 a

¹ OJ C 24, 31.1.1991.

² OJ C 53, 28.2.1991.

preliminary examination of the proposal for a Council Directive on the coordination of certain rules concerning copyright and neighbouring rights applicable to satellite broadcasting and cable retransmission.¹ This proposal is intended to supplement Council Directive 89/552/EEC of 3 October 1989 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities² ('television without frontiers' Directive).

Work in the field of geographical indications

97. The Council bodies began examination of a recommendation for a Council Decision on the participation of the Community in the work within the World Intellectual Property Organization (WIPO) on the international protection of geographical indications.

Work in connection with international organizations, in particular the World Intellectual Property Organization (WIPO)

98. The Member States and the Commission coordinated their positions, in accordance with the usual procedures, in preparation for the following meetings organized by WIPO, in Geneva and elsewhere:

preparatory meeting of the Committee of Experts on the development of The Hague Arrangement on the international deposit of industrial designs (from 8 to 11 April); third meeting (from 21 to 27 May) and fourth meeting (from 11 to 18 November) of the Working Party on application of the Madrid Protocol of 1989;

diplomatic conference on the conclusion of a Treaty supplementing the Paris Convention in respect of patents (The Hague, from 13 to 21 June);

third meeting of the Committee of Experts on the settlement of intellectual property disputes between States (from 2 to 6 September);

first meeting of the Committee of Experts on a possible Protocol to the Berne Convention for the Protection of Literary and Artistic Works (from 4 to 8 November).

The Member States and the Commission also coordinated their positions in preparation for the 12th meeting of the Council of Europe Committee of Legal Experts in the Media Field (MM-JU) (Strasbourg, from 26 to 28 November).

¹ OJ C 255, 1.10.1991.

² OJ L 298, 17.10.1989.

Chapter III

Economic and social policy

A — Economic, financial and tax questions and export credits

Economic and financial questions

99. Growth slowed down in 1991. Average growth in the Community was 1.25%; the forecast for 1992 is 2.25%. The growth slow-down brought about an increase in unemployment. Average unemployment in the Community rose to 8.6% in 1991. The overall rate of inflation in the Community was 5% (deflating private consumption). The budgetary situation in the Community worsened, particularly on account of German unification and the slow-down in economic activity. The overall budget deficit was 4.4% of GDP in 1991. The balance on current account expressed as a percentage of GDP showed a deficit of -0.8%.

ECONOMIC AND MONETARY UNION (EMU)

100. In 1991 the Member States met at an Intergovernmental Conference to negotiate the establishment of an economic and monetary union.

These negotiations, which resulted in a new Treaty, were concluded at the European Council meeting in Maastricht on 9 and 10 December.

A fundamental element of this economic and monetary union is the introduction of a single currency administered by a single and independent central bank. The union is to be established progressively in three stages.

First stage of EMU: multilateral surveillance

101. In January and July the Council monitored the economic policies and performances of the Member States in accordance with Article 2 of the 'convergence' Decision of March 1990. In July the Council agreed specifically that, for the first stage of economic and monetary union, exceptional and resolute efforts would have to be deployed if progress was to be made towards convergence. The Member States were accordingly invited to compile medium-term adjustment programmes where appropriate and to communicate them to the Community.

In accordance with that Decision the Council examined Italy's convergence programme in November and Portugal's in December.

Maastricht European Council meeting and the subsequent stages of EMU

102. The second stage, which is to begin on 1 January 1994, will be a transitional stage during which a European Monetary Institute (EMI) will be set up to coordinate the monetary policies of the Member States.

The Member States should furthermore endeavour during this stage to avoid excessive public deficits and will initiate the process leading to the independence of their central banks.

For the purposes of moving on to the third stage, the Commission and the EMI will report to the Council on the progress made by the Member States in fulfilling their obligations for the achievement of economic and monetary union, particularly as regards the attainment of a high degree of convergence.

The Council, meeting at the level of the Heads of State or Government, will decide by 31 December 1996 whether a majority of Member States fulfil the conditions necessary for the adoption of a single currency and whether the Community should embark upon the third stage. If that is the case, it will set the date for the beginning of the third stage. If, however, this date has not been set by the end of 1997, the third stage will commence on 1 January 1999 and will concern only those Member States which fulfil the necessary conditions. The other Member States will benefit from a derogation which can be repealed once the necessary conditions are fulfilled.

103. Once the starting date for the third stage is set, the European System of Central Banks (ESCB) and the European Central Bank (ECB) will be set up and will where necessary take over the tasks of the EMI. At that date, the rates of exchange will be irrevocably fixed and the ecu will become a fully-fledged currency.

Ratification of the new Treaty implies an irrevocable commitment by the Member States to participate in the third stage if they fulfil the necessary conditions. However, the United Kingdom is authorized to reserve its decision on participation in this third stage while Denmark can benefit from an exemption equivalent to a derogation if, after a referendum, it decides not to take part in the third stage.

INTERNATIONAL ECONOMIC AND MONETARY PROBLEMS

IMF meetings

104. The Ministers for Economics and Finance prepared for the spring and autumn meetings of the IMF and the World Bank in the usual way. It is customary

at these meetings for the President of the Council to deliver a statement on behalf of the Member States on the matters under discussion in those institutions. The President of the Council accordingly spoke of the world economic outlook, the economic situation in developing countries and Europe and debt strategy.

Relations with the republics of the former USSR

The Council on several occasions examined the changes which have taken place in the republics of the former USSR. In this connection the Member States stressed their willingness to contribute to political, economic and social stability and to encourage the introduction of market economies. In this spirit the Member States supported the rapid accession of the republics of the former USSR to the Bretton Woods institutions.

The Community outlay on behalf of those republics took the form in particular of a loan of ECU 1 250 million over a period of three years,¹ ECU 250 million of food aid and a credit guarantee of ECU 500 million for imports of food products.

COMMUNITY LOAN TO GREECE

105. On 4 March the Council adopted the Decision on a Community borrowing/lending operation to assist Greece.² By means of this Decision the Community awarded Greece a credit of ECU 2 200 million on the basis of the decision by Greece to implement the economic recovery programme it had submitted.

The loan was made available to Greece in three tranches:

the first, amounting to ECU 1 000 million, would be released once the loan operations were concluded;

the second, amounting to ECU 600 million, would be made available at the earliest in February 1992. The Commission would release this tranche once it was sure that the measures agreed with Greece had been fully applied and that the objectives of the programme had been achieved or that the additional measures necessary to achieve the objectives had been either adopted or fully implemented;

the third, amounting to ECU 600 million, would be made available at the earliest in February 1993 subject to the same examination, verification and consultation as the second tranche.

¹ OJ L 362, 31.12.1991.

² OJ L 66, 13.3.1991.

MEDIUM-TERM FINANCIAL ASSISTANCE FOR BULGARIA, HUNGARY, ROMANIA AND CZECHOSLOVAKIA

106. The Council decided to grant medium-term financial assistance to the following countries:

ECU 290 million to Bulgaria, on 24 June;¹

ECU 180 million to Hungary, on 24 June;¹

ECU 375 million to Romania, on 22 July;²

ECU 375 million to Czechoslovakia, on 25 February.³

Under these decisions the Community granted the loans for a maximum period of seven years to help support the balance of payments and strengthen reserves.

These loans are administered by the Commission in concert with the Monetary Committee in a way compatible with any agreement concluded by the International Monetary Fund with those countries. Each loan is made available to the beneficiary country in two tranches. The funds are paid into the national banks of the countries concerned.

MEDIUM-TERM LOAN TO ALGERIA

107. The Council decided on 23 September to grant a loan of ECU 400 million to Algeria for a maximum period of seven years to put its balance of payments on to a tenable footing, to strengthen its reserves and to facilitate the transition of its national currency to convertibility.⁴

The loan was made available to Algeria in two instalments. The first instalment was paid on the basis of:

- (i) the IMF Standby Arrangement and the World Bank structural adjustment loan agreed with Algeria in June 1991, and
- (ii) an agreement between Algeria and its commercial bank creditors on improving its debt servicing and repayment profile through new loans and/or refinancing agreements.

The second instalment was to be paid at least two quarters later subject to a review of the situation by the Commission.

¹ OJ L 174, 3.7.1991.

² OJ L 208, 30.7.1991.

³ OJ L 56, 2.3.1991.

⁴ OJ L 272, 28.9.1991.

COMMUNITY BUDGET GUARANTEE FOR EIB LOANS

108. The Council decided on 14 May¹ to grant a guarantee from the Community budget to EIB loans for investment projects in Bulgaria, Romania and Czechoslovakia up to a maximum of ECU 700 million. A similar operation had been decided upon in 1990 for Hungary and Poland.

COOPERATION ON STATISTICS

109. On 25 February the Council adopted Decisions setting up two statistical committees:

- (i) a European Advisory Committee on Statistical Information in the Economic and Social Spheres,
- (ii) a Committee on Monetary, Financial and Balance of Payments Statistics.²

The task of the first committee is to assist the Council and the Commission in coordinating the objectives of Community statistical information policy. The second committee assists the Commission in drawing up and implementing the multiannual work programme of monetary, financial and balance of payments statistics.

Tax harmonization

110. Substantial progress was made in 1991 on abolishing fiscal frontiers.

Of particular note in this connection are the conclusions of the Economic and Financial Affairs Council meetings on 18 March and 24 June, which cleared the way for the attainment of a frontier-free area on 1 January 1993.

On 18 March the Council supplemented its earlier conclusions, particularly those of 13 November 1989 and 3 December 1990 on the basic rules applicable to transitional VAT arrangements. In this context the Council gave concrete form to the implementing rules for three particular sets of arrangements (distance selling, new vehicles and exempt non-taxable and taxable persons) and for reduced VAT rates.

On 24 June the Council reached agreement on the levels of minimum VAT rates and — for the bulk of mineral oils, alcoholic beverages and manufactured tobacco — of minimum rates of excise duty.

At the same time the Council set:

- (i) the thresholds for applying individual VAT arrangements;

¹ OJ L 123, 18.5.1991.

² OJ L 59, 6.3.1991.

- (ii) the rules applicable to the move from the transitional to the definitive VAT arrangements;
- (iii) the general provisions of the arrangements for the holding and movement of goods subject to excise duty.

111. These conclusions, together with those of November 1989 and December 1990, laid the foundations for the legislative programme necessary for the achievement of the internal market in the sphere of indirect taxation. On 16 December the Council adopted the first legislative text resulting from those conclusions: Directive 91/680/EEC¹ supplementing the common VAT system with a view to the abolition of fiscal frontiers and amending Directive 77/388/EEC.²

At its meetings on 18 March and 16 December the Council also adopted Directives 91/191/EEC³ and 91/673/EEC⁴ enabling Denmark and Ireland to maintain until 31 December 1992 derogations relating to duty-free allowances for travellers.

Export credits

ARRANGEMENT ON GUIDELINES FOR OFFICIALLY SUPPORTED EXPORT CREDITS

Strengthening of the Arrangement

112. Following two years of negotiations the participants in the Arrangement finalized in December 1991 a package of measures intended to strengthen discipline with regard to export credits and involving in particular restrictions on the use of aid financing. As a participant in the Arrangement the Community was involved in these proceedings.

Extension of the Decision of 4 April 1978⁵

By its Decision of 21 October the Council extended for 12 months the above Decision on the application of the Arrangement on guidelines within the Community.

¹ OJ L 376, 31.12.1991.

² OJ L 145, 13.6.1977.

³ OJ L 95, 17.4.1991.

⁴ OJ L 373, 31.12.1991.

⁵ This Council Act has not yet been published in the *Official Journal of the European Communities*.

Sector Understanding on export credits for aircraft

113. Negotiations continued throughout the year, mainly concerning amendments to the 'Large aircraft' chapter of the above Sector Understanding and the credit terms for exports of second-hand aircraft.

UNDERSTANDING ON EXPORT CREDITS FOR SHIPS

114. Following a United States proposal submitted in October 1989 negotiations are in progress within the framework of OECD Working Party No 6 on shipbuilding for the finalization of an agreement to dismantle measures to assist shipbuilding that are incompatible with normal conditions of competition. This agreement covers export credits for ships.

The Community takes part in these negotiations on the basis of the negotiating directives adopted by the Council in July 1990.

INTRA-COMMUNITY CONSULTATIONS

115. Consultations under the terms of Decision 73/391/EEC¹ were held as in previous years for all proposed transactions relating to periods of more than five years. Member States also regularly discussed risk trends in the various buyer countries and cover policies, with particular reference to the Gulf States and East European countries. Particular attention was given to payment problems involving the republics of the former USSR.

SINGLE MARKET

116. A Council working party completed the inventory and examination of the problems arising in the area of short-term credit insurance in the run-up to the 1992 single market.

The same working party also identified the harmonization and cooperation measures to be taken to meet the demands of the single market.

Another working party simultaneously started to examine the questions relating to similar problems arising in the context of medium-term credit insurance.

¹ OJ L 346, 17.12.1973.

B — Social policy

117. In 1991 the Council discussed the problems of vocational training, the health and safety of workers at the workplace, equal treatment for men and women and social protection, and continued implementing the action programme relating to the implementation of the Community Charter of the Fundamental Social Rights of Workers which the Commission had sent to it on 29 November 1989.

The Council held three meetings (25 and 26 June, Luxembourg, the meeting on 26 June being devoted to youth issues; 14 October and 6 November, Luxembourg and Brussels; 3 December, Brussels).

At two informal meetings held on 5 and 6 May in Luxembourg and on 22 and 23 September in Noordwijk aan Zee, the Ministers for Labour and Social Affairs exchanged views on several important topical issues.

On 30 May the Standing Committee on Employment held its 41st meeting, devoted to the employment situation and prospects in the Community, and on 7 November its 42nd meeting, devoted to the employment situation of women in the Community.

Employment and vocational training

118. At its meeting on 22 July the Council adopted Decision 91/307/EEC amending Decision 87/569/EEC on an action programme for the vocational training of young people and their preparation for adult and working life (Petra).¹

The Petra programme is of three years' duration (1 January 1992 to 31 December 1994) and an amount of ECU 117.4 million has been allocated to it, including ECU 29 million for 1992.

The programme is intended for young people under 28 years of age who are in one of the following categories:

- (i) young people engaged in initial training;
- (ii) young workers who have a job or are on the labour market and already have initial vocational training or practical work experience;
- (iii) young people who have finished initial vocational training and are involved in further training to supplement the former.

¹ OJ L 214, 2.8.1991.

The programme is designed to support and supplement, through measures at Community level, the policies and activities of the Member States aimed at ensuring that all young people in the Community who so wish receive one or, if possible, several years' initial vocational training in addition to their full-time compulsory education.

119. The Petra programme is also intended to:

- (i) supplement and back up the policies of the Member States in order to raise the standards and quality of initial vocational training, diversify vocational training provision so as to offer choice for young people of different levels of ability, and enhance the capacity of vocational training systems to adapt to rapid economic, technological and social change;
- (ii) add a Community dimension to vocational qualifications, in order to contribute to the comparability of these qualifications between the Member States;
- (iii) stimulate and support practical cooperation and the development of training partnerships transnationally between training providers, industry and other promoters of local and regional development;
- (iv) develop opportunities for young people to benefit from periods of vocational training or work experience in other Member States;
- (v) promote Community cooperation in the field of vocational information and guidance.

Health and safety of workers at the workplace

INDIVIDUAL DIRECTIVES WITHIN THE MEANING OF THE FRAMEWORK DIRECTIVES OF 1980 AND 1989

120. On 25 June the Council adopted Directive 91/382/EEC amending Directive 83/477/EEC on the protection of workers from the risks related to exposure to asbestos at work (second individual Directive within the meaning of Article 8 of Directive 80/1107/EEC.¹

The instrument adopted, which contains only minimum provisions, provides for better protection of workers at Community level against the serious risks arising from exposure to asbestos fibres at work, and in particular sets more stringent action levels and limit values than those laid down in Directive 83/447/EEC (chrysotile: 0.20 and 0.60 fibres per cm³ respectively; other forms of asbestos: 0.10 and 0.30 fibres per cm³ respectively).

The Council decided that, with a view to improving the protection of workers, the whole of Directive 83/477/EEC would be reviewed before 1 January 1996.

¹ OJ L 206, 29.7.1991; see 38th Review, point 110.

121. At its meeting on 19 December the Council adopted its common position with a view to adoption of a Directive on the implementation of minimum safety and health requirements at temporary or mobile worksites (eighth individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC).

The Directive, due to be implemented by 31 December 1993, takes a comprehensive approach to prevention, establishing a chain of responsibility linking all parties concerned: clients, project supervisors, employers, coordinators and self-employed persons.

It contains provisions on:

- (i) the preparation of a safety and health plan prior to the commencement of work at the site;
- (ii) prior notice to the competent authorities before the commencement of work where the site concerned exceeds a certain size;
- (iii) information for, consultation of and participation by workers and/or their representatives regarding safety and health at the site.

122. The Directive also provides in its Annexes for:

- (i) a non-exhaustive list of the building and civil engineering work covered by the Directive;
- (ii) the contents of the prior notice to be sent to the competent authorities;
- (iii) a non-exhaustive list of works involving special risks to the safety and health of workers;
- (iv) minimum safety and health requirements for worksites.

123. On 19 December, after reaching political agreement on 6 November, the Council adopted its common position with a view to the adoption of a Directive concerning measures to encourage improvements in the safety and health of pregnant workers and workers who have recently given birth or are breast-feeding (ninth individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC).

The Directive, which raised great general interest, lays down, among other things, provisions:

- (i) prohibiting exposure of the workers concerned to certain agents or working conditions which could jeopardize their safety or health;
- (ii) which ensure an uninterrupted period of maternity leave of at least 14 weeks;
- (iii) which prohibit the dismissal of such workers;
- (iv) which ensure the maintenance of employment rights relating to the employment contract.

The Directive should be implemented no later than two years after its adoption.

124. At its meeting on 3 December the Council approved its common position with a view to adoption of a Directive concerning the minimum requirements for the provision of safety and/or health signs at work (10th individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC).¹

The Directive is designed, among other things, to combat risk factors associated with linguistic and cultural differences which might arise as a result of the free movement of workers.

In contrast with Council Directive 77/576/EEC which it replaces, it is designed to make the provision of signs compulsory in certain circumstances and to introduce new safety signboards and other harmonized forms of signs.

It also covers more firms and workers than Directive 77/576/EEC, since its scope in relation to persons is that of framework Directive 89/391/EEC.

The Directive is due to be implemented no later than two years after its adoption.

OTHER INSTRUMENTS

125. At its meeting on 25 July the Council adopted Decision 91/388/EEC on an action programme for the European Year of Safety, Hygiene and Health at Work (1992).²

The European Year will begin on 1 March 1992 and will end on 28 February 1993.

The programme, to which ECU 12 million has been allocated, provides for coordinated activities to be undertaken by the Community, the Member States and the social partners in order to:

- (i) bring out, in the context of the internal market, the importance of the social and economic aspects of problems relating to safety, hygiene and health at work;
- (ii) make young people who are about to embark on working life, workers and employers more aware of the safety, hygiene and health risks at the workplace and of what can be done about them.

126. On 1 October the Council adopted by a qualified majority its common position with a view to adoption of a Directive on the minimum safety and health requirements for improved medical treatment on board vessels.

¹ NB: Formal adoption of the common position: 3 February 1992.

² OJ L 214, 2.8.1991.

The Directive is a comprehensive response to the need to provide measures to protect crew members from ill effects to their health arising from accidents or illnesses occurring on board and has the following principal objectives:

- (i) to encourage the harmonization of the medical equipment and medicines in the medicine chests of merchant ships flying the flag of a Member State, in a way which takes account of the possibility of receiving medical assistance by radio;
- (ii) to provide for and ensure the presence on board of specific compulsory medical supplies which must be carried on such vessels when they have dangerous substances loaded on board;
- (iii) to promote the introduction of a system providing medical data on seamen.

The text adopted requires the presence of a doctor on board any vessel which has a crew of 100 or more workers and is making an international trip lasting more than three days.

127. On 25 June the Council adopted Directive 91/383/EEC supplementing the measures to encourage improvements in the safety and health at work of workers with a fixed-duration employment relationship or a temporary employment relationship.¹

The purpose of the Directive — known as the non-standard employment Article 118a Directive — is to ensure that workers with a fixed-duration employment contract and temporary workers are afforded, as regards safety and health at work, the same level of protection as that of other workers in the user undertaking and/or establishment.

The Directive will apply to:

- (i) employment relationships governed by a fixed-duration contract of employment concluded directly between the employer and the worker, where the end of the employment contract is established by objective conditions such as: reaching a specific date, completing a specific task or the occurrence of a specific event;
- (ii) temporary employment relationships between a temporary employment business which is the employer and the worker, where the latter is assigned to work for and under the control of an undertaking and/or establishment making use of his services.

128. Finally, at its meeting on 3 December, the Council held a detailed discussion on the proposal for a Directive on certain aspects of the organization of working time.

The proposal for a Directive contains, among other things, provisions concerning daily rest, weekly rest and annual leave, night work and shift work and the possibility of derogating from certain provisions of the Directive.

¹ OJ L 206, 29.7.1991.

At the close of the debate the President noted that the compromise text proposed met with delegations' approval, subject to certain specific points which still caused difficulty for some delegations and reservations entered by two delegations.

The Council instructed the Permanent Representatives Committee to continue examining the proposal with a view to reaching agreement on the common position in the first half of 1992.

Working conditions — Information and consultation of workers

129. At its meeting on 14 October the Council adopted Directive 91/533/EEC on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship.¹

The Directive, due to enter into force by 30 June 1993, relates to an important point of labour law: it stipulates that an employer must notify an employee of the essential aspects of the contract or employment relationship.

The information concerning the essential aspects may be given to the employee, not later than two months after the commencement of employment, in the form of a written contract of employment and/or a letter of engagement and/or one or more other written documents.

Where none of those documents is handed over to the employee within the prescribed period, the employer shall be obliged to give the employee, not later than two months after the commencement of employment, a written declaration signed by the employer and containing at least the essential aspects.

130. At its meeting on 3 December the Council held a policy discussion on certain major aspects of the proposal for a Directive on the establishment of European works councils and, on the basis of a note from the Presidency, focused its discussion on the following points:

- (i) the definition of certain basic concepts;
- (ii) the definition of the powers of the special negotiating body;
- (iii) the number of European works councils within a single group of undertakings.

The Council instructed the Permanent Representatives Committee to continue examining this proposal with a view to an overall solution.

¹ OJ L 288, 18.10.1991.

Equal treatment for men and women — Family policy

131. Following the discussion on 14 December 1990 by the Council (Labour and Social Affairs), which had expressed interest in this initiative, at its meeting on 21 May the Council adopted a resolution on the third medium-term action programme on equal opportunities for women and men (1991 to 1995).¹

The Council confirmed that the efforts already made should be intensified and developed with a view to improving implementation of existing legal provisions, promoting the integration of women into the labour market and improving the status of women in society.

It supported the overall objective of the programme submitted by the Commission and recognized that a comprehensive, integrated approach should be adopted, ensuring maximum effectiveness of equality policies.

132. The Council called upon Member States:

- (i) to implement the measures set out in the Commission communication;
- (ii) to adopt relevant policy measures such as national, regional or local equality plans;
- (iii) to draw up assessment reports.

The Council called upon the two sides of industry, whose essential role it emphasized, to:

- (i) make equal opportunities and equal treatment an element in collective bargaining;
- (ii) pursue and intensify the social dialogue on issues of special interest to women;
- (iii) include in collective bargaining the issues of equal remuneration and the elimination of discrimination on the basis of sex;
- (iv) take all necessary measures to actively promote women's representation in decision-making bodies.

The Council called upon the Commission to:

- (i) ensure that the present programme was implemented and assess the policy on equal opportunities and equal treatment;
- (ii) incorporate the objective of equality into the appropriate policies and action programmes and introduce specific means of coordination.

133. At its meeting on 3 December the Council approved a recommendation on child care.²

¹ OJ C 142, 31.5.1991.

² NB: Formal adoption of the recommendation scheduled for 31 March 1992.

The Council considered, among other things:

- (i) that it was essential to promote the well-being of children and families, ensuring that their various needs were met and taking into account the fact that responsibilities arising from the care and upbringing of children continued up to and throughout the period of children's schooling, and especially when they were younger;
- (ii) that inadequate provision of child-care services at prices affordable to parents and other initiatives to reconcile responsibility for the family and the upbringing of children with the employment, or with the education and training of parents in order to obtain employment constituted a major barrier to women's access to and more effective participation in the labour market, on equal terms with men, the full participation of women in all areas of society and the effective use of their talents, skills and abilities in the current demographic situation.

The Recommendation provides for a set of initiatives in the field of child care aimed at enabling parents to reconcile their responsibilities for the family and the upbringing of children with their employment: child-care services; special leave; environment, structure and organization of work; sharing of responsibilities.

134. At its meeting on 19 December, following agreement in principle by the Council (Labour and Social Affairs) on 3 December, the Council adopted a Declaration on the implementation of the Commission Recommendation on the protection of the dignity of women and men at work including a code of practice to combat sexual harassment.¹

That Declaration, which resulted from a Presidency initiative, is intended to accompany and reinforce the Commission Recommendation and the Code of Practice,² which constitute a follow-up to the Council resolution of 29 May 1990 on the protection of the dignity of women and men at work.³

With regard to equal treatment for men and women in the field of benefits under occupational social security schemes, on 6 November the Council held an exchange of views on the consequences of the judgment of the Court of Justice in Case C 262/88 *Barber*.

Freedom of movement for workers — Social protection

135. At its meeting on 25 June the Council adopted Regulation (EEC) No 2194/91 on the transitional period for the freedom of movement of workers between Spain and Portugal and the other Member States.⁴

¹ OJ C 27, 4.2.1992.

² OJ C 305, 25.11.1991.

³ OJ C 157, 27.6.1990.

⁴ OJ L 206, 29.7.1991.

The Regulation fixes the end of the transitional period, except in the case of Luxembourg, at 31 December 1991 instead of 31 December 1992 as stated in the Acts of Accession.

For Luxembourg, the measures derogating from freedom of movement for workers will cease to apply at 31 December 1992, instead of 31 December 1995 as originally scheduled.

When adopting this Regulation the Council took the view, in the light of a Commission report, that establishing freedom of movement for workers in the Member States was not likely to result in any deterioration of the various national labour markets.

136. In the field of social security of migrant workers, on 25 June the Council adopted Regulation (EEC) No 2195/91 amending Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community and Regulation (EEC) No 574/72 laying down the procedure for implementing Regulation (EEC) No 1408/71.¹

The amendments adopted are linked to changes made by Member States to their social security legislation or are of a technical character and are intended to perfect the Regulations concerned, using the experience gained in their implementation.

At its meeting on 3 December the Council also agreed to:

- (i) a Regulation amending Regulation (EEC) No 1408/71 on non-contributory benefits, and
- (ii) a Regulation amending Regulations (EEC) Nos 1408/71 and 574/72 on the award and calculation of pensions.²

The two texts, which had been discussed within the Council since 1985 and 1989 respectively, aim in particular at taking account of the case-law of the Court of Justice.

The first Regulation makes provision for coordinating non-contributory schemes under which Member States are obliged to grant non-contributory benefits to workers resident in their territory, under that State's legislation and provided that those benefits are mentioned in a new Annex provided for in the Regulation.

The second Regulation is designed to simplify the award and calculation of the pensions of those who have worked in several Member States. Its purpose is to resolve problems arising in connection with the aggregation of periods of employment under

¹ OJ L 206, 29.7.1991.

² NB: Formal adoption scheduled for 30 April 1992.

different types of legislation in cases of the overlapping of pensions, and to protect migrant workers from over-stringent application of national provisions against the overlapping of benefits.

137. At its meeting on 3 December, pending receipt of the opinion of the European Parliament, the Council also held an initial exchange of views on the proposal for a recommendation on common criteria concerning sufficient resources and social assistance in the social protection systems.

The proposal for a recommendation is designed to guarantee each individual's fundamental right to sufficient resources and benefits to allow him to live in dignity.

At its meeting on 16 December the Council and the representatives of the governments of the Member States meeting within the Council adopted the resolution concerning a Community action programme on the accessibility of transport to persons with reduced mobility.¹

Aid within the framework of the ECSC

138. The Council received from the Commission, pursuant to Article 56(2)(a) of the ECSC Treaty, approximately 20 requests for assent to enable that institution to ensure the productive re-employment of ECSC workers unemployed or threatened with unemployment by the granting of conversion loans to companies or, in the form of a global loan, to financial institutions.

The Council gave a favourable reply to these requests by authorizing the granting of loans for a total amount of approximately ECU 660 million, with individual amounts ranging from ECU 4 million to 213 million.

Information instruments

139. By its Decision 91/116/EEC of 25 February 1991² the Council established a European Advisory Committee on Statistical Information in the Economic and Social Spheres, which will be responsible for assisting the Council and the Commission to coordinate the Community's statistical information policy aims.

On 14 October the Council adopted Directive 91/534/EEC amending Directive 82/606/EEC relating to the organization by the Member States of surveys on the earnings of permanent and seasonal workers employed in agriculture.³

¹ See point 177 of this Review.

² OJ L 59, 6.3.1991.

³ OJ L 228, 17.8.1991.

On 16 December the Council adopted Regulation (EEC) No 3711/91 on the organization of an annual labour force sample survey in the Community.¹

The Regulation provides that in the spring of each year, starting in 1992, the Statistical Office of the European Communities shall conduct for the Commission a labour force sample survey in the Community.

It puts an end to the practice of successive Regulations providing for individual surveys to be carried out in one or more specific years.

International Labour Organization

140. The Member States coordinated their positions on the topics discussed at the 78th session of the International Labour Conference in June 1991, in particular the following: working conditions in hotels, restaurants and similar establishments; protection of workers' claims in the event of the insolvency of their employer; apartheid; the situation of workers in the Occupied Territories.

C — Regional policy

141. The Council adopted Regulation (EEC) No 1911/91 of 26 June 1991 on the application of the provisions of Community law to the Canary Islands (known as the **Canaries Regulation**) and a Decision setting up a programme of options specific to the remote and insular nature of the Canary Islands (known as **Poseican**). The Council also adopted a programme of options specific to the remote and insular nature of Madeira and the Azores.

The **Canaries Regulation** is based on Article 25(4) of the Accession Treaty whereby the Council (acting unanimously at the request of Spain and on a proposal from the Commission) may extend to the Canary Islands the provisions of Community law in force (the islands had hitherto been totally or partially excluded from certain Community policies).

The main aim of the **Canaries Regulation** is therefore to apply to those islands the Community provisions for which the Act of Accession had allowed derogations; application is subject to certain adjustments also defined in the Regulation, concerning agriculture, fisheries, taxation and commercial policy in particular.

On the specific matter of agriculture, the Regulation stipulates that the common agricultural policy shall apply to the Canary Islands on almost the same terms as those laid down for mainland Spain. Application, which must take account of the

¹ OJ L 351, 20.12.1991.

special features of Canary Islands production, will be accompanied by specific supply arrangements. The implementation of these arrangements, which under the terms of **Council Regulation (EEC) No 284/92 of 3 February 1992** must be adopted before 1 July 1992, constitutes a prior condition for the application of the CAP to the Canary Islands.

142. The **Poseican Decision of 26 June 1991**, based on the Canaries Regulation, approved a framework programme aimed at:

- (i) giving the Canary Islands a realistic place within the Community, taking into account the islands' specific circumstances and adjusting the application of common policies where necessary;
- (ii) ensuring that the Canary Islands play a full part in the dynamics of the internal market by making the best possible use of existing Community rules and instruments;
- (iii) helping the islands to make up the lost ground, economically and socially, by financing the specific measures laid down in the Decision.

The measures provided for in Poseican will be implemented before the end of 1992 through the adoption (by the Council or the Commission, as appropriate) of the necessary legal acts. The measures fall into four different but coordinated types: measures accompanying the application of common policies in the Canary Islands, measures aimed at alleviating the impact of the additional costs of supplies of agricultural products resulting from the remote and insular nature of the region, specific measures to assist Canary Islands products and measures in respect of fisheries products.

143. The **Poseima Decision of 26 June 1991**, based on the Treaty (Articles 43, 113 and 235) and the Act of Accession (Article 234(3)), also reflects the Community's concern for the most remote regions. The programme approved by this Decision is based on the same general principles as the Poseican programme.

More specifically, its contents are as follows:

- (i) measures aimed at facilitating the application of common policies in the Azores and Madeira which must take into account the special characteristics of the islands and foster their economic and social development, particularly in the areas of social issues, transport, fisheries, taxation, technological research and development, environmental protection and the development of air links;
- (ii) specific measures designed to mitigate the effects of the islands' geographical position and in particular to alleviate the impact of the additional cost of supplies of agricultural products arising from the islands' remote and insular nature, specific aid to compensate for the additional cost of oil supplies and adequate measures to encourage the supply of iron and steel products at fair prices;
- (iii) specific measures to support products from Madeira and the Azores, varying in nature according to the particular case, and covering agricultural products,

especially tropical products, fisheries products from the Azores and action to assist craft industries.

144. The Council also adopted **Regulation (EEC) No 3763/91 of 16 December 1991**, which contains specific measures concerning certain agricultural products from the French overseas departments.¹

D — Energy policy

WORKING OUT A COMMUNITY ENERGY POLICY

Non-nuclear energy

GENERAL FRAMEWORK

145. Pride of place in this sector went to the completion of the internal energy market and the efforts to protect the environment in connection with the production, transport and consumption of energy.

Also worthy of mention are the adoption of the SAVE framework programme concerning the promotion of energy efficiency in the Community and the Directive on the transit of natural gas through Community grids.

Prompted by the Gulf War, the Council examined the major problem of the measures to be taken to secure oil supplies or build up oil reserves in the event of an impending oil crisis.

After the idea of a European Energy Charter had been mooted at the CSCE Conference in Paris in November 1990, the Council decided as soon as the year began that it would establish the Community negotiating position on the text of the Charter and take decisions on its finalization and the follow-up Protocols.

AREAS OF ACTIVITY

Internal energy market

146. Although there are a number of specific political and economic factors characterizing the energy sector, successive European Councils have emphasized the need to extend the establishment of the internal market to cover the energy sector too.

¹ See point 362 of this Review.

The principal measures taken by the Council in 1991 are summarized below.

Transit of natural gas through grids

During the year the Council continued the work it had begun in 1990 on the proposal for a **Council Directive on the transit of natural gas through grids**. The Council adopted this Directive by a qualified majority at its meeting on 31 May, following completion of the cooperation procedure with the European Parliament on the basis of Article 100a of the EEC Treaty and after the Economic and Social Committee had delivered its opinion. Together with the Directive adopted in 1990 on the transit of electricity through grids, this Directive to an extent constitutes the first stage of liberalization of the gas and electricity market.

Under the terms of this Directive Member States are in essence invited to take the measures necessary to facilitate transit through their territory of natural gas between high-pressure transmission grids. Implementation by the Member States of the laws, regulations and administrative provisions necessary to comply with the Directive is due before 1 January 1992.

Efficiency requirements for new hot-water boilers fired with liquid or gaseous fuels

147. Since the **proposal for a Directive** setting out the above requirements is also based on Article 100a of the EEC Treaty, it was given an initial examination by the Council at the meeting on 29 October.

The Council's common position, which was established on the basis of both the European Parliament's opinion at first reading under the cooperation procedure and also the opinion of the Economic and Social Committee, was unanimously adopted by the Council on 19 December.

The aim of this Directive, which, incidentally, also forms part of the SAVE programme's activities (see below), is to lay down the efficiency requirements for these boilers within the overall context of the progressive establishment of the internal energy market. In particular, it specifies the useful efficiency requirements to be complied with for the different types of boiler covered by the proposal. It may be possible for the Council to adopt this Directive in the first half of 1992, in the light of the European Parliament's position at second reading.

Energy and the environment

148. The Council, meeting on 29 October, again emphasized the major importance of the impact of energy use on the environment, and focused its attention on a Commission communication concerning a Community strategy to limit carbon dioxide (CO₂) emissions and to improve energy efficiency.

Among the Energy Council's main conclusions — drawn up also with a view to advancing proceedings at a combined Energy/Environment Council on 13 December — the following in particular are worthy of note:

- (i) obvious requirements were energy saving and substitution towards fuels that emit less CO₂ or none at all, consistent with priorities of energy policy in each Member State, among which was security of supply;
- (ii) the Commission's ideas with regard to the use of fiscal measures on a Community scale. Individual actions by Member States should not lead to market and competition distortions. A harmonized and possibly simultaneous approach in the field of energy within the Community would therefore be of the utmost importance. The Community assumed that non-Community countries and regions would undertake comparable actions.

The point was also made that Member States which started from relatively low levels of energy consumption and therefore low emissions measured on a per capita or other appropriate basis might have CO₂ targets and/or strategies corresponding to their economic and social development, while continuing to improve the energy efficiency of their economic activities.

As regards the close links between energy and the environment, the combined Energy/Environment Council on 13 December approved a number of conclusions, the main thrust of which was similar to those adopted by the Council on 29 October (see also point 154 below).

Promotion of energy efficiency in the Community (SAVE programme)

149. The SAVE programme was adopted by the Council in Decision 91/565/EEC at its meeting on 29 October.

In adopting this Decision the Council referred *inter alia* to its resolution of 16 September 1986 concerning new Community energy policy objectives for 1995, which centred specifically on the even more efficient use of energy in all sectors.

The Council also considered that improving energy efficiency would have a positive effect both on the security of energy supplies and on the environment, matters which by their very nature were of universal interest.

The SAVE programme was adopted for a period of five years (1991 to 1995); the amount deemed necessary to implement it was ECU 35 million, of which ECU 14 million was allocated to the 1991 and 1992 financial years. The appropriations available for the period 1993 to 1995 will be decided on each year by the budget authority.

150. Four kinds of energy efficiency measures are granted funding under the programme:

- (i) evaluations for assessing the data needed for defining technical standards or specifications;
- (ii) Member States' initiatives for extending or creating infrastructures concerned with energy efficiency (training and information activities with regard to energy efficiency at a level as close as possible to the final consumers of energy, and sectoral pilot projects);
- (iii) measures to foster the creation of an information network aimed at promoting better coordination between national, Community and international activities;
- (iv) measures to implement the programme for improving the efficiency of electricity use.

Community supplies of crude oil and petroleum products and detailed arrangements for managing oil stocks

151. At its meeting on 31 May and again on 29 October the Council examined in detail two Commission proposals for Directives:

- (i) one providing for appropriate measures to be taken in the event of difficulty in the supply of crude oil and petroleum products to the Community;
- (ii) the other laying down detailed rules for the implementation of the above Directive with regard to oil stocks.

It should be noted that the legal basis for these Directives — Article 103(2) and (3) of the EEC Treaty — concerns conjunctural policy and the procedures to apply if any difficulties should arise in the supply of certain products.

At the 29 October meeting and with a view to the completion of the internal market, the Council, believing that a new approach was necessary in the field of oil crisis management, called upon the Commission to work out proposals to take account of the new economic and political realities. The question of Community accession to the International Energy Agency (IEA) should be re-examined in this context (see point 154 below).

Nuclear energy

152. Having in recent years, following opinions by the European Parliament and the Economic and Social Committee, adopted several legal acts aimed at strengthening the health protection of the general public and workers against the dangers of ionizing radiation and at dealing with the post-Chernobyl situation, the Council's activities this year focused particularly on two fields. The first was external relations, an area which is described in greater detail in the next point, and the second was the problem of maximizing health protection in one specific area.

On this latter aspect, some preparatory work had been carried out on a draft Council Directive on the **supervision and control of shipments of radioactive waste between Member States and into and out of the Community**. These proceedings produced a number of outline solutions for the Council's adoption of the draft Directive.

EXTERNAL RELATIONS IN THE DIFFERENT ENERGY SECTORS

153. The period under consideration was marked by a series of important and indeed historic developments which were bound to have wide repercussions in a sector as vast and internationally interdependent as energy. With the support of the other Community institutions, the Council was able to rise to the challenges posed by these developments in the following manner.

Non-nuclear energy

154. The exchanges of views in preparation for the proceedings of the Steering Committee of the International Energy Agency (IEA) on this topic continued with renewed vigour, particularly in the case of matters relating to the Gulf crisis. It thus proved possible to coordinate the Community positions at the meeting of this committee at ministerial level which took stock of the situation on 3 June.

In addition, the Energy Council on 29 October examined certain detailed aspects of possible cooperation between the Community and the IEA and adopted conclusions designed to facilitate the possible future accession of the Community as such to the agency (see point 151 above).

155. On 13 December the Energy/Environment Council discussed whether to limit carbon dioxide emissions and improve energy efficiency (see point 148 above), and reaffirmed the importance it attached to the success of the negotiations taking place in the Intergovernmental Committee on Climate Change and in the Unced process.

Finally, in pursuance of the conclusions of the Rome II European Council, the Council worked out guidelines and took decisions regarding technical assistance to the countries of Central and Eastern Europe (including the Phare programme). A considerable proportion of the funds commitments relating to these countries was earmarked for the energy sector, one of the areas designated as a priority by the Council. The Council bodies keep a careful eye on the management and coordination of these aid programmes carried out by the Commission (in cooperation with other competent international organizations), which are financed from Community funds.

European Energy Charter

156. In response to a memorandum concerning a European Energy Community submitted by the Prime Minister of the Netherlands, Mr R. Lubbers, at the Dublin European Council in June 1990, and to the statement made by the President of the Commission at the CSCE Summit in Paris in November 1990, the Commission drafted a communication on a European Energy Charter and forwarded it to the Council at the beginning of 1991.

The Council adopted negotiating directives authorizing the Commission, at the International Conference on the Charter, to negotiate the text of the Charter and the implementing Protocols on behalf of the Community in respect of matters falling within Community competence, so that the Community could sign it and become party to the Protocols at a later stage.

After six months of negotiations the Twelve, together with 39 partner countries from the OECD, Central and Eastern Europe and the former USSR, signed the European Energy Charter in The Hague on 17 December 1991. This essentially political document set out the basis for cooperation in the energy sector and was seen as an initial step in the implementation of the CSCE undertakings in this vitally important sector for both East and West.

157. The dual aim of the European Energy Charter is to enable Western undertakings to contribute to the exploitation of the vast energy resources of some of the East European countries with accompanying guarantees for their investment, and to facilitate access by those countries to the technologies and capital which they need.

The preamble to the Charter sets out a number of objectives and principles which are fundamental to this initiative.

Worthy of particular note are the following:

- (i) a desire to establish efficient global cooperation based on mutual respect and confidence and abiding by the principles of the market economy;

- (ii) to resolve the problems of restructuring in the countries of Central and Eastern Europe and in the republics of the former USSR;
- (iii) to take advantage of the complementary features of the energy sectors in the different regions in order to attain the objectives of security of supply, efficient management and use of resources, environmental improvement and, more generally, social and economic development.

In parallel with the negotiations on the Charter, discussions on the implementing Protocols were set in train during the year and are to continue in 1992.

The aim is to negotiate a basic Agreement, a document which would translate the content of the Charter into legally binding terms, and to agree Protocols covering, for the time being, energy efficiency, hydrocarbons and cooperation on nuclear matters, including the safety aspects.

Nuclear energy

158. As in previous years, the Council bodies regularly reviewed the implementation of the bilateral Agreements concluded between Euratom and certain third countries (Australia, Canada and the United States).

Relations between Euratom and the International Atomic Energy Agency (IAEA) were also examined.

Particular note should be taken of the following innovative elements in the nuclear field.

On 16 December the Council adopted Directives for the negotiation by the Commission of a new Agreement for cooperation between Euratom and the United States, due to enter into force on 1 January 1996.

This Decision, based on the second paragraph of Article 101 of the Euratom Treaty, lays down the Community's point of departure for establishing future cooperation between Euratom and the United States on the basis of genuine parity, with regard both to its general aspects as seen in a developing context and in respect of a number of specific sectors such as nuclear research and development in the industrial and commercial fields.

159. On 14 May the Council also adopted a Decision approving the conclusion by the Commission of an exchange of letters amending the Agreement between Euratom and Canada for cooperation in the peaceful uses of atomic energy of 6 October 1959, in order to include tritium and tritium-related equipment intended for the Community fusion programme.

Aware, moreover, of the importance of East/West relations in this field as in others, the Council adopted on 17 June a Decision authorizing the Commission to negotiate a set of three Agreements for cooperation between the European Atomic Energy Community (Euratom) and the USSR in the fields of:

controlled nuclear fusion,

nuclear safety,

matters connected with the exchange of nuclear materials between the parties.

The general purpose of the Decision is to give effect to the forms of cooperation provided for by the EEC-Euratom/USSR Agreement on trade and commercial and economic cooperation, which entered into force on 1 April 1990.

Finally, the Council reiterated the importance which it attached to nuclear safety in Europe and noted that this was a key question in the context of cooperation with (and technical assistance to) the countries of Central and Eastern Europe.

E — Transport

160. In 1991 the Council held six meetings devoted to transport matters, on 27 March, 17 and 20/21 June, 7 and 21 October and 16/17 December.

The Ministers for Transport also met informally in Rotterdam on 5 and 6 July.

Inland transport

CABOTAGE — GERMAN UNIFICATION

161. On 4 February the Council adopted Regulation (EEC) No 296/91 amending Regulation (EEC) No 4059/89 laying down the conditions under which non-resident carriers may operate national road haulage services within a Member State. The Regulation increases, as a consequence of German unification, the Community road cabotage quota.¹ As from 1 January 1992 the number of cabotage authorizations will be increased by 298, raising the overall quota to 15 298 authorizations.

¹ OJ L 36, 8.2.1991.

WEIGHTS AND DIMENSIONS

Length of road trains

162. On 4 February the Council adopted Directive 91/60/EEC amending, with a view to fixing certain maximum authorized dimensions for road trains, Directive 85/3/EEC. The Directive increases the maximum authorized length of road trains from 18 m to 18.35 m and ensures that there is enough space for the driver's cabin.¹

Under the Directive:

- (i) the maximum authorized load length (i.e. load length of the motor vehicle plus that of the trailer) is set at 15.65 m;
- (ii) the maximum load length, including the distance between the motor vehicle and trailer (coupling device) is set at 16 m, which leaves 2.35 m for the cabin and 35 cm for the coupling device. These dimensions allow two 7.82 m swap bodies to be transported.

The Directive further stipulates that road trains, the motor vehicle part of which was put into circulation before 31 December 1991, which do not comply with the requirements on maximum load length will be deemed to be in compliance with those requirements provided that they do not exceed 18 m in length.

Types of suspension

163. At its meeting on 16 and 17 December the Council reached substantive agreement on a draft Directive amending Directive 85/3/EEC on the weights, dimensions and certain technical characteristics of certain road vehicles.

The purpose of the draft Directive is to ensure equivalence between certain non-air suspension systems and air suspension for four-axle articulated vehicles, three- and four-axle motor vehicles and certain tandem axles on motor vehicles. The draft Directive provides for a new Annex III to Directive 85/3/EEC defining 'equivalence' according to a series of objective technical criteria.²

COMBINED CARRIAGE OF GOODS

164. On 27 March the Council adopted Directive 91/224/EEC amending Directive 75/130/EEC on the establishment of common rules for certain types of combined carriage of goods between Member States.³

¹ OJ L 37, 9.2.1991.

² The Directive was formally adopted on 10 February 1992: Directive 92/7/EEC, OJ L 57, 2.3.1992.

³ OJ L 103, 23.4.1991.

The Council intends by means of this Directive to enhance the development of combined transport.

The Directive accordingly provides for:

- (i) greater liberalization of road haulage legs to and from inland-waterway ports;
- (ii) application of the Treaty provisions on freedom to provide services to combined transport;
- (iii) exemption of the initial or final road haulage legs from compulsory tariff regulations;
- (iv) measures to make it easier for own-account road hauliers to use combined transport.

At its meetings on 20 and 21 June and 16 and 17 December the Council noted the Commission's interim reports on the combined transport system in the Community.

It also noted that the Commission intended to submit a master plan for combined transport by 1 May 1992.

ROADWORTHINESS TESTS

Test standards and methods

165. On 27 March the Council adopted Directive 91/225/EEC amending Directive 77/143/EEC on the approximation of the laws of the Member States relating to roadworthiness tests for motor vehicles and their trailers.¹

Directive 77/143/EEC established the principle of compulsory roadworthiness tests for certain categories of vehicles, but the standards and methods used for the tests remained unharmonized at Community level. The new Directive harmonizes test standards and methods, in particular by:

- (i) establishing a system whereby the Council will, on the basis of proposals from the Commission, adopt separate Directives laying down the standards and methods for testing the points listed in Annex II to Directive 77/143/EEC;
- (ii) setting up a committee for the adaptation to technical progress of the resulting technical standards.

Adoption of this Directive should guarantee equivalent levels of safety and environmental performance in all Member States.

¹ OJ L 103, 23.4.1991.

Private cars

166. On 21 June the Council adopted Directive 91/328/EEC amending Directive 77/143/EEC on the approximation of the laws of the Member States relating to road-worthiness tests for motor vehicles and their trailers, in order to extend its scope to private cars.¹

Under the Directive such a test is compulsory four years after the date on which the vehicle was first registered, and thereafter every two years.

The amended Directive will enter into force not later than two years after its notification.

It provides for the possibility of applying the derogations contained in Directive 77/143/EEC until 1 January 1994. However, in Member States where as at 31 December 1991 there is no system of vehicle testing comparable to that referred to in this Directive, the derogations may be granted until 1 January 1998.

PUBLIC SERVICE (rail, road and inland waterway)

167. On 20 June the Council adopted Regulation (EEC) No 1893/91 amending Regulation (EEC) No 1191/69 on action by Member States concerning the obligations inherent in the concept of a public service in transport by rail, road and inland waterway.²

While maintaining the principle of the termination of public-service obligations laid down by the Regulation, the Council considered that in certain circumstances the public interest might warrant transport services being maintained even though not sufficiently profitable for the operator.

Thus the Council agreed that, in order to guarantee respect for the independence and commercial interests of transport undertakings, the competent authorities of a Member State should have the option of negotiating, within the framework of a contract, the conditions and arrangements for providing such services. Such conditions and arrangements are laid down by the Regulation.

However, for the purposes of supply of certain services or in the interests of certain social categories of passenger, the Regulation lays down that the Member States should retain an option to maintain or impose certain public-service obligations.

¹ OJ L 178, 6.7.1991.

² OJ L 169, 29.6.1991.

RAILWAYS

168. On 29 July the Council adopted Directive 91/440/EEC on the development of the Community railways.¹

The purpose of the Directive is, *inter alia*, to introduce greater clarity into the relationship between the railways and the State and to guarantee respect for the independence and commercial interests of railway undertakings.

It contains a series of measures to enable railway undertakings to derive the full benefit from the technical advantages of rail by making it possible for them to carry out their activities in accordance with commercial principles.

The Directive provides for:

- (i) improvement of the financial structure of railway undertakings;
- (ii) separation of the management of railway infrastructure from the provision of railway transport services;
- (iii) a user fee, calculated in a non-discriminatory manner, payable by authorized undertakings to the infrastructure manager;
- (iv) international groupings of railway undertakings and railway undertakings engaged in the international combined transport of goods to have access rights to the Member States' railway infrastructure.

The Directive applies to railway undertakings which are or will be established in a Member State, except for railway undertakings whose business is limited to operating urban, suburban or regional services alone.

DRIVING LICENCES

169. On 29 July the Council adopted Directive 91/439/EEC on driving licences.²

The Directive is designed to ensure Community-wide mutual recognition of licences issued by a Member State whatever the State of residence of the holder. The holder of a driving licence issued by a Member State will no longer be required when transferring his residence to another Member State to exchange his licence for a licence of the host Member State.

The entry into force of this Directive is scheduled for 1 July 1996, the date which will see the repeal of the first Community Directive on this subject (80/1263/EEC), which established a Community model national licence and the exchange of licences

¹ OJ L 237, 24.8.1991, p. 25.

² OJ L 237, 24.8.1991.

by holders transferring their place of residence or place of employment from one Member State to another.

The new Directive provides for adaptation of the Community model national licence established by Directive 80/1263/EEC to take account, *inter alia*, of the harmonization of categories and sub-categories of vehicles and to make licences more readily comprehensible both inside and outside the Community.

170. The Directive also:

- (i) on road safety grounds, lays down the minimum requirements for the issue of a driving licence;
- (ii) defines the knowledge, skills and behaviour required for driving a motor vehicle, and the structure of the driving test based on these factors;
- (iii) redefines minimum standards of physical and mental fitness for driving motor vehicles;
- (iv) lays down specific provisions to make it easier for the physically handicapped to drive vehicles.

Member States may continue to apply their national provisions on the withdrawal, suspension and cancellation of driving licences to all licence holders having acquired normal residence on their territory.

INLAND WATERWAYS

Boatmasters' certificates

171. On 16 December the Council adopted Directive 91/672/EEC on the reciprocal recognition of national boatmasters' certificates for the carriage of goods and passengers by inland waterway.¹

The Directive also stipulates that the Council, acting by a qualified majority, is to decide by 31 December 1994 at the latest on common provisions concerning the sailing of inland waterway vessels for the carriage of goods and passengers, on the basis of a Commission proposal which is to be submitted no later than 31 December 1993.

The Council further noted an undertaking by the Commission:

- (i) to give favourable consideration as soon as possible to the inclusion of Italian, Portuguese and United Kingdom boatmasters' certificates in Annex I to the Directive;

¹ OJ L 373, 31.12.1991.

- (ii) when preparing the proposal in question, to consider whether a boatmaster should be able to provide proof in his own country and language that he possesses the requisite additional knowledge of the local situation.

Conditions under which non-resident carriers may carry out the national transport of goods or passengers (cabotage)

172. On 16 December the Council adopted Regulation (EEC) No 3291/91 laying down the conditions under which non-resident carriers may transport goods or passengers by inland waterway within a Member State (cabotage).¹

The Regulation provides that with effect from 1 January 1993 any carrier of goods or passengers by inland waterway may carry out cabotage operations for hire or reward in a Member State in which he is not established, provided that:

- (i) he is established in a Member State in accordance with its legislation and, where appropriate,
- (ii) he is entitled there to carry out the international transport of goods or persons by inland waterway, and
- (iii) he uses for the purpose only vessels owned by natural persons who are Member State nationals or legal persons the majority of which are Member State nationals, and who are domiciled or have their registered place of business in a Member State.

173. However, until 1 January 1995 the following exemptions apply:

- (i) transport operations between ports situated within the German *Länder* of Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt and Thuringia, as well as Berlin, are excluded from the scope of the Regulation;
- (ii) France may restrict cabotage on its territory to two trips on the direct return journey following on from an international goods or passenger transport operation;
- (iii) Germany may restrict cabotage on its territory to only one trip on the direct return journey following on from an international goods or passenger transport operation.

Member States may not introduce any new restrictions on the freedom to provide services actually achieved at the date of entry into force of the Regulation.

¹ OJ L 373, 31.12.1991.

COACH AND BUS

174. At its meeting on 16 and 17 December the Council reached very broad agreement on a Regulation applying the principle of freedom to provide services to the international carriage of passengers by coach and bus, thereby guaranteeing transport undertakings in all Member States access to this market without discrimination on grounds of nationality or place of establishment.¹

The Regulation provides for:

- (i) the immediate liberalization of shuttle services with accommodation and of most occasional services as well as journeys by empty vehicles in connection with such carriage;
- (ii) objective criteria to be applied henceforth for authorizing new regular and shuttle services without accommodation.

It also makes provision for future simplification of procedures for authorizing those services still requiring authorization and does not preclude further liberalization at a later stage. To this end, the Commission will report to the Council and submit to it, before 1 January 1996 and in the light of that report, a proposal for a Regulation on which the Council will act by a qualified majority before 1 January 1997.

Where carriage is from a Member State to a non-member country and vice versa, the Regulation applies to the part of the journey on the territory of the Member State of departure or destination once the necessary agreement between the Community and the non-member country has been concluded.

ROAD SAFETY

175. On 21 June the Council and the representatives of the governments of the Member States, meeting within the Council, adopted a resolution on a Community programme of action on road safety.²

Safety belts

176. At its meeting on 16 and 17 December the Council adopted Directive 91/671/EEC on the approximation of the laws of the Member States relating to the compulsory use of safety belts in vehicles of less than 3.5 tonnes.³

¹ The Regulation was formally adopted on 16 March 1992, OJ L 74, 20.3.1992.

² OJ C 178, 9.7.1991.

³ OJ L 373, 31.12.1991.

The Directive establishes uniform rules for the use of safety belts, which will be compulsory for the occupants of the front and rear seats of category M1 vehicles (vehicles used for the carriage of passengers and having no more than nine seats) and for front-seat occupants of vehicles of categories M2 and N1 (minibuses and lorries up to 3.5 tonnes).

The Directive, with which Member States must comply by 1 January 1993, establishes the general principle that the driver and passengers of a vehicle must use safety belts or a restraint system (for children, a restraint system suitable for their height and weight) provided the seats they occupy are so equipped.

The Directive allows certain derogations:

- (i) Member States may, on their national territory, permit children aged three years and over to be restrained by a safety belt system for adults rather than by a specific system for children;
- (ii) Member States shall also, on their national territory, allow that children under three years of age occupying the rear seats need not be restrained by a specific system for children if such children are transported in a vehicle where such a system is unavailable.

Reduced mobility

177. At the Council meeting on 16 and 17 December the Council and the representatives of the governments of the Member States, meeting within the Council, adopted a resolution concerning a Community action programme on the accessibility of transport to persons with reduced mobility.¹

Speed limitation devices

178. At its meeting on 16 and 17 December the Council reached agreement on the substance of a draft Directive on the installation and use of speed limitation devices on certain categories of heavy vehicles used for the carriage of goods and passengers.²

Under this Directive the vehicles concerned will be required to be fitted with a device which restricts their speed to harmonized limits and use of which will be compulsory.

¹ OJ C 18, 24.1.1992.

² The Directive was formally adopted on 10 February 1992 (Directive 92/6/EEC, OJ L 57, 2.3.1992).

The Directive includes the following provisions:

- (i) for heavy goods vehicles over 12 tonnes, the speed limitation device will have to be set in such a way that the vehicles concerned cannot exceed 90 km/h, which, bearing in mind the technical tolerance allowed in the present state of the art, means it will be set at 85 km/h;
- (ii) for coaches and buses over 10 tonnes, the speed limitation device will have to be set at 100 km/h.

These rules will apply:

- (i) as from 1 January 1994 for newly registered vehicles;
- (ii) no later than 1 January 1995 for vehicles registered between 1988 and 1994 used for both international and national carriage;
- (iii) no later than 1 January 1996 for vehicles registered between 1988 and 1994 used solely for national carriage.

RESEARCH AND DEVELOPMENT

179. At its meeting on 16 and 17 December, the Council adopted a resolution stressing the need to take into account the importance of the transport sector when preparing the fourth framework programme for Community activities in the field of research and technological development.¹

RELATIONS WITH THIRD COUNTRIES

Yugoslavia

180. An Agreement between the Community and Yugoslavia in the field of transport was signed in Brussels on 24 June and forwarded to the European Parliament for its opinion.

Austria and Switzerland

181. Transit Agreements between the Community and Austria and the Community and Switzerland were initialled on 3 December.

Formal conclusion of the Agreements will follow, according to the usual procedure, i.e. the Commission submits a proposal to the Council, and the European Parliament and the Economic and Social Committee are consulted.

¹ Not published in the Official Journal.

Air transport

AIR CARGO

182. On 4 February the Council adopted Regulation (EEC) No 294/91 on the operation of air cargo services between Member States.¹

The aim of this Regulation is to liberalize market access and cargo rates and to ensure greater flexibility in the operation of scheduled and non-scheduled air cargo services.

DENIED-BOARDING COMPENSATION SYSTEM

183. On 4 February the Council adopted Regulation (EEC) No 295/91 establishing common rules for a denied-boarding compensation system in scheduled air transport.¹

This Regulation is intended to resolve the problems caused by overbooking on scheduled flights and in particular lays down minimum rates of compensation for passengers.

PREDATORY FARES AND OTHER PRICE-CUTTING PRACTICES

184. On 19 May the Council adopted Regulation (EEC) No 1284/91 amending Regulation (EEC) No 3975/87 laying down the procedure for the application of the rules on competition to undertakings in the air transport sector.²

This amendment allows the Commission to adopt urgent interim measures against predatory fares and other price-cutting practices in the air transport sector.

MUTUAL ACCEPTANCE OF PERSONNEL LICENCES FOR THE EXERCISE OF FUNCTIONS IN CIVIL AVIATION

185. On 16 December the Council adopted Directive 91/670/EEC on the mutual acceptance of personnel licences for the exercise of functions in civil aviation (aircraft flight personnel).³

The purpose of this Directive is to ensure freedom of movement for civil aviation personnel within the Community. For a preliminary period Member States will, under certain conditions, accept licences issued by other Member States. A fully automatic

¹ OJ L 36, 8.2.1991.

² OJ L 122, 17.5.1991.

³ OJ L 373, 31.12.1991.

recognition system for licences should subsequently be established, based on measures which lay down requirements harmonized at Community level.

HARMONIZATION OF TECHNICAL REQUIREMENTS AND ADMINISTRATIVE PROCEDURES IN THE FIELD OF CIVIL AVIATION

186. At its meeting on 16 and 17 December the Council adopted Regulation (EEC) No 3922/91 on the harmonization of technical requirements and administrative procedures in the field of civil aviation.¹

This Regulation is intended to harmonize the technical standards and administrative procedures relating to the airworthiness, licence to operate and maintenance of aircraft, engines and other aircraft appliances by incorporating into Community law the joint aviation requirements (JAR) adopted by the Joint Aviation Authorities (JAA), a purely voluntary organization.

AIRCRAFT NOISE

187. At its meeting on 16 and 17 December the Council agreed on the text of the proposal for a Directive on the limitation of the operation of aeroplanes covered by Chapter 2 of Annex 16 to the Convention on International Civil Aviation.²

The proposal is designed to establish a uniform Community policy and further reduce the noise from civil subsonic jet aeroplanes taking into account the work carried out by international organizations.

The Directive accordingly stipulates that in the first stage, as from 1 April 1995, civil subsonic jet aeroplanes fitted with engines having a bypass ratio of less than 2 cannot operate at airports situated in the Member States' territory (excluding the French overseas departments) unless granted noise certification which meets certain standards laid down in the Convention on International Civil Aviation³ provided that they were first issued with an individual certificate of airworthiness less than 25 years previously.

In the second stage, as from 1 April 2002, all civil subsonic jet aeroplanes operating from Member States' airports will have to conform to the standards laid down in Annex 16 to the Convention on International Civil Aviation (Volume 2, Part II, Chapter 3, second edition).

The Directive provides that, under certain conditions, aeroplanes registered and operating in developing nations shall be granted exemptions.

¹ OJ L 373, 31.12.1991.

² The Directive was formally adopted on 2 March 1992, OJ L 76, 23.3.1992.

³ Chicago Convention.

Shipping

CONSORTIA

188. At its meeting on 16 and 17 December the Council agreed in substance on the Regulation on the application of Article 85(3) of the Treaty to certain categories of agreements, decisions and concerted practices between shipping companies (consortia).¹

Under this Regulation, the Commission is empowered to exempt certain categories of agreements, decisions and concerted practices from the ban laid down in Article 85(1) of the Treaty if they have as an object to promote or establish cooperation in the joint operation of maritime transport services, with the aim of rationalizing their operations by means of technical, operational and/or commercial arrangements — with the exception of price fixing.

This Regulation forms part of the Council's efforts to improve the competitiveness of the Community's shipping fleets.

FREEDOM TO PROVIDE MARITIME TRANSPORT SERVICES WITHIN MEMBER STATES (CABOTAGE)

189. At the 20/21 June and 16/17 December meetings the Council held detailed policy debates on a number of draft Presidency compromises concerning the proposal for a Regulation applying the principle of freedom to provide services to maritime transport within Member States (cabotage).

RADIONAVIGATION SYSTEMS

190. At its meeting on 16 and 17 December the Council agreed in substance on a Decision on radionavigation systems for Europe.² Under this Decision, Member States participating in regional agreements to establish Loran-C³ radionavigation chains will seek to achieve configurations which cover the widest possible geographical area in Europe and in neighbouring waters. In addition, Member States

¹ The Regulation was formally adopted on 25 February 1992, OJ L 55, 29.2.1992.

² The Decision was formally adopted on 25 February 1992, OJ L 59, 4.3.1992.

³ The Loran-C system is a terrestrial-based radio hyperbolic position-fixing system, based upon measurements of the difference in time of arrival of pulses of radio frequency energy radiated by a chain of synchronized transmitters separated by 100-mile intervals.

will sustain their efforts to establish a worldwide Loran-C chain system. The Decision will not adversely affect other existing systems, such as Decca or the worldwide Omega system.

TRANSFER OF SHIPS

191. On 4 March the Council adopted Regulation (EEC) No 613/91 on the transfer of ships from one register to another within the Community.¹

CODE OF CONDUCT FOR LINER CONFERENCES

192. The Council bodies prepared the positions to be adopted by the Community and the Member States at the second and final meeting of the Conference to revise the United Nations Convention on a Code of Conduct for Liner Conferences, which was held in Geneva from 21 May to 7 June 1991.

RELATIONS WITH THIRD COUNTRIES

193. The Council bodies continued examining a number of matters concerning freedom of access to shipping services which had arisen in the context of relations between the Community and its Member States and third countries.

F — Research and technological development

Development of a common policy in the Community

194. In the course of the year the Council adopted 12 specific programmes coming under the third framework programme (1990-94) with a total allocation of ECU 4 400 580 000 in commitment appropriations (see following tables).

The Council also adopted common positions which were forwarded to the European Parliament under the cooperation procedure for specific programme proposals (third framework programme) in the following fields:

measurements and testing (1990-94);

biotechnology (1990-94);

human capital and mobility (1990-94).

¹ See point 154 of the 38th Review (1990), OJ L 68, 15.3.1991.

195. Table of Decisions concerning specific Community research programmes adopted by the Council during 1991

Research field	Date of Decision ¹	Budget (million ECU)	Final date	OJ reference
1. Marine science and technology	7.6.1991	102.96	31.12.1994	L 192, 16.7.1991
2. Telematic systems of general interest	7.6.1991	376.2	31.12.1994	L 192, 16.7.1991
3. Life sciences and technologies for developing countries	7.6.1991	109.89	31.12.1994	L 196, 19.7.1991
4. Communications technology	7.6.1991	484.1	31.12.1994	L 192, 16.7.1991
5. Environment	7.6.1991	261.4	31.12.1994	L 192, 16.7.1991
6. Information technology	8.7.1991	1 338.48	31.12.1994	L 218, 6.8.1991
7. Biomedicine and health	9.9.1991	131.67	31.12.1994	L 267, 24.9.1991
8. Non-nuclear energy	9.9.1991	155.43	31.12.1994	L 257, 14.9.1991
9. Agriculture and agro-industry, including fisheries	9.9.1991	329.67	31.12.1994	L 265, 21.9.1991
10. Industrial and materials technologies — work programme	9.9.1991 19.12.1991	663.3 —	31.12.1994	L 269, 25.9.1991
11. Nuclear fission safety	28.11.1991	35.64	31.12.1994	L 336, 7.12.1991
12. Controlled thermonuclear fusion — Amending the JET Statutes	19.12.1991 19.12.1991	411.84 —	31.12.1994 —	L 375, 31.12.1991

¹ Corresponds to the beginning of the programme.

ECSC

196. With a view to promoting technical and economic research aimed at improving coal production methods and safety and working conditions in mines, raising product quality and especially the level of environmental protection in the Community, the Council gave its assent as requested by the Commission to the granting of financial aid totalling ECU 47 834 100, from the funds derived from levies, for a research programme in the fields of mining technology and valorization of products; subject to the availability of budgetary resources, an amount of ECU 4 551 300 would be allocated to a supplementary programme. The overall cost of the programme, including the part to be borne by the contractors, is ECU 79 723 500, that of the supplementary programme being ECU 7 585 500.

Crest proceedings

197. In 1991 the Scientific and Technical Research Committee (Crest) delivered opinions on the following programmes proposed by the Commission:

- specific R&TD programme in the field of information technologies (1990-94);
- specific R&TD programme in the field of industrial and materials technologies (1990-94);
- specific R&TD programme in the field of biotechnology (1990-94);
- specific R&TD programme in the field of agriculture and agro-industry (1990-94);
- specific R&TD programme in the field of non-nuclear energy (1990-94);
- specific R&TD programme in the field of human capital and mobility (1990-94);
- dissemination and exploitation of knowledge resulting from the specific R&TD programmes of the Community;
- specific R&TD programmes to be carried out by the CCR (1992-94).

External relations

INTERNATIONAL SCIENTIFIC AND TECHNICAL COOPERATION

198. On 7 November the Council adopted a Decision containing Directives to the Commission on the negotiation of an understanding between the EAEC and the Government of Canada on cooperation, *inter alia*, in the field of controlled nuclear fusion with a view to associating Canada with Euratom's contribution to activities falling within the Cooperation Agreement concerning the international thermonuclear experimental reactor (ITER).

EUROPEAN COOPERATION IN THE FIELD OF SCIENTIFIC AND TECHNICAL RESEARCH

199. On 25 February the Council adopted Decisions concerning the conclusion of Cooperation Agreements in the field of applied metrology and chemical analysis (BCR) between the European Economic Community and the Kingdom of Sweden, the Swiss Confederation and the Republic of Finland.

On 25 February the Council adopted Decisions concerning the conclusion of Cooperation Agreements on a European stimulation plan for economic science (SPES) between the European Economic Community and the Republic of Finland, the Republic of Austria, the Kingdom of Sweden, the Kingdom of Norway and the Swiss Confederation.

On 25 March the Council adopted the Decision concerning the conclusion of a Cooperation Agreement between the European Economic Community and the Republic of Iceland on a programme plan to stimulate the international cooperation and interchange needed by European research scientists (Science).

200. On 14 October the Council adopted a common position with a view to the conclusion of a Cooperation Agreement between the European Economic Community and the Republic of Turkey in the field of medical and health research.

On 25 November the Council adopted its common positions on the conclusion of bilateral Cooperation Agreements between the European Economic Community and:

- (i) the Republic of Austria, the Republic of Finland and the Kingdom of Norway on the science and technology programme for environmental protection (STEP);
- (ii) the Republic of Iceland and the Kingdom of Sweden on research and development in the field of the environment: Science and technology for environmental protection (STEP) and the European programme on climatology and natural hazards (Epoch).

On 18 December the Council adopted two common positions on the conclusion of two Community-COST multilateral Cooperation Agreements on:

- (i) five concerted action projects in the field of research in biotechnology (Bridge programme);
- (ii) eleven concerted action projects in the field of food science and technology (Flair programme).

G — Environment — Civil protection

201. In 1991 the Council devoted four meetings specifically to the Community's environmental protection policy, namely on 18 March in Brussels, on 14 and 15 June and 1 October in Luxembourg and on 12 and 13 December in Brussels; it also held a joint meeting on environmental and energy questions on 13 December.

Matters examined by the Council, including those on which the Council took a decision, are listed hereafter.

In agreeing to the Medspa, Norspa, Acnat and LIFE Regulations the Council provided the Community in 1991 with a set of financial instruments enabling support to be given to projects designed to protect the environment in the areas and sectors concerned.

It should also be noted that the Council is devoting an ever-increasing proportion of its proceedings to international activities.

By taking the decisions needed to mandate the Commission to conduct negotiations in the context of Community powers and in consultation with Member States' representatives, the Council ensured the Community's active participation in the activities referred to in points 219 and 220 below.

Regulations, Directives and other instruments adopted by the Environment Council in 1991

COUNCIL RESOLUTION OF 28 JANUARY ON THE GREEN PAPER ON THE URBAN ENVIRONMENT

202. This resolution, adopted on 28 January,¹ welcomes the Green Paper on the urban environment and recognizes the major contribution it makes towards the future of the towns and cities in Europe by providing an overview of the issues involved.

The resolution acknowledges that while local authorities, regions and national governments bear the primary responsibility for defining urban environment policy and its management, there is a Community dimension to the development of future policy in this area.

¹ OJ C 33, 8.2.1991.

REGULATION (EEC) NO 563/91 ON ACTION BY THE COMMUNITY FOR THE PROTECTION OF THE ENVIRONMENT OF THE MEDITERRANEAN REGION (MEDSPA)

203. This Regulation, adopted on 4 March,¹ deals with Community action to protect the environment in the Mediterranean region. In view of the ecological sensitivity of the region and the pressures to which it is exposed, the Regulation aims at intensifying the protective effort and increasing the effectiveness of environmental policies and measures throughout both the Community and non-Community parts of the Mediterranean region, as well as in the Spanish and Portuguese territories of the Iberian peninsula south of the river Tagus that are not on the Mediterranean coast.

Under Medspa, financial support may be granted in particular to public investment projects, pilot or demonstration schemes, private investment projects for non-commercial purposes and public-awareness campaigns.

The amount deemed necessary for financing the planned action during the first two years is ECU 25 million.

REGULATION (EEC) NO 594/91 ON SUBSTANCES THAT DEplete THE OZONE LAYER

204. The purpose of this Regulation, adopted on 4 March,² is to impose stricter measures than those of the revised Montreal Protocol, in the light of recent scientific evidence. Imports of the substances in question are made subject to quantitative limits and import licences. The release into free circulation of chlorofluorocarbons (CFCs) or halons imported from countries not party to the Montreal Protocol is prohibited.

The Regulation includes a schedule for reducing and eliminating existing CFCs, other fully halogenated CFCs, halons and carbon tetrachloride.

COUNCIL DIRECTIVE AMENDING DIRECTIVE 74/442/EEC ON WASTE

205. On 18 March³ the Council adopted a Directive amending Directive 74/442/EEC on waste. The new provisions are primarily designed to:

- (i) establish an integrated and adequate network of disposal installations;

¹ OJ L 63, 9.3.1991.

² OJ L 67, 14.3.1991.

³ OJ L 78, 26.3.1991.

- (ii) step up the promotion of clean technologies and products which can be recycled and reused;
- (iii) ensure better harmonization of waste management, in particular waste recovery.

COUNCIL DIRECTIVE ON BATTERIES AND ACCUMULATORS CONTAINING CERTAIN DANGEROUS SUBSTANCES

206. The purpose of this Directive, adopted on 18 March,¹ is to encourage the recycling and controlled disposal of spent batteries and the marketing of batteries with a low heavy-metal content.

To this end, the Directive prescribes appropriate marking of batteries and prohibits the marketing of alkaline manganese batteries with a high mercury content.

COUNCIL DIRECTIVE CONCERNING URBAN WASTE WATER TREATMENT

207. This Directive, adopted on 21 May,² lays down rules for the collection, treatment and discharge of urban waste water and waste water from certain industrial sectors and for the elimination of sludge. The rules and, in particular, the treatment level (secondary, tertiary) vary in accordance with the characteristics of the receiving waters, the sensitivity of the discharge areas and the size of the urban agglomerations concerned.

COUNCIL DIRECTIVE AMENDING DIRECTIVE 70/220/EEC ON THE APPROXIMATION OF THE LAWS OF THE MEMBER STATES RELATING TO MEASURES TO BE TAKEN AGAINST AIR POLLUTION BY EMISSIONS FROM MOTOR VEHICLES

208. This Directive, adopted on 26 June, sets limit values for emissions of carbon monoxide, nitrogen oxides, hydrocarbons and particulates. The limit values are based on a new European test procedure and may be reduced in the light of technical progress by a Council Decision to be taken before 31 December 1993.

COUNCIL DIRECTIVE AMENDING DIRECTIVE 88/77/EEC ON THE APPROXIMATION OF THE LAWS OF THE MEMBER STATES RELATING TO THE MEASURES TO BE TAKEN AGAINST THE EMISSION OF GASEOUS POLLUTANTS FROM DIESEL ENGINES FOR USE IN VEHICLES

¹ OJ L 78, 26.3.1991.

² OJ L 135, 30.5.1991.

209. This Directive, adopted on 1 October, aims at reducing in two stages the limit values for emissions of gaseous pollutants (carbon monoxide, hydrocarbons and nitrogen oxides) and introduces limit values for particulate emissions from the vehicles concerned.

In addition, the Commission is asked to submit to the Council by the end of 1996, in the light of progress, a downward revision of limit values applicable as from 1 October 1999 at the earliest.

COUNCIL DECISION CONCERNING THE SUMMARY NOTIFICATION INFORMATION FORMAT REFERRED TO IN ARTICLE 9 OF DIRECTIVE 90/220/EEC ON THE DELIBERATE RELEASE INTO THE ENVIRONMENT OF GENETICALLY MODIFIED ORGANISMS

210. This Decision, adopted on 4 November,¹ aims at establishing the summary notification information format referred to in Article 9 of Directive 90/220/EEC and lays down the procedure for accessing the information covered by the summary notification.

COUNCIL REGULATION (EEC) NO 3254/91 PROHIBITING THE USE OF LEGHOLD TRAPS IN THE COMMUNITY AND THE INTRODUCTION INTO THE COMMUNITY OF PELTS AND MANUFACTURED GOODS OF CERTAIN WILD ANIMAL SPECIES ORIGINATING IN COUNTRIES WHICH CATCH THEM BY MEANS OF LEGHOLD TRAPS OR TRAPPING METHODS WHICH DO NOT MEET INTERNATIONAL HUMANE TRAPPING STANDARDS

211. This Regulation, which the Council adopted on 4 November,² aims at prohibiting, by 1 January 1995 at the latest, the use of leghold traps in the Community and, as of 1 January 1995, the introduction into the Community of pelts and manufactured goods of certain wild animal species originating in countries which catch them by means of leghold traps or trapping methods which do not meet international humane trapping standards.

COUNCIL DIRECTIVE ON HAZARDOUS WASTE

212. The principal aim of this Directive, adopted on 12 December,³ is to formulate a common definition of hazardous waste and to introduce greater harmonization of

¹ OJ L 322, 23.11.1991.

² OJ L 308, 9.11.1991.

³ OJ L 377, 31.12.1991.

the management of waste in order to facilitate the monitoring of its disposal and recovery. The Directive is destined to replace Directive 78/319/EEC on toxic and dangerous waste.

The Commission, assisted by a committee, will draw up a list of hazardous wastes before the Directive enters into force.

COUNCIL DIRECTIVE CONCERNING THE PROTECTION OF FRESH, COASTAL AND MARINE WATERS AGAINST POLLUTION CAUSED BY NITRATES FROM AGRICULTURAL SOURCES

213. This Directive, adopted on 12 December,¹ seeks to reduce and prevent this form of nitrate pollution by establishing standards for the spreading of nitrogen compounds and certain land management practices, with a view to:

- (i) keeping nitrate concentrations in fresh waters below a given level so as not to impede other uses of such waters;
- (ii) improving the quality of waters affected by eutrophication and preventing eutrophication of the remainder of such waters.

The Directive defines the criteria for identifying the waters affected and designating vulnerable zones, for which a limit value of 170 kg of nitrates per hectare is fixed for the spreading of manure. It also provides for the establishment of codes of good agricultural practice on a voluntary basis.

COMMUNITY STRATEGY TO LIMIT CARBON DIOXIDE EMISSIONS AND TO IMPROVE ENERGY EFFICIENCY

214. The joint Environment/Energy Council on 13 December adopted a series of conclusions detailing guidelines for the above strategy, designed to stabilize CO₂ emissions in the Community at the 1990 level by the year 2000. Relying on fair burden-sharing among the Member States, the strategy includes:

- (i) linkage between national programmes and Community measures (concerning, *inter alia*, R&D, improvement of energy efficiency, development of renewable energy and transport measures);
- (ii) making an inventory of greenhouse gas emissions;
- (iii) the possibility of raising energy prices through the use of fiscal instruments.

¹ OJ L 375, 31.12.1991.

COUNCIL REGULATION (EEC) NO 3907/91 ON ACTION BY THE COMMUNITY RELATING TO NATURE CONSERVATION (Acnat)

215. This Regulation, adopted on 19 December,¹ creates a specific financial instrument for projects relating to the maintenance or re-establishment of biotopes or habitats of Community importance, and the implementation of measures to conserve or re-establish endangered species. The Community's contribution to the actions implemented in the framework of the Acnat Regulation, applicable for two years, is fixed at ECU 50 million.

The Community's financial support may represent, normally, not more than 50% of the cost of projects and, exceptionally, not more than 75% of the cost of projects concerning biotopes or habitats of species threatened with extinction, habitats in danger of disappearance in the Community, or populations of species threatened with extinction.

COUNCIL REGULATION (EEC) NO 3908 ON COMMUNITY ACTION TO PROTECT THE ENVIRONMENT IN THE COASTAL AREAS AND COASTAL WATERS OF THE IRISH SEA, NORTH SEA, ENGLISH CHANNEL, BALTIC SEA AND NORTH-EAST ATLANTIC OCEAN (NORSPA)

216. This Regulation, adopted on 19 December,¹ concerns the protection of the environment of the Irish Sea, North Sea, English Channel, Baltic Sea and North-East Atlantic Ocean north of the Tagus, as well as the Azores, Madeira and the Canary Islands. The Regulation offers Community financial support for certain specific protection projects; it sets the amount deemed necessary for action under Norspa until 31 December 1992 at ECU 16.5 million.

The aim is to intensify efforts to protect and improve the quality of the environment in the region concerned and also to strengthen the environmental dimension of Community action and step up cooperation and coordination in this field. A further aim is to promote clean or low-pollution technology, the transfer of such technology and the exchange of experience.

COUNCIL DIRECTIVE HARMONIZING AND RATIONALIZING REPORTS ON THE IMPLEMENTATION OF CERTAIN DIRECTIVES RELATING TO THE ENVIRONMENT

217. This Directive, adopted on 23 December,² is designed to facilitate the task of Member States and the Commission, enabling them to monitor and assess the im-

¹ OJ L 370, 31.12.1991.

² OJ L 377, 31.12.1991.

plementation of the environmental Directives concerned more effectively, in particular by harmonizing the presentation, content and frequency of reports in the light of experience.

Under the agreement, reports on the implementation of the Directives concerned are to be drawn up on the basis of uniform questionnaires at three-yearly intervals, covering three sectors in turn: water, air and waste.

Further Commission proposals examined by the Environment Council during 1991

218. PROPOSAL FOR A COUNCIL REGULATION ON SUPERVISION AND CONTROL OF SHIPMENTS OF WASTE WITHIN, INTO AND OUT OF THE EUROPEAN COMMUNITY;

PROPOSAL FOR A COUNCIL DECISION ON THE CONCLUSION, ON BEHALF OF THE COMMUNITY, OF THE CONVENTION ON THE CONTROL OF TRANSBOUNDARY MOVEMENTS OF HAZARDOUS WASTES AND THEIR DISPOSAL (BASLE CONVENTION);

PROPOSAL FOR A COUNCIL DIRECTIVE ON THE APPROXIMATION OF THE LAWS OF THE MEMBER STATES RELATING TO THE SULPHUR CONTENT OF GASOIL;

PROPOSAL FOR A COUNCIL REGULATION LAYING DOWN PROVISIONS WITH REGARD TO POSSESSION OF AND TRADE IN SPECIMENS OF SPECIES OF WILD FAUNA AND FLORA.

The Council also agreed on the following texts for formal adoption after final editing:

PROPOSAL FOR A DIRECTIVE ON THE PROTECTION OF NATURAL AND SEMI-NATURAL HABITATS AND OF WILD FAUNA AND FLORA;

PROPOSAL FOR A REGULATION (EEC) CONCERNING A COMMUNITY ECO-LABEL;

PROPOSAL FOR A COUNCIL REGULATION (EEC) ESTABLISHING A FINANCIAL INSTRUMENT FOR THE ENVIRONMENT (LIFE);

PROPOSAL FOR A COUNCIL REGULATION (EEC) CONCERNING EXPORT AND IMPORT OF CERTAIN DANGEROUS CHEMICALS.

The Council reached agreement on a common position on the following proposals:

PROPOSAL FOR A REGULATION ON THE EVALUATION AND CONTROL OF THE ENVIRONMENTAL RISKS OF EXISTING SUBSTANCES;

PROPOSAL FOR A DIRECTIVE AMENDING FOR THE SEVENTH TIME DIRECTIVE 67/548/EEC ON THE APPROXIMATION OF THE LAWS, REGULATIONS AND ADMINISTRATIVE PROVISIONS RELATING TO THE CLASSIFICATION, PACKAGING AND LABELLING OF DANGEROUS SUBSTANCES.

Action at international level

219. In 1991 the Council took the following Decisions regarding various international agreements:

MANDATES AUTHORIZING THE COMMISSION TO PARTICIPATE, ON BEHALF OF THE COMMUNITY, IN THE NEGOTIATIONS CONCERNING THE FOLLOWING CONVENTIONS AND/OR PROTOCOLS

Fifth Protocol to the Barcelona Convention, 1976, relating to the protection of the Mediterranean Sea from pollution resulting from the exploration and exploitation of its continental shelf, its seabed and its substratum: Decision of 4 February;

Framework Convention on Climate Change and related Protocols: Decision of 4 February;

Framework Convention on the Protection of the Alps: Decision of 13 May;

Bonn Convention: Agreement on the conservation of small cetaceans in the Baltic Sea and the North Sea: Decision of 29 July;

Protocol to the Geneva Convention on Long-range Transboundary Air Pollution concerning the control of emissions of volatile organic compounds or their transboundary fluxes: Decision of 23 September;

Convention on the Protection of the Waters of the Oder: Decision of 29 July;

SIGNING BY THE COMMUNITY, SUBJECT TO SUBSEQUENT CONCLUSION, OF THE FOLLOWING CONVENTIONS

Convention on the Protection of the Waters of the Oder: Decision of 29 July;

Convention on the Protection of the Alps: Decision of 4 November.

Activities undertaken within international organizations

220. The Council took the following Decisions regarding various agreements within the ambit of international organizations.

MANDATES AUTHORIZING THE COMMISSION TO PARTICIPATE, ON THE COMMUNITY'S BEHALF, IN THE NEGOTIATIONS CONCERNING THE FOLLOWING AGREEMENTS

OECD: Decision-recommendation on reduction of transfrontier movements of waste: Decision of 28 January;

Convention on biological diversity (UN): Decision of 29 July;

Convention on the Transboundary Impact of Industrial Accidents (Economic Commission for Europe — UN): Decision of 29 July;

United Nations Conference on Environment and Development (Unced).

At its meeting on 12 December the Council, after detailed discussion, issued guidelines for further work in preparation for the Unced, to be held in Rio de Janeiro from 1 to 12 June 1992. In the mean time the Community continued to play an active part in the negotiations for the Conventions on climate change and biodiversity, whose signing in Rio was to be one of the results of Unced. More specifically regarding climate change, attention should be drawn also to the conclusions adopted by the joint Environment/Energy Council meeting on 13 December on the Commission communication entitled 'A Community strategy to limit carbon dioxide emissions and to improve energy efficiency'.

SIGNING BY THE COMMUNITY, SUBJECT TO SUBSEQUENT CONCLUSION, OF THE FOLLOWING CONVENTIONS/PROTOCOLS

Convention on Environmental Impact Assessment in a transboundary context (Economic Commission for Europe — UN): Decision of 25 February;

Additional Protocol to the Convention on the International Commission for the Protection of the Elbe: Decision of 29 July.

CONCLUSION BY THE COMMUNITY OF THE FOLLOWING CONVENTIONS

Convention on the International Commission for the Protection of the Elbe: Decision of 18 November;

Vienna Convention for the Protection of the Ozone Layer — Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer: Decision of 12 December.

Civil protection

221. The Council and the representatives of the governments of the Member States, meeting within the Council, held a meeting on this subject on 8 July.

On that occasion the Council and the representatives of the governments of the Member States, meeting within the Council, adopted a resolution¹ on improving mutual aid between Member States in the event of a natural or technological disaster.

On 29 July the Council also adopted a Decision² on the introduction of a single European emergency call number, namely 112, giving access to all national emergency services. The Decision also provides for the necessary measures to be taken for the progressive improvement of the language knowledge of the staff responsible for answering calls to this number.

H — Public health policy — Consumers

222. Pending the outcome of work and discussions on revision of the Treaties, some progress was made and certain developments recorded in the field of public health as regards both the principal areas where action is already being taken — i.e. the fight against cancer, AIDS and drug addiction — and consideration for new, broader aspects of and approaches to preventive action and health policy guidelines.

¹ OJ C 198, 27.7.1991.

² OJ L 217, 6.8.1991.

Fight against cancer

223. At its meeting on 11 November the Council adopted its common position¹ with a view to adoption of the Directive amending Directive 89/622/EEC² concerning the **labelling of tobacco products**, which amplified that Directive by introducing a ban on the marketing of certain tobacco products for oral use and by extending the obligation to print specific health warnings on the unit of packaging to tobacco products other than cigarettes.

On **tobacco advertising** the Council, having received an amended proposal for a Directive from the Commission, agreed at the same meeting to continue with the proceedings concerning this proposal — providing for a ban on all advertising, except for establishments selling tobacco — in the light of the opinion to be delivered by the European Parliament.

Action to combat AIDS

224. On 4 June the Council and the Ministers for Health, meeting within the Council, adopted the Decision establishing a 1991-93 plan of action under the 'Europe against AIDS' programme. The plan provides for a whole series of actions in various areas, including prevention, information, health education, training, research, social support, counselling and medical treatment and also promotion of non-discrimination. The Commission is responsible for implementing the plan with the assistance of an Advisory Committee composed of representatives of the Member States; to do so, it can draw on the ECU 6 million appropriations estimated necessary for 1991 and 1992.

Action to combat drugs

225. At their meeting on 4 June the Council and the Ministers for Health, meeting within the Council, adopted a set of conclusions on follow-up to actions to reduce drug demand;³ these conclusions contain guidelines regarding the content of the regular report on such actions, to be drawn up by the Commission in collaboration with Member States.

At their meeting on 11 November they also adopted a resolution on the treatment and rehabilitation of drug addicts serving sentences for criminal offences,⁴ aimed at promoting exchanges of information, views and experience regarding Member States' social and health policies, and measures and actions concerning persons in penal establishments or subject to judicial supervision.

¹ 8657/91 SAN 65, PRO-COOP 81.

² OJ L 359, 8.12.1989.

³ OJ C 170, 29.6.1991.

⁴ OJ C 304, 23.11.1991.

Other action

226. On 4 June the Council and the Ministers for Health, meeting within the Council, further to their resolution of 3 December 1990 on Community action to combat the use of drugs, including the abuse of medicinal products, particularly in sport,¹ adopted a Declaration² warning athletes, and especially those chosen to compete in the Olympic Games taking place in the Community in 1992 (Albertville and Barcelona), against the harmful effects of drugs.

At their meeting on 11 November the Council and the Ministers for Health, meeting within the Council, adopted a resolution on a new theme, namely **health and the environment**,³ aimed at taking stock of the knowledge and experience available in the Member States, the Community and international organizations regarding the relationship between health and the environment.

Lastly, the same meeting adopted a resolution on **fundamental health policy choices**,³ aimed at prompting — on the basis of a report which the Commission was asked to draw up — more detailed discussions on topics falling within the Community's field of competence and warranting joint consideration, regular joint discussion and/or joint efforts to assist Member States in framing their health policies.

Consumers

227. In 1991 the Council devoted only one meeting to consumer protection policy, on 15 October. Proceedings were given over mainly to the proposals for a **Directive on general product safety**, regarding which the Council reached agreement on a common position, and for a Directive on unfair terms in consumer contracts.

DECISIONS ADOPTED BY THE COUNCIL (CONSUMER PROTECTION) IN 1991

Ehlass demonstration project designed to introduce a Community system of information on accidents involving consumer products.

228. The Council asked Member States to forward as soon as possible their national reports on the implementation of the Ehlass (European home and leisure accident surveillance system) demonstration project, which came to an end on

¹ See 38th Review, point 199.

² OJ C 170, 29.6.1991.

³ OJ C 304, 23.11.1991.

1 December 1991. It asked the Commission to submit its evaluation report at the earliest opportunity and to send the Council a proposal on the system's future by summer 1992.

The purpose of the Ehlass system is to collect information at Member State level on accidents in private life involving consumer products, in order to devise preventive action.

OTHER COMMISSION PROPOSALS EXAMINED BY THE COUNCIL (CONSUMER PROTECTION) IN 1991

Amended proposal for a Council Directive on the approximation of the laws, regulations and administrative provisions of the Member States relating to general product safety:

Council common position forwarded to the European Parliament on 14 February 1992;

Proposal for a Council Directive on unfair terms in consumer contracts;

Proposal for a Council Directive on the liability of suppliers of services;

Proposal for a Council Directive concerning comparative advertising and amending Directive 84/450/EEC concerning misleading advertising.

I — Education — Culture

Opening of Erasmus to the EFTA countries

229. On 29 October the Council concluded bilateral agreements between the EEC and the EFTA countries establishing cooperation on education and training within the context of the Erasmus programme. This cooperation is scheduled to start with the 1992/93 academic year.

The purpose of the agreements is to step up the cooperation already begun with the EFTA countries under the Comett programme, in order to increase the number of exchanges of experience and knowledge and to improve the quality of training and qualifications of European human resources.

230. At their meeting on 25 November the Council and the Ministers of Education adopted the following measures.

A resolution on education research and statistics in the European Community

The resolution concerns the need to step up efforts to establish adequate, comparable statistics on education in the European Community. It also deals with the exploitation and dissemination of the results of education research, and encourages the organization of joint projects and comparative research in all the priority areas for education cooperation.

Conclusions on quality assessment in higher education

231. The conclusions request the Commission to undertake a comparative study analysing the various methods of assessment currently applied. The study will be conducted in consultation with the representatives of the Member States, European non-governmental organizations and the OECD. The results will be submitted to the Council and the Ministers by the end of 1992.

Conclusions on cooperation for the reinforcement of mobility in higher education

The text concerns three aspects: the use of educational modules and academic credit systems which are clear and easy to implement, the mutual advantage of moving towards better coordination of university timetables and the need to improve information on courses in higher education.

Conclusions on a pilot action for multilateral school partnerships

232. Having noted that cooperation between secondary schools of the Member States helps to develop the creativity of young people and their capacity for taking initiatives and for working together across frontiers, the Council and the Ministers invite the Commission to continue developing the pilot network for school exchanges and to maintain the links with the other Community exchange activities, particularly the exchange of teachers.

The network will include up to 40 multilateral partnerships and will cover the 1992/93 and 1993/94 school years. A report to the Ministers is planned by the end of 1994.

Youth

233. On 23 July the Council adopted a Decision on the second phase of the **'Youth for Europe'** programme, which will come into effect from 1 January 1992 and which, broadly, will continue and improve on the first programme.

The amount considered necessary for the Community financing for this new phase is around ECU 25 million for the whole duration of the programme (from 1 January 1992 to 31 December 1994), including ECU 10 million for 1992.

The programme provides for direct support¹ for projects involving the exchange and mobility of young people on the basis of joint projects within the Community between groups of young people aged from 15 to 25, from two or more Member States.

Aid will be granted, on an experimental basis, for transnational projects aimed at enabling young people to take part in voluntary service activities in the education, social, cultural and environmental protection sectors.

The programme also makes provision for the continuation of Community aid for short study visits, further training and instruction and pilot projects aimed at youth workers.

234. In addition, on 26 June the Council and the Ministers adopted a **resolution on priority actions in the youth field**.

These concern:

- (i) intensification of cooperation between the structures of the Member States responsible for youth work;
- (ii) information for young people;
- (iii) stimulating the initiative and creativity of young people;
- (iv) cooperation on the training of youth workers, particularly with regard to the European dimension.

These measures will be implemented by the Member States and the Commission is invited to support them with due respect for the principle of subsidiarity at Community level.

¹ The financial aid may not exceed 50% of the total expenses incurred (travel and programme). However, in the case of disadvantaged young people, the aid may reach 75% of the total amount.

Culture

235. At their meeting on 7 June the Council and the Ministers for Culture meeting within the Council adopted the following resolutions and conclusions.

RESOLUTION ON THE TRAINING OF ARTS ADMINISTRATORS

In this resolution they agreed to give active encouragement under existing programmes to initiatives in this area at European level, involving the exchange and circulation of information, mobility and networks of training centres. In addition, they called upon the Commission to cooperate more closely with the Council of Europe and Unesco to develop concrete measures to strengthen the European dimension of such training.

RESOLUTION ON THE DEVELOPMENT OF THE THEATRE IN EUROPE

In this resolution the Ministers express their determination to encourage the theatre in Europe and to enhance its European dimension by examining jointly a series of measures concerning all levels and aspects of the theatrical world. They call upon the Commission to support work in this area.

RESOLUTION ON TEMPORARY ACCESS OF EUROPEAN ARTISTS INTO THE UNITED STATES

In this resolution the Ministers request that from the outset of the preparatory stage for implementing the new immigration law of 27 October 1990, the Government of the United States show due consideration for the proposals and wishes expressed by professional performing artists in the European Community. They consider that the freedom of movement of performing artists both within and outside the frontiers of the Community is an essential condition for the development of their careers.

CONCLUSIONS ON COPYRIGHT AND NEIGHBOURING RIGHTS

In the conclusions the Ministers take note of the follow-up to the 1988 Green Paper on copyright and request in particular that in the context of the harmonization of copyright and neighbouring rights and while respecting the provisions of the Treaty, the capacity of the Member States to preserve the balance of creative and artistic activity, particularly in limited geographical or linguistic distribution areas, should not be jeopardized. They also request that allowance be made for the consequences which adoption of normative measures would have on the conditions of the exercise

of the rights granted for the holders of these rights. Lastly, they invite the Commission to make a study of the conditions of the administration of these rights.

236. At their meeting on 14 November the Council and the Ministers adopted the resolutions and conclusions referred to below.

RESOLUTION ON EUROPEAN CULTURAL NETWORKS

In this resolution the Council and the Ministers agree to encourage active participation of cultural organizations of their countries in non-governmental cooperation on a European scale. They also invite the Commission to present an inventory of such networks and to explore, together with the Member States, the extent to which these networks could play an enhanced role in future cultural action.

RESOLUTION ON ARRANGEMENTS CONCERNING ARCHIVES

In this resolution the Council and the Ministers invite the Commission to set up a group of experts appointed by the Member States to examine the possibility of coordinating archives policy and practice more closely amongst the Member States, and to submit a progress report on the group's work to the Council by the end of 1992.

CONCLUSIONS ON THE PROMOTION OF THEATRICAL EVENTS IN 1993

The Ministers noted that 1993 would be the anniversary of the deaths of Carlo Goldoni and Christopher Marlowe and made provision for the organization in the Member States during that year of a series of events connected with the theatre.

The Commission was invited to cooperate in preparing those events.

Chapter IV

External relations and development cooperation

A — Commercial policy

Uruguay Round and other GATT activities

237. Following the Uruguay Round Ministerial Conference in December 1990¹ the GATT multilateral trade negotiations continued throughout 1991 to be the Community's first priority in international economic relations. As the world's leading commercial power, the Community is more than ever committed to an open multilateral trading system and convinced of the need to strengthen and adapt the system to the major challenges of the end of the century if business is to be carried on within a framework of rules and constraints that are well-founded, reliable and non-arbitrary.

On the basis of reports from the Commission, the General Affairs Council, the Agriculture Council and the European Council reviewed the progress of the negotiations at regular intervals. The Council constantly reiterated its firm commitment to the Uruguay Round being concluded at an early date with a package of substantial, balanced achievements in keeping with the principles of globality and consensus underlying the negotiations. The Council considers that this package should cover the rules and constraints of the GATT, market access, agriculture, textiles, services, protection of intellectual property and an institutional strengthening of the GATT system to prevent the use of unilateral measures by any partner whatsoever. The Council established the political guidelines and incentives necessary to enable the Commission, as the Community's negotiator, to continue and expand its action, both multilaterally and bilaterally, to ensure progress on the various aspects of the negotiations.

Recognizing the extent and complexity of the problems to be resolved and the special responsibilities of not only the Community but also the other major partners in

¹ See point 212 et seq. of the 38th Review.

developing world trade, the Council encouraged and supported the efforts of the Community negotiator to try to overcome, with the United States in particular, the divergence of interests on the more sensitive issues, including agriculture and services, with a view to easing the multilateral process which continues to be the only way ahead.

238. In the actual negotiations this approach was reflected in the Community's determined support for the efforts which the GATT Director-General, Mr Dunkel, made at the beginning of the year to create the conditions for a resumption of the talks as a whole. This was achieved in February, following which the Community played an active part in the clarification and examination of the technical aspects of the negotiations pending the renewal by the United States Congress of the fast-track procedure enabling the US negotiators to continue the substantive negotiations.

In mid-1991 the negotiations entered a decisive phase marked by intensive bilateral and multilateral activities in the light of the commitment given at the highest level, notably at the European Council in June 1991 and the G7 Summit in London in July 1991, to make every effort to conclude the negotiations by the end of the year. In accordance with a structure and a timetable drawn up by Mr Dunkel as Chairman of the Trade Negotiations Committee, all energies were concentrated on the preparation of draft texts for inclusion in the overall draft ('final act') covering all subjects of the negotiations. Throughout this phase the Community increased its efforts and initiatives to clear the way for substantive, balanced and realistic compromises.

In a number of cases it proved possible for the texts to be negotiated between the participants. In others, however, especially on the more sensitive subjects such as agriculture, services, industrial subsidies and dumping, the differences between the participants' interests proved to be insurmountable, despite attempts at compromise made at the highest level, in particular between the Community and the United States at the transatlantic summit meeting in The Hague in early November.

This led Mr Dunkel to take the initiative of submitting texts under his own responsibility as part of an overall draft (with the exception of market access for industrial goods and the initial commitments concerning liberalization of services). This draft final act was put to the participants on 20 December.

This document was given a tentative examination by the General Affairs Council at its meeting on 23 December, on the basis of an initial assessment by the Commission. The Council focused on the results which Mr Dunkel had proposed for agriculture. It took the view that, in so far as the document called into question the foundations of the common agricultural policy, it was unacceptable and would have to be amended. The Community had embarked on a far-reaching process of reforming the common agricultural policy and it was from this point of view that Mr Dunkel's proposal was examined. Referring to the other parts of the document, the Council accepted that it contained some positive features as it stood, but thought it

unbalanced as a whole. The Council therefore asked the Commission to negotiate the necessary improvements.

The Council expressed the view that some of the major trading partners, especially the United States and Japan, should make genuine efforts to ensure greater mutual benefits for all participants.

239. At the same time as the Uruguay Round negotiations, the Community took an active part in GATT's usual work and in the launching of new discussions enabling GATT to keep in step with developments in the economic situation. It played a constructive role in the prolongation of the MFA regime for textiles pending the conclusion of the Uruguay Round, and made specific proposals in the negotiations to establish a multilateral consensus on steel and to reinforce and expand the Code on Government Procurement. Attention should also be drawn to the Community's efforts to stimulate a debate within GATT on problems relating to trade and the environment and its support for the Central European countries belonging to GATT in renegotiating their conditions of membership or obtaining temporary measures to help them adapt to the market economy.

The system for settling disputes remained at the centre of GATT discussions because of a number of disputes between various parties. Oilseeds are a case in point. Following the panel's recommendations, which were adopted by the GATT Council at the beginning of 1990, the Community established at the end of 1991 new support arrangements that would be in line with the General Agreement. The United States, however, challenged the Community's new arrangements and asked for the panel to be reconvened to consider whether they were in conformity with its original conclusions. The Community agreed to the panel being reconvened.

Sectoral problems

STEEL

240. After examining the general situation in the steel industry the Council decided, in agreement with the Commission, to continue in 1991 the external measures in force in 1990, where justified by circumstances, in order to guarantee stability in trade and prevent distortion of competition. The decision taken by the Council on 8 April on the new round of steel negotiations with third countries envisaged unaltered quantities of steel products allowed into the Community. However, quantities for import into Germany were increased to take account of German unification. The Council also provided for the possibility of continuing the exchange of letters with Korea providing for consultations and proposed a similar mechanism for Brazil for trade in pig iron. Internally, flexibility was improved in the administration of the quantitative levels.

The decisions taken by the Council on 25 February to authorize the Commission to negotiate improved access to the Community market for ECSC products originating in Bulgaria and Czechoslovakia, and the decisions taken on 25 November for Romania, supplemented the general agreements on trade and commercial and economic cooperation already negotiated with these countries. The decisions envisaged a lifting of the national quantitative restrictions still applied by certain Member States.

SHIPBUILDING

241. In accordance with the negotiating directives adopted by the Council on 27 July 1990, the Commission continued to participate in the negotiations in the OECD for an international agreement on adherence to normal and fair conditions of competition in the commercial shipbuilding and ship repair sectors. The appropriate Council bodies were kept regularly informed of developments in this sector.

TEXTILES

242. Since the Uruguay Round was not concluded at the Heysel Conference in December 1990 and consequently it was not possible to set up a new textiles regime, on 14 May the Council adopted a set of negotiating directives enabling the Commission to participate in the negotiations in the GATT on the prolongation of the fourth Multifibre Arrangement (MFA IV), which would otherwise have expired on 31 July 1991. The mandate stipulated that the Commission should seek to negotiate a 17-month extension of the MFA and at the same time negotiate a 12-month prolongation of the bilateral textile agreements negotiated under the MFA IV and due to expire at the end of 1991.

The outcome of the multilateral negotiations was a 17-month extension of the MFA IV and this result was approved by the Council on 25 November 1991. The ensuing bilateral negotiations lasted until the end of the year and the results of these negotiations as well as the common rules on imports that transpose the results of the negotiations into Community law were adopted by the Council on 19 December.

Completion of the single market being only a year away, the provisions concerning the inter-regional transfer possibilities in the bilateral textile agreements had to take account of this fact. Consequently, the Council on 1 October mandated the Commission to introduce a substantial increase in these transfer possibilities, once the abovementioned prolongation of the agreements had been negotiated.

In parallel with the MFA negotiations, the Council on 28 October also gave a negotiating directive to the Commission to enter into negotiations with the preferential countries and Bulgaria (not an MFA signatory) on an extension of the ar-

rangements concluded with these countries. In view of developments in Yugoslavia, however, the Council decided provisionally to exclude that country from the mandate.

While these stopgap negotiations were taking place, and in line with the mandate adopted on 4 December 1990,¹ the Commission negotiated adaptations of the bilateral textile agreements with third countries to take account of German unification. The results of these negotiations were adopted by the Council on 16 December.

243. The negotiations on the Association Agreements also continued and here too an interim solution had to be found to bridge the gap between the expiry of the bilateral agreements and the entry into force of the Association Agreements. On 8 July the Council gave directives to the Commission to negotiate interim agreements with Poland, Hungary and Czechoslovakia, which would give these countries improved access to the Community market without prejudging the final outcome of the association negotiations in the area of textiles.

The results of these negotiations were adopted by the Council on 19 December together with the decision on the prolongation of the other bilateral agreements.

In the framework of the Phare programme the Council on 7 October adopted directives for the Commission to open negotiations on modifications of the textile agreements with Bulgaria and Romania. Increases in the quantitative restrictions for 1991 and 1992 for these two countries were adopted by the Council on 19 December.

The autonomous regime concerning Taiwan was likewise adapted on 16 December to take account of German unification. It was extended to cover 1992 on 19 December. Then the Council took the opportunity to signal to Taiwan its dissatisfaction with the treatment accorded to certain Community exports in that country. Consequently, and in contrast to the decision taken in the case of the bilateral agreements, the Council reduced the quantities for 1992 until such time as this unfavourable situation for Community exports was remedied.

Commercial policy instruments

244. In the context of administering the existing anti-dumping rules (Council Regulation (EEC) No 2423/88 of 11 July 1988) the Council took decisions on a number of Commission proposals, most of them concerning the introduction of definitive anti-dumping duties on products imported into the Community such as pocket lighters, urea, television receivers and video cassettes.

¹ See point 219 of the 38th Review.

In accordance with its Decision 69/894/EEC, the Council gave authorization, on proposals from the Commission, for the extension or tacit renewal for one year of certain trade agreements between Member States and third countries. It also authorized the tacit renewal or maintenance in force of certain friendship, trade and navigation treaties and similar agreements between Member States and third countries.

On 19 December the Council adopted Regulation (EEC) No 3918/91¹ amending Regulation (EEC) No 2603/69 establishing common rules for exports. With a view to the creation of the single market, the Regulation updates the previous Regulations by removing nearly all the restrictions still in force and introduces the principle of total liberalization on 31 December 1992.

Fairs and exhibitions

245. As in previous years the Council's subordinate bodies were involved in preparations for the fairs and exhibitions in which certain Member States and the Commission of the European Communities were to take part.

The purpose of this involvement is to maintain the Community's image in the international exhibitions registered with the International Exhibition Bureau (BIE). Member States taking part in such events do so in a Community context as far as possible.

In 1991 preparations were in particular made for the Community's participation in the Seville World Fair and the Genoa Specialized International Exhibition in 1992.

Talks continued on the possibility of Community participation in the Taejon Exhibition in South Korea from August to November 1993.

B — Relations with the industrialized countries

Relations with the EFTA countries

246. Negotiations with the EFTA countries (Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland) to set up a European Economic Area (EEA) proceeded intensively throughout 1991, with EEC-EFTA ministerial meetings on 14

¹ OJ L 372, 31.12.1991.

May (Brussels), 18 June (Luxembourg) and 21 October (Luxembourg). At the last ministerial meeting a political agreement was reached on the whole of the draft EEA Agreement.

On 14 December 1991, in response to a request from the Commission, the Court of Justice delivered its Opinion 1/91 in which it concluded that the system of judicial control envisaged in the draft EEA Agreement was incompatible with the Treaty of Rome. The Commission was accordingly instructed to negotiate the necessary changes with the EFTA countries.

The EEA Agreement aims to create a homogeneous economic area based on the Community's internal market legislation. The EFTA countries would take over the relevant *acquis communautaire* developed over 30 years concerning the free movement of goods, persons, services and capital. Generally speaking, they would do so immediately, but in some cases there would be transitional periods.

247. While linking the EFTA countries to the Community's internal market, the EEA Agreement is designed in such a way as to avoid infringing the freedom of the Community and the EFTA countries to take their own decisions. A procedure is laid down to enable future Community legislation to develop in complete freedom and to make it easier for such legislation to be taken over at EEA level, and a process of extensive information and consultation will ensure that the views of the EFTA countries are taken into account.

The EEA Agreement provides for stronger cooperation between the Community and EFTA in what are known as 'flanking policies' (research and development, environment, education, training and young people, social policy, consumer protection, small and medium-sized undertakings, tourism, the audiovisual sector and civil protection).

It will help reduce economic and social disparities between regions through the arrangements drawn up for agriculture and fisheries and the establishment by the EFTA countries of a five-year financial mechanism involving ECU 1.5 billion in soft loans and ECU 500 million in grants for Spain, Portugal, Ireland and Greece.

It also establishes a political dialogue between the Twelve and the EFTA countries. Regardless of the accession prospects of particular partners, the European Economic Area will make a major contribution to the way the continent of Europe is organized.

248. On 1 July Sweden lodged an application for accession to the three Communities. At its meeting on 29 July the Council decided to initiate the procedures laid down in the Treaties, whereby the Commission is required to formulate an opinion.

On 2 August the Commission sent the Council a positive opinion on Austria's application.

Relations with non-European industrialized countries

UNITED STATES

249. Relations with the United States in 1991 were marked, on the **political** front, by a constructive and successful dialogue in the framework of the Transatlantic Declaration approved by the two parties in 1990. A number of joint declarations were issued (on Yugoslavia, the Middle East, Eastern Europe and the USSR) and two meetings took place, in April and November, between the Presidents of the European Council and the Commission and the President of the United States.

On **trade** matters, the Uruguay Round continued to dominate relations as both partners, recognizing their particular role on the world economic stage, sought to achieve a successful conclusion following the setback of the Heysel meeting in December 1990. The Community continued to call on the United States to refrain from resorting to unilateral measures to solve trade disputes with its partners and, in the context of an overall conclusion to the Uruguay Round, to drop the controversial protectionist sections of the Trade Act (Section 301, 'super 301', 'special 301' and Section 337).

250. While on the whole trade continued to expand between the Community and the United States, a number of specific disputes arose and were examined on a regular basis, notably:

Airbus: Member States' support for the Airbus programme came under attack from the United States, which decided in February to discontinue bilateral talks and open GATT procedures under the Subsidies Code against the German exchange-rate scheme. This was followed by a United States decision to open GATT procedures on the broader question of Member States' support for Airbus in general.

Oilseeds: Following the findings of the GATT panel requested by the United States on the functioning of the Community's oilseeds regime, the Community adopted measures in the context of the 1991/92 agricultural campaign to bring the regime into line with the panel's conclusions.

Tuna imports: The United States Marine Mammal Protection Act, designed to protect different species, particularly dolphins, provides for trade sanctions against countries failing to observe certain standards of protection. This legislation was amended to allow the trade embargo to be extended to yellowfin tuna products from intermediary nations from May 1991. The extension of the legislation affected two Member States (France and Italy). A GATT panel set up at the request of Mexico found the United States' embargoes illegal. While supporting the environmental concern of the United States, the Community considered that the matter should be

resolved in the multilateral context. The Community was concerned at the wider implications, both in terms of the link between trade and the environment and in terms of the extraterritorial aspects of the United States' measures.

Hormones: The United States continued to apply unilateral, GATT-illegal duties on a series of products from the Community in retaliation against the hormones Directive, although the level of these measures was reduced slightly following the resumption of hormone-free meat exports on a limited scale.

JAPAN

251. Relations between the Community and Japan took a major step forward with the Joint Declaration approved by the two parties in The Hague in July 1991. According to the terms of the Declaration, the two sides are committed to informing and consulting each other on major international issues of common interest in political, economic, scientific, cultural or other areas. They are also committed to strengthening their cooperation and exchange of information within international organizations, and likewise to consulting together on international and regional matters with a view, in particular, to joining their efforts to bring about an easing of tension and ensure respect for human rights.

Among other areas of cooperation, the Declaration specifically mentions: policy coordination on international issues of peace and stability (e.g. non-proliferation of nuclear, chemical and biological weapons); the sound development of the world economy and trade through the further strengthening of the open multilateral trading system; equitable access to their respective markets and removing obstacles, whether structural or other, impeding the expansion of trade and investment, on the basis of comparable opportunities.

In order to provide the appropriate framework for dialogue and consultations, the Declaration foresees annual meetings between the Presidents of the European Council and of the Commission and the Japanese Prime Minister. A similar meeting is also foreseen at ministerial level between the Japanese Government and the Commission, as well as six-monthly meetings at foreign minister (troika) level with the Japanese Foreign Minister and regular briefings in the framework of political cooperation.

The agreement on the Joint Declaration was even more timely against the background of a worsening trade gap between the Community and Japan, which reached USD 28 billion in 1991. The Council closely followed and encouraged attempts by the Commission to obtain improved access to Japanese markets, both through the Uruguay Round tariff negotiations and in bilateral contacts for a number of specific products such as processed foodstuffs, leather and leather footwear and services such as lawyers. In addition, the Commission was encouraged to pursue its efforts to break down Japanese structural obstacles to trade, particularly following United States initiatives in this area.

Finally, a mutually acceptable solution was found with Japan for the progressive and full liberalization of the Community import regime for motor vehicles, with avoidance of market disruption, over the period 1991 to 1993.

CANADA

252. Relations with Canada operate within the 1976 Framework Agreement for commercial and economic cooperation on the one hand, and in the context of the 1990 Transatlantic Declaration on EC-Canada relations on the other. The latter led to a meeting in April 1991 between the Presidents of the Council and of the Commission and the Prime Minister of Canada.

A number of bilateral issues gave rise to problems during 1991, in particular in the area of **alcoholic beverages** (implementation of the GATT panel regarding the removal of Canadian discriminatory practices; recognition and protection of wines and spirits appellations) and the unjustified Canadian **countervailing duty on beef**.

As regards Canadian policy on **uranium exports and processing**, a successful agreement was reached between Canada and the Community following GATT Article XXII consultations.

SOUTH KOREA

253. The Commission submitted for approval by the Council the results of negotiations with Korea whereby the latter introduced legislation securing appropriate protection for pharmaceutical and agrochemical products as well as for software and other copyright works from Member States. This settlement put an end to discriminatory treatment of Community patent-holders which was the reason for the temporary suspension of GSP benefits to Korea in 1987.

OTHER COUNTRIES

254. Trade problems between the Community and other major industrialized countries are discussed both in the multilateral framework and bilaterally in the course of high-level consultations held at regular intervals between the Commission and these countries. The Council is kept regularly informed of such consultations.

C — Relations with the USSR and its republics and with the countries of Central and Eastern Europe

Relations with the USSR and its republics

255. Following the European Council in Rome in December 1990 the Council set up new instruments to assist the Soviet Union to cope with the rapid developments in the internal situation and in order to support the process of political and economic reform and transition to a market economy.

Satisfying the food requirements of the USSR was at the forefront of Community concerns. On 5 March the Council adopted a Regulation on the free supply of food aid to the USSR worth ECU 250 million.¹ It also decided to grant a three-year credit guarantee to enable the USSR to import agricultural products and foodstuffs from the Community worth ECU 500 million.² It should be noted that provision was made in connection with this credit guarantee for the USSR also to make purchases in the countries of Central and Eastern Europe and in the Baltic States for up to 25% of the credit available ('three-way transactions').

Another area of priority action relating to the USSR was that of technical assistance. Under the Regulation adopted by the Council on 15 July³ it was established that technical assistance to the USSR involving a budget of ECU 400 million for 1991 would be developed in the priority fields of public and private sector management training, financial services, energy, transport and foodstuffs distribution.

Community support for the USSR also took the form of commercial measures to enable the country to increase its exports to the Community. In this connection, on 15 July the Council approved a Regulation bringing forward to 1 August 1991 the dismantling — already planned to take place gradually in the 1989 Agreement with the USSR — of the remaining specific quantitative restrictions still applicable to imports into the Community of certain products originating in the USSR.³

Finally, in the energy sector, on 17 and 18 June the Council authorized the Commission to negotiate three Agreements for cooperation between Euratom and the USSR in the fields of controlled nuclear fusion, nuclear safety and matters connected with the exchange of nuclear materials between the parties.

¹ OJ L 67, 14.3.1991.

² OJ L 158, 22.6.1991.

³ OJ L 201, 24.7.1991.

256. The abortive August coup in the USSR prompted the Community — which had suspended its economic aid on 20 August and immediately reinstated it once the coup had failed on 22 August — to step up its cooperation with this country in order to help stabilize the Union and the republics.

In the face of the break-up of the Soviet Union the Community and its Member States adopted guidelines on 16 December on the recognition of new States in Eastern Europe and in the Soviet Union, which involved:

- (i) respect for the provisions of the United Nations Charter and the commitments subscribed to in the Helsinki Final Act and in the Charter of Paris, especially with regard to the rule of law, democracy and human rights;
- (ii) guarantees for the rights of ethnic and national groups and minorities in accordance with the commitments subscribed to in the framework of the CSCE;
- (iii) respect for the inviolability of all frontiers, which can only be changed by peaceful means and by common agreement;
- (iv) acceptance of all relevant commitments with regard to disarmament and nuclear non-proliferation as well as to security and regional stability;
- (v) commitment to settle by agreement, including where appropriate by recourse to arbitration, all questions concerning State succession and regional disputes.

257. In the face of continuing urgent food requirements, the Community decided to grant a medium-term loan of ECU 1 250 million to the USSR and its constituent republics in order to finance imports of agricultural and food products and medical supplies. The granting of this loan — which is accompanied by certain conditions relating *inter alia* to joint and several recognition of the Soviet Union's earlier debt, the servicing of that debt and the derogation from the sovereign immunity clause — was the subject of a Regulation adopted by the Council on 16 December.¹ As in the case of the credit guarantee of ECU 500 million, the Council once again decided that part of the amount granted could be used for triangular operations, the percentage in this case being increased to 50%.

Moreover, in view of the precarious food-supply situation, in Moscow and St Petersburg in particular, the Council — pursuant to the conclusions of the European Council in Maastricht — approved on 19 December an emergency food-aid plan involving a total of ECU 200 million² to help the populations of these two cities and other towns in Russia. A task force made up of experts from the Commission and the Member States and operating on the spot in cooperation with the local authorities was set up to ensure that these operations ran smoothly. The products were put on sale through local commercial channels by allocating them to private operators with a view to encouraging the setting-up of a free market and the stabiliz-

¹ OJ L 362, 31.12.1991.

² OJ L 356, 24.12.1991.

ation of prices; the sales yield was intended for the setting-up of counterpart funds, which were used to help the most needy sectors of the population with a low purchasing power (pensioners, orphans, etc.).

Countries of Central and Eastern Europe

258. The Community stepped up its cooperation with the countries of Central and Eastern Europe in order to show its solidarity with them in the face of the events of August 1991 in Moscow.

On 30 September the Council made the necessary adjustments to the negotiating brief for the conclusion of European Association Agreements with Poland, Hungary and Czechoslovakia. These Agreements were signed in Brussels on 16 December together with interim Agreements intended to implement trade provisions pending completion of the procedures for ratification of the aforementioned European Agreements. The principle of also concluding European Agreements with Bulgaria and Romania was agreed on by the Council on 30 September and 16 December, and this enabled the Commission to embark on exploratory talks with these two countries before the end of the year.

The European Agreements, which are based on the gradual setting-up of a free trade area and are designed to bring about progress towards the three other freedoms, also institutionalize a political dialogue. They consolidate the partners' ties with the Community and constitute one of the major features of the new architecture of Europe. In the preambles to the Agreements it is recognized that the ultimate aim of the associated countries is to become members of the Community, and that association will help them to achieve this objective.

Throughout the year, the Community also continued its measures to help the countries of Central and Eastern Europe by implementing a consistent set of measures to support the process of political and economic reform and the transition of these countries to a market economy.

These efforts by the Community took the form of strengthening the Phare programme, which was endowed with ECU 785 million in 1991 and by further food-aid measures in cases where this proved necessary.

The Council accordingly decided on 5 March to implement an urgent action for the supply to Romania and Bulgaria of donations of agricultural and medical products worth ECU 100 million, of which ECU 20 million was devoted to the supply of medical products.¹

¹ OJ L 67, 14.3.1991.

259. The Council also decided on several operations to provide financial assistance to these countries, which were able to receive the following balance-of-payment loans:

Czechoslovakia	ECU 375 million (25 February); ¹
Bulgaria	ECU 290 million (24 June); ²
Hungary	ECU 180 million (24 June); ²
Romania	ECU 375 million (22 July). ³

Moreover, by deciding on 14 May to grant the Community budget guarantee for a maximum amount of ECU 700 million,⁴ the Council enabled the EIB to extend the loan facility — which already existed for Poland and Hungary — to the financing of investment projects in Bulgaria, Romania and Czechoslovakia as well.

Finally, the Council adopted other measures to help these countries in various areas, e.g. the possibility as from November 1991 of participating in specific Community programmes in the research field.

The Baltic States

260. Following the events of 20 August in Moscow the Community and its Member States confirmed their decision regarding immediate restoration of diplomatic relations with the Baltic States. Following a meeting with the Ministers for Foreign Affairs of these three countries on the occasion of the Council on 6 September, the Community's political and economic support took the form of a number of measures in the fields of cooperation and humanitarian aid, as follows.

At its meeting on 30 September and 1 October the Council recorded its agreement in principle to including the three Baltic States, as from 1 January 1992, in the Phare programme and the coordinated assistance of the G24, and among the beneficiaries of the Community's system of generalized preferences. The Council also requested the Commission to expedite the procedures for drawing up an initial package of technical assistance measures for these countries under the Regulation adopted on 15 July for the USSR.

On 4 November the Council adopted negotiating directives for the conclusion of traditional trade and cooperation agreements which would eventually constitute the basis for embarking on European Association Agreements. The agreement with Lithuania (the only one of the three countries to possess nuclear installations) will also cover Euratom products.

¹ OJ L 56, 2.3.1991.

² OJ L 174, 3.7.1991.

³ OJ L 208, 30.7.1991.

⁴ OJ L 123, 18.5.1991.

On 23 December the Council adopted three Regulations to assist the Baltic States: one on the extension of the Phare programme to these States,¹ the second on the elimination or suspension of quantitative restrictions² and the third to implement a food-aid action to cover 50% of food requirements between now and the next harvest, i.e. a total of ECU 45 million² while the principle of a second instalment has already been accepted.

Albania

261. In the light of developments in Albania, which has chosen to abandon its voluntary isolation and is facing a serious economic situation, the Community has granted sizeable humanitarian aid to its neighbour and at the same time decided to establish diplomatic relations for cooperation with that country.

With regard to humanitarian aid, following an initial measure involving ECU 1.5 million decided on by the Commission during August, another food-aid measure to help Albania was decided on by the Council on 1 October involving the supply of 100 000 tonnes of cereals (bread-making common wheat worth ECU 10 million).³ Since the food situation was still critical at the end of the year the Council on 23 December allocated food aid worth ECU 35 million to Albania² with a view to satisfying 50% of food requirements between that time and the next harvest, and the principle of a second instalment has already been accepted.

Regarding the establishment of contractual relations and economic and commercial cooperation, on 23 September the Council authorized the Commission to negotiate an initial conventional trade and cooperation agreement with Albania, of the same kind as that negotiated with the Baltic States, and adopted a negotiating brief to that end.

On 30 September the Council decided on the principle of including Albania among the beneficiaries of the Phare programme and the system of generalized tariff preferences as from 1992, and the relevant Regulations were adopted at the end of the year.¹

Also on 23 December 1991 the Council adopted a Regulation concerning the elimination or suspension of the quantitative restrictions affecting this country.²

¹ OJ L 357, 28.12.1991.

² OJ L 362, 31.12.1991.

³ OJ L 280, 8.10.1991.

D — Development cooperation

262. The Council (Development Cooperation) met three times in 1991, on 27 May, 7 and 8 July (informal meeting at Apeldoorn, the Netherlands) and on 28 November. At these meetings the following matters *inter alia* were dealt with.

Human rights, democracy and development cooperation policy

263. On 28 November the Council and the representatives of the Member States meeting within the Council adopted a resolution the full text of which is, in view of its importance, reproduced here.

‘1. The Council recalls the European Council resolution of 29 June 1991 which stated that respect for human rights, the rule of law and the existence of political institutions which are effective, accountable and enjoy democratic legitimacy are the basis for equitable development. It also recalls the 1986 Declaration of Foreign Ministers of the Community on Human Rights (21 July 1986) and reaffirms that respecting, promoting and safeguarding human rights is an essential part of international relations and one of the cornerstones of European cooperation as well as of relations between the Community and its Member States and other countries. In this regard it stresses its attachment to the principles of representative democracy, of the rule of law, of social justice and of respect for human rights.

2. The Council shares the analysis contained in the Commission’s communication of 25 March 1991 and acknowledges that human rights have a universal nature and it is the duty of all States to promote them. At the same time, human rights and democracy form part of a larger set of requirements in order to achieve balanced and sustainable development. In this context, account should be taken of the issue of good governance as well as of military spending.

The Council considers it important that the Community and its Member States should have a common approach aimed at promoting human rights and democracy in developing countries. Such an approach would improve the cohesion and consistency of initiatives taken in this field. The objective of the present resolution is to formulate concrete guidelines, procedures and lines of action.

3. The Community and its Member States recognize the necessity of a consistent approach towards human rights, democracy and development in their cooperation with developing countries. Development cooperation is based on the central place of the individual and has therefore in essence to be designed with a view to promoting — in parallel with economic and social rights — civil and political liberties by means of representative democratic rule that is based on respect for human rights. They endorse, on the basis of these principles, the following approaches, instruments and activities.

4. The Community and its Member States will give high priority to a positive approach that stimulates respect for human rights and encourages democracy. An open and constructive dialogue between them and the governments of developing countries can make a very important contribution to the promotion of human rights and democracy. Various initiatives can be undertaken, for example, through active support for:

- (i) countries which are attempting to institute democracy and improve their human rights performance;
- (ii) the holding of elections, the setting-up of new democratic institutions and the strengthening of the rule of law;
- (iii) the strengthening of the judiciary, the administration of justice, crime prevention and the treatment of offenders;
- (iv) promoting the role of NGOs and other institutions which are necessary for a pluralist society;
- (v) the adoption of a decentralized approach to cooperation;
- (vi) ensuring equal opportunities for all.

At the request of the Commission or one of the Member States, the possibility of increased assistance to developing countries in which substantive positive changes in human rights and democracy have taken place will be examined.

5. The Council stresses the importance of good governance. While sovereign States have the right to institute their own administrative structures and establish their own constitutional arrangements, equitable development can only effectively and sustainably be achieved if a number of general principles of government are adhered to: sensible economic and social policies, democratic decision-making, adequate governmental transparency and financial accountability, creation of a market-friendly environment for development, measures to combat corruption, as well as respect for the rule of law, human rights, and freedom of the press and expression. The Community and Member States will support the efforts of developing countries to advance good governance and these principles will be central in their existing or new development cooperation relationships.

6. While, in general, a positive and constructive approach should receive priority, in the event of grave and persistent human rights violations or the serious interruption of democratic processes, the Community and its Member States will consider appropriate responses in the light of the circumstances, guided by objective and equitable criteria. Such measures which will be graduated according to the gravity of each case could include confidential or public *démarches* as well as changes in the content or channels of cooperation programmes and the deferment of necessary signatures or decisions in the cooperation process or, when necessary, the suspension of cooperation with the States concerned.

The Member States and the Commission will exchange immediate information concerning such measures and consider joint approaches in reaction to violations. They

will be informed in such cases through the EPC communications network and particular cases may be further discussed within the Council framework.

7. The Community's response to violations of human rights will avoid penalizing the population for governmental actions. Rather than simply discontinuing development cooperation, the Community and the Member States may adjust cooperation activities with a view to ensuring that development aid benefits more directly the poorest sections of the population in the country, for example through non-governmental or informal networks, while at the same time establishing a certain distance *vis-à-vis* the government concerned. Such adjustment will focus on the choice of partners of projects and of the type of cooperation programmes. In all cases, however, humanitarian and emergency aid, which directly benefit vulnerable populations, will continue to be made available.

8. The Council welcomes the efforts undertaken in recent years by developing countries to move towards democracy. It is recognized that governments have to build the political, economic and social structures to support democracy and that this is a gradual process which will sometimes take a relatively long period. The Community and its Member States will support the process and hold regular informal exchanges of views on the best possible course of action in order to achieve lasting results as speedily as possible.

9. The Council attaches very great importance to the question of military spending. Excessive military expenditure not only reduces funds available for other purposes, but can also contribute to increased regional tensions and violations of international law as well as often being meant and used for purposes of internal repression and denial of universally recognized human rights.

Moreover, in a period in which donor countries are engaged in a process leading to levels of armament not exceeding sufficiency levels, development cooperation with governments which maintain much larger military structures than needed will become difficult to justify. In the dialogue with their partners in developing countries, the Community and its Member States will stress the negative effects of excessive military spending on the development process. They will consider adopting concrete measures in their cooperation in order to encourage developing countries to reduce their military expenditure, which is often excessive in relation to their legitimate security needs, and simultaneously to implement development projects of an economic and social nature, with particular emphasis on the education and health sectors. With this in mind, they may consider increasing support for countries which achieve substantial reductions in their military expenditure, or reducing support for countries which fail to do so. The Council recognizes the need for restraint and transparency in the transfer of conventional weapons to developing countries. It will further examine the question of military spending by developing countries along these lines. The Community and its Member States will request countries with which development cooperation relationships are maintained to cooperate voluntarily with the new UN register of arms transfers.

10. The Community and its Member States will explicitly introduce the consideration of human rights as an element of their relations with developing countries; human rights clauses will be inserted in future cooperation agreements. Regular discussions on human rights and democracy will be held, within the framework of development cooperation, with the aim of seeking improvements.

In order to facilitate timely support by the Community for initiatives in developing countries aiming at the promotion of respect for human rights and the encouragement of democracy and good governance it is intended to expand resources devoted to these ends within the overall allocations available for development. Sound activities in Third World countries promoting human rights and democracy, both by governments and by non-governmental entities, will be eligible for financial support. The Community and its Member States undertake in addition to integrate the promotion of respect for human rights and the advancement of democracy in their future cooperation programmes.

The Commission will transmit an annual report to the Council on the implementation of this resolution.

In addition to the consultations and meetings which can be convened as stipulated in paragraphs 4, 5 and 6, a meeting will be held annually by representatives of the Commission and Member States to consider policies and specific lines of action to further enhance respect for human rights and establishment of representative democratic rule.

Development cooperation with NGOs

264. On 27 May the Council adopted a resolution in which it noted the extremely positive record of such cooperation since 1976 and acknowledged the major role played by non-governmental organizations (NGOs) in the development field.

The Council expressed the hope that the constant increase in appropriations allocated to NGOs within the context of resources set aside for development would continue in the years to come.

Use of counterpart funds

265. A resolution on the principles that should guide the use of counterpart funds generated by the various development assistance instruments was adopted at the Development Council meeting held on 27 May. This resolution starts off by noting the increasing volume of such funds. It stresses the need to take account of this fact in the context of the adjustment policies pursued by a large number of developing countries. The Council also emphasized the importance of strengthening Commu-

nity coordination and coordination with other providers of funds, in particular the World Bank and the IMF, in this sphere.

In using counterpart funds, the Community will give priority to the social dimension of adjustment, in particular by ensuring an adequate cover for the education and health sectors and by paying particular attention to the protection of the environment.

Emergency aid

266. On 28 November the Council adopted a resolution which begins by reaffirming its resolution of March 1977 on the coordination of Community and Member States' emergency and humanitarian aid, completed by the modalities adopted on 28 November 1977. The resolution goes on to stress the importance of coordination as a means of increasing the effectiveness of emergency aid and underlines the need for close coordination with the UN in efforts to strengthen the international response to emergency situations. Measures should be taken by the Commission and the Member States to ensure amplified coordination efforts on the ground, including the use of military logistic facilities.

Financial and technical assistance to and economic cooperation with the ALA developing countries

267. At its meeting on 28 November 1991 the Council adopted a joint guideline on the basic Regulation relating to financial and technical assistance to and economic cooperation with the developing countries of Latin America and Asia (ALA).

While confirming traditional fields of action the Regulation also covers new priorities relating in particular to the environment, the human dimension of development and the promotion of human rights and economic cooperation.

The Council's joint guideline was subsequently forwarded to the European Parliament, which had requested the opening of a consultation procedure on the matter.¹

Tropical forests

268. At its May meeting the Council noted a report from the Commission on the preparation by the Brazilian Government, in cooperation with the World Bank and

¹ The Regulation, as amended following this consultation, was adopted by the Council on 25 February 1992 (Regulation (EEC) No 443/92, OJ L 52, 27.2.1992).

the Commission, of a pilot programme to combat the destruction of the Brazilian forests. The Council confirmed the importance it attached to the rational management and conservation of tropical forests, in the interests of the countries of both North and South.

EC investment partners

269. On 28 November the Council adopted a joint guideline on the draft Regulation implementing the 'EC investment partners' financial facility for a further three-year period. This facility is designed to promote mutually beneficial investment by economic operators in the Community, particularly in the shape of joint ventures with local operators in countries in Latin America, Asia and the Mediterranean.

The Council's joint guideline was subsequently forwarded to the European Parliament under the consultation procedure.¹

Fact-finding missions to Ethiopia and Bangladesh

270. During the second half of 1991 two fact-finding missions, led by the President-in-Office of the Council accompanied by the previous and forthcoming Presidencies and by the Commission, went to Ethiopia (20 and 21 August) and to Bangladesh (20 and 22 October). The purpose of these missions was to show a European presence and to manifest Europe's interest in these two countries, which are among the most substantive beneficiaries of aid from the Community and its Member States and which in recent years had been victims of either civil war or a series of natural catastrophes. These missions provided an opportunity for talks at the highest level at which it was possible, among other things, to review progress in the Community's aid programmes. On 28 November the President of the Council reported to his colleagues on these two missions.

Rehabilitation plan for Angola

271. On 28 November the Council adopted conclusions concerning a Community platform to assist Angola's social and economic reconstruction.

In this document, the Community and its Member States undertook to make a special effort to back Angola in the process of peace, national reconciliation, social and economic reconstruction, and the democratization of the country, in close coordination with other donors.

¹ This consultation took place on the occasion of the General Affairs Council meeting on 3 February 1992. The Regulation was adopted by the Council on the same day (Regulation (EEC) No 319/92, OJ L 35, 12.2.1992).

Special food aid programme for Africa, 1991

272. At its meeting on 27 May the Council heard a report on the implementation of this emergency programme which had been decided on, in consultation with the European Parliament, by the General Affairs Council of 15 April, which had expressed keen concern at the extreme gravity of the situation developing in several regions south of the Sahara.

The programme involves 400 000 tonnes of cereals, valued at an estimated ECU 140 million, and was directed above all towards the countries in the Horn of Africa. It was supplemented by bilateral contributions by the Member States totalling some 200 000 tonnes.

The Council noted that the programme had been rapidly implemented despite the difficulties encountered in channelling aid on the spot; it appealed to all the authorities concerned to do everything within their power to facilitate the transit operations.

Food aid

273. Throughout the year the Council bodies determined the position to be adopted by the Community — in coordination with the Member States — in various international bodies, including the Rome meetings of the WFP Committee on Food Aid Policies and Programmes (May and December) and the meetings of the Food Aid Convention Committee in London (June and November).

Cooperation with the developing countries of Latin America and Asia

274. Further to the 'guidelines on cooperation with the ALA developing countries for the 1990s', drawn up in December 1990, the Council examined a proposal from the Commission for a Regulation on financial and technical assistance to and economic cooperation with the developing countries of Latin America and Asia.

Since the European Parliament had indicated, in its opinion on this subject, that it might request application of the consultation procedure, the Council adopted a joint guideline which was forwarded to Parliament.

Generalized scheme of preferences for 1992 (GSP)

275. In the light of the opinions of the European Parliament and the Economic and Social Committee the Council adopted the texts of the generalized system of preferences (GSP) for industrial, textile, agricultural and ECSC products for 1992.

The Council decided to carry forward the 1991 GSP scheme, on a temporary basis, into 1992, since progress in the 10-yearly review of the system had not been such as to indicate any possibility of introducing a scheme based upon new guidelines in time for 1 January 1992.

The Council decided to update preferential amounts, expressed in ecus, for industrial products so as to make for an overall improvement of the scheme.

The Council also decided to add the three Baltic countries (Estonia, Latvia and Lithuania) and Albania to the list of beneficiaries of the GSP and, at the same time, to lift the suspension in regard to South Korea, since that country had rescinded the discriminatory treatment which it had been applying in respect of the Community in the field of intellectual property.

On 22 April the Council adopted a Regulation applying supplementary generalized tariff preferences to certain products originating in countries benefiting from the generalized preferences and sold during the Berlin 'Partners for Progress' Fair (June 1991).

E — Relations with the ACP States and the overseas countries and territories (OCTs)

Lomé Convention

276. The Fourth ACP-EEC Convention, signed in Lomé on 15 December 1989, came into force on 1 September 1991,¹ with the completion of ratification procedures by the Member States, by the Community and by a sufficient number of ACP States.

So as to avoid any legal hiatus in relations between the Community and the ACP States and pending the entry into force of this Convention, the two parties agreed,

¹ OJ L 229, 17.8.1991. A brief summary of the main elements of this Fourth Convention will be found in the 1989 Review.

first on 27 March and later on 28 June,¹ to extend the period of validity of the transitional measures provided for in Decision 2/90 of the ACP-EEC Council of Ministers.²

In accordance with a joint statement made on the occasion of the adoption of the abovementioned Decision of the ACP-EEC Council of Ministers, measures were also taken to permit the full and effective application of all the provisions of the Convention with immediate effect as from its entry into force. This made it possible *inter alia* for the exercise of planning Community aid pursuant to Lomé IV to be conducted at a rapid pace and for all the internal regulations for the implementation of the new Convention to be adopted.

277. The ACP-EEC Council of Ministers held its 16th ordinary meeting in Brussels on 6 and 7 May in order to review the principal areas of cooperation and to give the necessary political impulse for the entry into force of the new Convention.

With more particular regard to development finance cooperation, the Council noted the report drawn up by the Article 193 Committee which met on 6 May at ministerial level and approved the conclusions contained in this report as regards progress in the following areas: evaluation (adoption of a Decision on the guidelines on the operational modalities for joint monitoring and evaluation); implementation of the study proposed to the Council of ACP-EEC Ministers in Fiji on procedures for implementing financial and technical cooperation (an agreement on draft terms of reference for this study); application of the new texts on the general rules, calls for tenders and the Regulation and the conciliation and arbitration procedure applicable to contracts financed by the EDF; implementation of the provisions of the new Convention as regards structural programming and adjustment.

278. The question of the ACP States' indebtedness was also tackled. The Council noted that, following the transmission by the Commission of its proposals for the alleviation of the ACP States' debt to the Community, internal work within the Community was being actively expedited with a view to reaching early conclusions and discussions would continue at a later date within the framework of the Convention (see point 280 below).

This meeting of the ACP-EEC Council was preceded, on 6 May, by consultations at ministerial level on sugar, pursuant to Article 8 of the ACP Sugar Protocol. These consultations, which enabled the parties to carry out a highly detailed examination of the various questions arising in this field, led to the adoption of joint conclusions. Following these consultations and the granting by the Community of a marketing premium of ECU 30 million for three years to ACP producers, agreement was finally reached in July on the fixing of guaranteed prices for the 1989/90, 1990/91 and

¹ OJ L 58, 5.3.1991 and OJ L 170, 29.6.1991.

² OJ L 84, 30.3.1990.

1991/92 marketing years. This agreement complies with the underlying principle of parallelism between the guaranteed prices paid to ACP producers and those paid to Community producers.

279. In preparation for the entry into force of the new Convention the Council also adopted:

- (i) the rules of procedure of the ACP-EEC Commodities Committee. This Committee will meet once a year at ministerial level;
- (ii) a series of decisions concerning the functioning of the Centre for the Development of Industry (CDI);
- (iii) the rules of procedure of the ACP-EEC Development Finance Cooperation Committee provided for in Article 325 of the Fourth ACP-EEC Convention (the successor to the Article 193 Committee in Lomé III).

280. Other major Decisions were taken later by the ACP-EEC Council of Ministers using the written procedure.

Thus the Council adopted, on 19 November, conclusions permitting the use of the uncommitted appropriations for emergency aid and aid for refugees and returnees under the Lomé III Convention for the same types of action for ACP countries in respect of which the Lomé IV Convention had not yet entered into force. This Decision made it possible to meet the most pressing needs of disaster victims in certain ACP countries, in particular Somalia and Liberia, which were unable to ratify the new Convention.

Finally, on 19 November the ACP-EEC Council of Ministers adopted a Decision repealing the requirement that ACP States contribute to the replenishment of the resources of the Stabex system as laid down in the First, Second and Third ACP-EEC Conventions. It will be remembered that the least developed ACP States were already dispensed from this requirement which was, moreover, done away with in the Fourth Convention for the ACP as a whole.

In taking this Decision the Community cancelled past debts of which some went back to the establishment of Stabex, while at the same time freeing the ACP States from the burden of having to reimburse all or part of the transfers from which they had benefited, amounting to ECU 899 million under the Lomé I, II and III Conventions. The choice of this formula, designed to loosen the financial constraints affecting the ACP States through the specific ACP-EEC cooperation instrument represented by Stabex, met the requirements laid down by the Rome European Council for compliance with the principles underlying the international strategy for the treatment of public indebtedness.

281. The ACP-EEC Committee of Ambassadors held its 34th and 35th meetings on 19 April and 11 and 31 October respectively.

The first of these meetings dealt mainly with preparations for the ACP-EEC Council of Ministers on 6 and 7 May (see point 277 above) and also with a number of administrative problems. In particular, the Committee:

- (i) with regard to the Uruguay Round, instructed the relevant Joint Experts' Working Party to examine, pursuant to the provisions of Annex XXIX to the Fourth Convention, the statistical data used by the ACP States and to submit suitable recommendations;
- (ii) with regard to the impact on ACP-EEC trade of the measures taken by the Community on behalf of four Andean countries, confirmed that this question would be examined jointly within an *ad hoc* working party pursuant to the provisions of Annex XXX to Lomé IV;
- (iii) adopted a series of Decisions concerning the functioning of the Technical Centre for Agricultural and Rural Cooperation (CTA).

The second meeting of the Committee of Ambassadors dealt with the specific problems of Stabex (for the 1990 year of application) and with the waiving of the requirement that ACP States, other than the least developed ones, should contribute to the replenishment of Stabex resources under the Lomé I, II and III Conventions (see point 280 above).

Pursuant to the powers delegated to it by the Council and on the basis of a report drawn up by the Commission in accordance with Article 194(4) of the Fourth Convention, the Committee carried out an evaluation of the situation, which was that the total amount of the basis of transfers which might give rise to payments exceeded the amount of available resources, and it examined the steps to be taken to remedy this situation, in the context of the Convention. The two parties reached agreement on joint conclusions which provided for the allocation to Stabex, for the year 1990, of an additional amount of ECU 100 million from uncommitted Sysmin resources and other resources in the framework of the Second and Third Conventions.

Finally, pursuant to powers delegated to it by the ACP-EEC Council of Ministers, the Committee of Ambassadors also adopted on 17 December conclusions permitting the use, on an exceptional and provisional basis, for Somalia and Liberia, of unexpended balances of the indicative programmes for those two countries under the Second and Third ACP-EEC Conventions to finance emergency aid and aid for refugees and returnees in the two countries concerned. These conclusions supplemented those adopted by the ACP-EEC Council of Ministers on 19 November concerning humanitarian aid on behalf of the ACP countries in which the Fourth Convention had not yet entered into force (see point 280 above).

282. It should also be noted that the ACP-EEC Customs Cooperation Committee adopted four Decisions in 1991 derogating from the concept of 'originating products' with regard to Lesotho (garments), Senegal (preserved tuna) and Fiji (preserved tuna and garments).

The ACP-EEC Joint Assembly held two meetings, in Kampala (Uganda) from 25 to 28 February and in Amsterdam from 24 to 27 September respectively, at which it tackled the most topical themes affecting ACP-EEC cooperation and adopted a whole series of resolutions. The meetings were attended by the Council and the Commission Presidencies.

The 15th annual meeting of representatives from ACP-EEC business and social circles also took place under the aegis of the Joint Assembly on 3 and 4 December in Brussels. This meeting provided the platform for useful exchanges of views on the topic of 'structural adjustment: its economic, social and regional dimensions and the role of the two sides of industry'.

283. The activities and Decisions of the EEC Council in the context of its own responsibilities or its joint responsibilities with the ACP Council included, more particularly:

- (a) in the field of trade cooperation, the adoption on 28 June of the Regulation opening and providing for the administration of a Community tariff quota for rum, arrack and tafia for the period 1 July 1991 to 30 June 1992, the purpose of which is to implement Protocol No 6 on rum;
- (b) in the context of preparations for the entry into force of the Fourth ACP-EEC Convention, the adoption by the Council on:
 - 29 July of the Financial Regulation applicable to cooperation on the financing of development under the Fourth Convention,¹
 - 30 September of the Rules of Procedure of the EDF Committee,
 - 29 July of the Rules of Procedure of the Committee set up under the auspices of the EIB and entitled the 'Article 28 Committee';
- (c) in the field of development cooperation:
 - the recommendations to the European Parliament to give a discharge to the Commission in respect of the operations of the fourth, fifth and sixth EDFs for the 1989 financial year,
 - the fixing, by Decision of 19 December 1991, of the schedule of Member States' contributions under the sixth EDF for the 1992 financial year,
 - scrutiny of the report from the Court of Auditors for 1989 (section on the EDF) and the EIB report on the implementation as at 31 December 1990 of the operations financed from the resources of the fifth and sixth EDFs.

¹ Regulation (EEC) No 491/91 of (OJ L 266, 21.9.1991).

284. With regard to relations with Haiti, the desire of the Twelve and of the Community to help to restore democracy and the rule of law in that country following the military *coup d'état* there in September 1991 which toppled the legitimate, democratically elected government was confirmed by the Council on 16 December.

The Council called on the Commission to forward to it for its swift approval a proposal denouncing the Lomé Convention in respect of Haiti, together with further proposed measures that could be implemented more quickly.

The Council also stated that the Community and its Member States had suspended their economic aid, while continuing with humanitarian action. This humanitarian aid, which directly benefited the population through the agency of the NGOs, would continue and, if necessary, be increased.

Relations with the OCTs

285. On 25 July the Council adopted the Decision on the association of the OCTs with the Community, while the representatives of the governments of the Member States adopted the Decision on the arrangements for trade in ECSC products.¹ The Decisions came into force on 20 September. They will expire on 29 February 2000.

They form the framework for the association of the overseas countries and territories with the Community and apply to the territories coming under the French Republic, to the countries and territories coming under the United Kingdom, to the non-European countries coming under the Kingdom of the Netherlands and, apart from financial aid, to Greenland.

In view of the many similarities between the OCTs and the ACP States, the provisions applicable to the OCTs continue to run broadly parallel to the ACP-EEC Convention of Lomé. The OCTs will thus benefit from the improvements under the Fourth Convention regarding financial and technical cooperation as well as Stabex and Sysmin.

Financial aid for the OCTs will amount to ECU 165 million over a five-year period from 1 March 1990:

ECU 140 million under the EDF: ECU 106.5 million in the form of grants, ECU 25 million in the form of Stabex transfers and ECU 2.5 million in the form of Sysmin grants;

ECU 25 million in EIB loans from its own resources.

¹ Decisions 91/482/EEC and 91/483/ECSC, OJ L 263, 19.9.1991.

For the financing of projects and programmes, ECU 86 million will be apportioned among the various OCTs as follows:

United Kingdom OCTs: ECU 15.5 million;

French OCTs: ECU 40.2 million;

Netherlands OCTs: ECU 30.4 million;

with ECU 11.5 million going to regional projects and programmes.

ECU 6 million will be for interest-rate subsidies and ECU 3 million for emergency and refugee aid.

286. On trade arrangements, the Decision makes significant improvements — also as regards the rules of origin — which take account of the specific nature of the OCTs and their special relationship with the Community, based on the provisions of the Treaty of Rome and in particular Part Four thereof.

On 16 December¹ the Council adopted a Decision on the general regulations, general conditions and procedural rules on conciliation and arbitration for works, supply and service contracts financed by the EDF in the OCTs. These new texts will apply to all such contracts concluded from 1 June 1991 onward.

F — Mediterranean — Gulf States — Euro-Arab Dialogue

Gulf War

287. At the beginning of 1991 relations with the countries of the Mediterranean/Middle East region were marked by the events of the Gulf War and its aftermath. The definition of a **global approach** by the Community and its Member States incorporating the political, economic and security dimensions culminated in the holding of the informal European Council in Luxembourg (8 April). Among the Decisions and measures taken in this context were the implementation of the programme of assistance for the countries most affected by the Gulf crisis (total EEC and Member States' aid: USD 2.504 billion), the Decision on Community aid for Israel (loan of ECU 160 million together with an interest-rate subsidy of ECU 27.5 million) and for the Palestinian population in the Occupied Territories (ECU 60 million in grants), aid to refugees and displaced populations in Iraq, the establishment of operating arrangements coordinated by the Commission and, lastly, administration of the embargo against Iraq.

¹ See Bulletin EC 12-1991, point 1.3.35.

Redirected Mediterranean policy

288. The Council decided how the aid provided for in the context of the Council Decisions of December 1990 on the redirected Mediterranean policy¹ would be allocated between the different Mediterranean countries of the Maghreb, the Mashreq and Israel, under the Fourth Financial Protocols for the 1991 to 1996 period.

That aid, which totalled ECU 2 075 million including ECU 700 million in budget aid and ECU 1 300 million in EIB loans, was allocated bearing in mind the situation and needs of each country, as follows:

	Budget funds	EIB loans	Total
Algeria	70	280	350
Egypt	258	310	568
Israel	—	82	82
Jordan	46	80	126
Lebanon	24	45	69
Morocco	218	220	438
Syria	43	115	158
Tunisia	116	168	284

The Financial Protocols were negotiated by the Commission, on the basis of Directives issued by the Council, and signed with each country concerned in the second half of the year. The Parliament's assent was requested.

The Commission also submitted to the Council the proposals necessary to bring the redirected Mediterranean policy into operation, and in particular the draft Regulations on financial cooperation concerning all the non-Community Mediterranean countries and on the application of the Financial Protocols. Those proposals are currently under examination.

Relations with the different countries of the Mediterranean Basin

COOPERATION AGREEMENTS

*Egypt*²

288. The seventh meeting at ministerial level of the EEC-Egypt Cooperation Council was held in Brussels on 2 December. The meeting highlighted the will of both

¹ See 38th Review, point 266 et seq.

² See Joint Press Release (CEE-RAE 2804/91 Presse 232).

sides to continue and step up their cooperation. In particular they welcomed the positive results achieved in the negotiations between Egypt and the International Monetary Fund and the World Bank, and the signing of the Fourth Financial Protocol which provided for a total of ECU 568 million for Egypt. Both sides reiterated the importance they attached to the redirected Mediterranean policy in strengthening their relations. The Cooperation Council noted the improvements in the current concessions for certain agricultural products which the Community envisaged in the framework of that policy and the importance that Egypt attached to Community food aid.

It was the opinion of both parties that the Cooperation Council meeting constituted further proof of the vitality and quality of cooperation between Egypt and the Community through dialogue and mutual understanding, with the shared aim of promoting the development of Egypt and at the same time contributing to the achievement of lasting peace and stability in the Mediterranean and the Middle East. In this connection emphasis was laid on the important role played by Egypt in the search for a just and lasting overall solution to the problems of the Middle East.

*Jordan*¹

289. The second meeting at ministerial level of the EEC-Jordan Cooperation Council was held in Brussels on 4 November. The meeting highlighted the will of both sides to continue and strengthen their cooperation. Both sides emphasized the importance of the participation of the Community and its Member States in the aid received by Jordan under the multilateral action to provide financial assistance to the States most directly affected by the Gulf crisis, including Jordan.

Noting that trade had also been affected by the Gulf crisis, both sides were pleased at the encouraging development of financial and technical cooperation. In that connection, the new Fourth Financial Protocol with an allocation of ECU 126 million represented a significant increase in the Community's aid to Jordan.

The meeting of the Cooperation Council also demonstrated the vitality and quality of the cooperation between the European Community and Jordan, through dialogue and mutual understanding, the common aim being to promote the development of the country while contributing to the establishment of lasting peace and stability in the Mediterranean and the Middle East. In this context Jordan, like the other Arab parties concerned and Israel, would have an important role to play in finding a just and lasting overall solution to the problems of the Middle East in the framework of the Peace Conference based on Security Council Resolutions 242 and 338.

¹ See Joint Press Release (CEE-RHJ 3307/91 Presse 201).

Israel

290. The ninth meeting at ministerial level of the EEC-Israel Cooperation Council was held in Brussels on 14 May. The meeting emphasized the will of both sides to continue and step up their cooperation with a view to intensifying the ties between the Community and Israel. Both sides also noted the satisfactory development of trade in the agricultural field *inter alia*, in which context the Community had of its own accord decided, pursuant to the redirected Mediterranean policy, to improve the current trade arrangements. Lastly, the two sides identified three areas which required close attention: completion of the internal market, regional cooperation and the Arab boycott.

Yugoslavia

291. Referring to the decisions and statements emanating from political cooperation and to UN Security Council Resolution 713 (1991) which expressed concern that the continuation of the situation in Yugoslavia constituted a threat to international peace and security, the Council and the Member States considered that the events in Yugoslavia constituted a radical change to the conditions in which the Cooperation Agreement between the Community and Yugoslavia and its Protocols had been concluded, and that this situation called into question their application. They consequently decided, on 11 November, to notify Yugoslavia of the denunciation, pursuant to Article 60, of the Cooperation Agreement and all its related acts.

As that denunciation took effect six months after notification the Council and the Member States decided, also on 11 November, to suspend with immediate effect application of all agreements concluded with Yugoslavia.

Relations with the countries of the Gulf Cooperation Council (GCC)

292. On 11 May the ministerial meeting and the second EEC-GCC Joint Council meeting were held in Luxembourg. In the joint communiqué¹ the two sides particularly emphasized the importance of continuing and deepening the political and economic dialogue, as well as the positive role played by regional integration.

The two sides discussed the prospects for international cooperation, considered recent trends in their trade and agreed to hold a second ministerial conference in Doha (Qatar) in 1992.

The ministers of the EC and the GCC welcomed the re-establishment of the rule of international law following the Gulf crisis and the fact that Kuwait had regained its

¹ See CEE-Golfe 3501 (Presse 64).

independence. The ministers also stressed the need to achieve a just, lasting and comprehensive settlement which would put an end to the Palestinian question and the Arab-Israeli conflict, on the basis of Security Council Resolutions 242 and 338.

In September the Council adopted amended negotiating directives for the conclusion of a Free Trade Agreement between the European Economic Community and the Gulf States which are members of the GCC.

Euro-Arab Dialogue

293. Contacts between the European Presidency and the Commission and the General Secretariat of the Arab League in Cairo were pursued with a view to relaunching the activities of the Euro-Arab Dialogue on the basis of the principles and objectives of the Paris ministerial conference and the conclusions of the General Committee in Dublin. In particular, the two sides concentrated on the organization of a meeting of the co-chairmen, co-vice-chairmen and co-rapporteurs of the Dialogue's three working Committees: Economic, Technical, and Social and Cultural.

G — Latin America — Asia — South Africa

Relations with Latin America

MINISTERIAL MEETINGS

*Rio Group*¹

294. The first institutionalized ministerial meeting between the Ministers for Foreign Affairs of the European Community and its Member States and the countries of the Rio Group was held in Luxembourg on 26 and 27 April, in accordance with the Rome Declaration of 20 December 1990 which had opened a new stage in relations between the two regions. The meeting enabled the Ministers to exchange views on political and economic issues and to confirm the excellent relations between the European Community and its Member States and the Rio Group in the political, economic and cultural fields, based on the close friendship linking the peoples of the two regions.

In that spirit they discussed the progress made in the priority areas of cooperation identified at the Rome meeting, namely cooperation in finance and investment, science and technology, implementation of a specific training programme for ad-

¹ The Rio Group comprises the following countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela.

ministrators and managers, and technical assistance measures to support efforts at regional and sub-regional integration.

The Ministers also stressed their determination to step up their consultation and cooperation in environmental protection — in particular in the framework of the Unced, which was to be held in Rio de Janeiro in June 1992 — as well as in the fight against the drug scourge.

Central America

295. The seventh EEC-Central America Ministerial Conference (San José VII) was held in Managua on 18 and 19 March.

The efforts of the Central American countries to establish peace and democracy in the region and economic adjustment and modernization were the main topics discussed by the Ministers. Recognizing the importance of finding satisfactory solutions to these challenges, the Community and its Member States stated their willingness to support these efforts, including the work of resettling refugees and enabling them to become self-sufficient, either through the various instruments and funds available in the cooperation context — which in 1991 attained the figure of ECU 120 million per annum — or in the framework of other competent bodies.

In the same spirit of solidarity the Ministers signed an agreement for a special export development fund of ECU 32 million for Honduras and Nicaragua, both countries with chronic regional trade deficits and a lower level of development.

The Joint Committee was instructed to analyse ways and means of increasing diversification of the region's production for export.

As a contribution to the process of regional integration the Ministers also decided to increase their support for the operation of the Central American Bank for Economic Integration, and to assist in reorganizing the Permanent Secretariat of the General Treaty on Central American Economic Integration (Sieca).

Lastly, the Ministers envisaged enriching cooperation in all areas of mutual interest through a revision of the Luxembourg Agreement.

GSP TRADE CONCESSIONS FOR CENTRAL AMERICA

296. In accordance with the Community's undertaking at the San José VII Conference in Managua on 18 and 19 March, on 16 December the Council adopted Regulation (EEC) No 3900/91 suspending CCT duties for a number of products,¹ as

¹ OJ L 368, 31.12.1991, p. 11.

an exceptional, temporary trade measure to assist the countries of the Central American isthmus, similar in nature to that granted to four countries of the Andean Group (Bolivia, Colombia, Ecuador and Peru).

The concessions were granted to take account of the similar exports of the two regions and to avoid compromising the economic and social development of the isthmus countries. They are also designed to encourage the democratic process and respect for human rights and to support the efforts to bring national peace and reconciliation which are under way in the region.

The Council took this opportunity to reaffirm its determination to intensify cooperation with the countries of the region in combating drugs as well as drives to consolidate diversification of the Central American isthmus' production and exports.

The Council appealed to the countries of the region to maintain the process of dismantling barriers to trade within the region in order to improve its integration into the world economy and ensure that the trade measures adopted by the Council and the cooperation projects to assist the region were fully effective.

NEGOTIATION AND ADMINISTRATION OF COOPERATION AGREEMENTS

Negotiation of new Cooperation Agreements

297. The EEC-**Chile** framework Cooperation Agreement, signed in Rome on 20 December 1990, entered into force on 1 May 1991. This 'third generation' Agreement contains, *inter alia*, an innovative clause referring to respect for democratic principles and human rights as the basis for all cooperation between the two sides, as well as a future developments clause.

On 1 August 1991, the framework Cooperation Agreement between the Community and **Argentina**, signed on 2 April 1990, entered into force. It contains provisions similar to those in the Agreement with Chile.

On 1 November, the EEC-**Mexico** framework Agreement entered into force. This Agreement had been initialled on 13 February and signed on 26 April.

The EEC-**Uruguay** framework Agreement, negotiated on the basis of negotiating directives adopted by the Council on 18 March, was signed on 4 November.

By Decision of 18 March the Council authorized the Commission to enter into negotiations with **Paraguay** with a view to concluding a framework Cooperation Agreement. The Agreement was initialled on 15 July and signed on 3 February 1992.

Administration of existing agreements

298. The sixth meeting of the Joint Committee of the Trade Agreement between the European Economic Community and **Uruguay**, held in Brussels on 12 and 13 November, noted the satisfactory progress of cooperation between the two sides, particularly in trade. The two sides also discussed the prospects for reinforcing trade and cooperation.

The fifth meeting of the Joint Committee set up by the Cooperation Agreement between the Community and **Central America** was held in Brussels on 25 and 26 November. At the meeting the various fields of cooperation between the two regions were reviewed and guidelines for future action formulated. The increase in and diversification of Community aid to the Central American isthmus, and the granting of trade concessions under the GSP, similar to those granted to the Andean countries, contributed to the economic and social consolidation of the region.

The first meeting of the EEC-**Chile** Joint Committee was held in Santiago on 2 and 3 December.

The Chilean side emphasized the Community's significant contribution, particularly in the form of humanitarian aid, during the dictatorship and subsequently in the process of consolidating democracy. In that context, both sides welcomed the fact that the Community had become Chile's most important partner in both trade and foreign investment and cooperation measures. They examined guidelines for their future cooperation.

Following the signing of the new EEC-**Argentina** Cooperation Agreement, the first meeting of the Joint Committee took place in Buenos Aires on 5 and 6 December.

Both sides emphasized the fact that, in the case of Argentina also, the Community had become the most important partner as regards both trade and investment and cooperation. On the basis of a review of existing relations, they together examined ways and means and priority areas for future cooperation, on the basis of the new Agreement.

TRADE MEASURES TO ASSIST THE COUNTRIES OF THE CENTRAL AMERICAN ISTHMUS (COSTA RICA, EL SALVADOR, GUATEMALA, HONDURAS, NICARAGUA AND PANAMA)

299. The Council decided to extend to the countries of the Central American isthmus measures similar to those accorded to the Andean Pact countries.¹

¹ See point 296 of this Review.

Asia

RELATIONS WITH ASEAN COUNTRIES

EEC-Asean ministerial meeting of Foreign Affairs Ministers

300. At the ninth EEC-Asean ministerial meeting held in Luxembourg on 30 and 31 May at the level of the Ministers for Foreign Affairs, the Ministers noted the remarkable progress accomplished in EC-Asean relations since the Cooperation Agreement had been signed in 1980. They decided to revise the Cooperation Agreement and to broaden the scope of the new Agreement to cover all areas of cooperation, so as to give a better reflection of the new conditions and priorities in the two regions.

The Asean Ministers took note of the new guidelines for financial and technical cooperation with developing countries in Asia and Latin America, adopted by the Community in February 1991, emphasizing in particular the balance between the different instruments, which covered both economic cooperation and development aid, the introduction of a multiannual approach and the special emphasis on assistance for environmental protection.

The Ministers reaffirmed that industrial and investment cooperation should be accorded high priority in EC-Asean relations. They noted that the EC-IIP (EC international investment partners) scheme had met wide acceptance throughout the Asean region.

The Ministers also underlined the useful role played by the Joint Investment Committees in facilitating Community investment in the Asean countries. In this regard it was agreed that their functioning would be improved and their scope of activities broadened.

The Community Ministers agreed to encourage the Community private sector to participate in the Asean industrial joint ventures. The Ministers reaffirmed the importance of the private sector's participation in the EC-Asean industrial cooperation programmes.

301. The Asean Ministers noted the development of and progress towards the establishment of the European single market. They expressed the hope that trade liberalization would continue to contribute to a more liberal trading environment and that it would provide new opportunities for suppliers with comparative advantages, such as the Asean countries.

Noting the increase in EC-Asean trade and investment since the eighth ministerial meeting, the Ministers were of the opinion that this positive development should be maintained through improved market access, trade and investment promotion and effective technology transfer.

The Ministers considered that the Community generalized system of preferences was an important tool by which Asean exports to the Community could be diversified and increased. The Asean Ministers asked the Community to take into account Asean interests when revising the GSP up until the year 2000.

The Ministers agreed that specific programmes and projects on sustainable forest management and conservation were important and desirable and should take account of the needs of developing countries. The Community Ministers decided to provide technical assistance to Asean in the area of tropical forest management and conservation.

The Ministers agreed to continue to enhance cooperation under the various international commodity agreements and arrangements and on commodity-related problems.

The Ministers stressed the importance they attached to systematic and continued action against the abuse of drugs and against organized crime related to the illicit production and trafficking of narcotic psychotropic substances.

The Ministers reiterated that environmental and developmental problems whether local, regional or global must be addressed urgently and on the basis of concerted action and responsibility shared equitably between all nations, taking into account the capabilities of each, in order to achieve sustainable development and continued economic growth.

EEC-Asean meeting on economic matters

302. The Ministers responsible for economic affairs of the European Economic Community and the Asean countries met on 1 June in Luxembourg following the meeting of Ministers for Foreign Affairs.

The Ministers discussed a series of major international and regional economic issues. They took note of the progress made in the Community towards the single market as well as the developments in Central and East European countries. They also noted the developments in the Asean region.

In relation to the Uruguay Round, the Ministers stressed that an open multilateral trading system was vital to the interests of all countries. They emphasized the importance of multilateral negotiations in the Uruguay Round to achieve a balanced package of results that would be meaningful and beneficial to all participants.

As regards EC-Asean economic cooperation, the Ministers agreed that EC-Asean cooperation should be brought up to a level which reflected the new conditions and priorities in both regions. In this regard they noted the increase in trade and investment between the Community and Asean.

Post-ministerial meeting

303. The dialogue between the Community and Asean continued at the annual meeting of the Asean Ministers for Foreign Affairs, in the framework of the Asean's concurrent consultations with its main partners. The Community was represented at these consultations, which took place in Kuala Lumpur on 29 July, by the Ministers for Foreign Affairs of the Troika and the Commission.

EEC-Asean Joint Committee (Kuala Lumpur, 20 to 22 February)

304. The meeting of the EEC-Asean Joint Committee was held in Kuala Lumpur from 20 to 22 February. The two sides reviewed matters pertaining to, *inter alia*, trade, economic development, the environment and drugs.

INDIAN SUBCONTINENT

India

305. The seventh session of the EC-India Joint Commission took place in New Delhi on 13 and 14 November.

The Joint Commission examined international economic issues such as progress of the European single market, the creation of the European Economic Area (EEA), developments in Central and Eastern Europe and the macroeconomic adjustment package undertaken by India. Both sides reiterated their desire for speedy completion of the Uruguay Round negotiations.

All aspects of cooperation were reviewed. A discussion took place on the issue of strengthening the EC-India relationship.

In particular, financial and technical cooperation was discussed in the light of the recently announced structural adjustment programme. Projects proposed for EEC financing in 1991 represented a total commitment of ECU 85.5 million.

The Joint Commission confirmed the need for strengthening financial and technical cooperation.

RELATIONS WITH CHINA

306. The EEC-China Joint Committee met in Beijing on 23 and 24 October. In accordance with Article 15 of the 1985 Trade and Cooperation Agreement, the two sides reviewed developments in their relations, in particular since the last Joint Committee meeting.

Following the discussions, the Joint Committee decided:

- (i) to set up a working group on cooperation in the field of science and technology, in order to improve coordination of activities in this sector;
- (ii) to call a meeting of trade experts in February 1992 to examine barriers to trade and generally all measures having a negative effect on trade between the two sides, with a view to facilitating the harmonious and balanced development of trade.

During the meeting of the Joint Committee a memorandum was signed on the technical details of cooperation in the sector of information technology and telecommunications, in accordance with Article 10 of the 1985 Agreement.

The examination of bilateral trade flows revealed a growing imbalance in trade between the two sides. Both sides agreed to take appropriate measures to improve the situation.

The next meeting of the EEC-China Joint Committee was scheduled to be held in Brussels in 1992.

Relations with South Africa

307. The resolve of the Twelve and the Community to encourage the positive developments under way in South Africa led the European Council to move towards a strategy of gradual relaxation of pressure on the South African authorities in line with the tangible results of the current negotiations.

When South Africa adopted the laws abolishing the bases of apartheid the conditions laid down by the European Council of December 1990 for lifting the restrictive Community measures were met. The Council and the Member States therefore formally repealed, on 25 February, the Decision concerning the suspension of new direct investment in South Africa and would therefore shortly be requested, when the procedures under way in certain Member States had been completed, to repeal the two restrictive measures still applied at Community level on gold coins and certain ECSC products.

At the same time, the Community stepped up its programme of positive measures and brought it into line with the requirements of the new situation, in particular to take account of the return and resettlement of exiles. The amount allocated to this programme in 1991 (ECU 60 million) was double that of the previous year.

H — North-South Dialogue

Conferences

308. The Community played an active part throughout the preparatory discussions for the United Nations Conference on Environment and Development. The Community position enabled substantial progress to be made in finalizing texts on a number of issues for approval by the Conference.

Likewise, the Community and its Member States, on the occasion of the special session and of the 46th annual session of the General Assembly, participated actively in the efforts to reorganize and revitalize the organs of the United Nations system.

Membership of the FAO

309. Following the negotiations between the Community and the Food and Agriculture Organization (FAO) between 1 February and 13 September, on 25 November the Council decided to apply for the Community to accede to the Organization. On 26 November, the Community acceded to the Organization as a full member. This accession is important in both political and practical terms. In the past, the Community has had only observer status. Accession as a full member should enable the Community and the Member States to exert greater influence on FAO policies, to the benefit of the developing countries in particular. Accession will facilitate closer cooperation between the Community and the FAO.

Following the Community's accession to the FAO, on 19 December the Council approved an arrangement between the Council and the Commission regarding preparation for FAO meetings, statements and voting.

Commodities

AGREEMENTS

310. On 22 March the Community and its Member States notified the UN of the application of the 1989 International Agreement on **Jute** and Jute Products. The Agreement entered into force on 12 April 1992.

At the meeting of the Council of the International **Tropical Timber** Organization in May/June, the 1983 Agreement was extended for two years until 1 April 1994.

On 19 September the Community and its Member States notified the UN of the extension, until 30 September 1992, of the 1983 Coffee Agreement.

STUDY GROUPS

On 25 March the Council adopted two Decisions on acceptance of the terms of reference of the International **Tin and Copper** Study Groups.

The Council adopted a similar Decision on 14 October on acceptance of the terms of reference of the International **Nickel** Study Group. The UN was notified of the instruments of acceptance.

Chapter V

Common fisheries policy

311. The Council was very active in implementing the common fisheries policy, adopting a number of Regulations and Decisions.

In this, the Council's chief aims were to:

- (i) protect and stabilize fishery resources by adopting TACs and quotas for 1992 and amending TACs and quotas for 1991;
- (ii) improve the biological situation of stocks by imposing technical conservation measures on the Member States;
- (iii) increase the stability of the Community market by adopting Regulations on the common organization of the markets.

A — Community arrangements for the conservation and management of resources

312. In the course of the year the Council amended the TACs and quotas applicable in 1991¹ four times by the following measures:

- (i) fixing the quotas of herring, sprat and northern deep-water prawn in the Skagerrak/Kattegat;²
- (ii) fixing the TACs of herring in the North Sea definitively after consultation with Norway, and increasing the herring TACs in the Celtic Sea;³
- (iii) after consultation with Norway and Sweden, increasing the TACs for herring and plaice in the Skagerrak/Kattegat and fixing a TAC for northern deep-water prawn in that zone;⁴

¹ Regulation (EEC) No 3926/90, OJ L 378, 31.12.1990.

² Regulation (EEC) No 793/91, OJ L 82, 28.3.1991.

³ Regulation (EEC) No 2381/91, OJ L 219, 7.8.1991.

⁴ Regulation (EEC) No 3602/91, OJ L 343, 13.12.1991.

(iv) amending the conditions for herring fishing in the Celtic Sea.¹

At its meeting on 17 and 18 December **the Council** laid down TACs, quotas and related technical conditions for fisheries in 1992.²

Despite increasing some TACs, **the Council** continued pursuing its policy to improve the situation, in particular as regards cod, haddock and whiting in the North Sea and off the west of Scotland, where TACs were generally reduced.

In this context, **the Council** laid down the measures to restrict directed fishing for cod and haddock in the North Sea, to the west of Scotland and in the Skagerrak/Kattegat by requiring Member States to take the necessary steps to ensure that the vessels involved remained in port for at least 135 days in 1992.

The Council adopted the customary Regulations implementing the Act of Accession of Spain and Portugal determining the fishing rights of Portugal in the waters of the Community of Ten³ (the fishing rights of Spain in the waters of the Community of Ten having been laid down by the Act of Accession itself), and fixing the fishing rights applicable to vessels flying the flag of a Member State of the Community of Ten in the waters of Portugal⁴ and Spain,⁵ for 1992.

Lastly, **the Council** adopted the Regulation laying down for 1992 certain conservation and management measures in the 200-nautical-mile zone off the coast of the French department of Guiana.⁶

B — Technical conservation measures

313. **The Council** amended for the 10th time Regulation (EEC) No 3094/86 laying down certain technical measures for the conservation of fishery resources by maintaining the defined area for the protection of juvenile mackerel.⁷

The Council amended for the fourth time Regulation (EEC) No 1866/86 laying down certain technical measures for the conservation of fishery resources in the waters of the Baltic Sea, the Belts and the Sound.⁸

¹ Regulation (EEC) No 3603/91, OJ L 343, 13.12.1991.

² Regulation (EEC) No 3882/91, OJ L 367, 31.12.1991.

³ Regulation (EEC) No 3894/91, OJ L 367, 31.12.1991.

⁴ Regulation (EEC) No 3893/91, OJ L 367, 31.12.1991.

⁵ Regulation (EEC) No 3891/91, OJ L 367, 31.12.1991.

⁶ Regulation (EEC) No 3892/91, OJ L 367, 31.12.1991.

⁷ Regulation (EEC) No 3500/91, OJ L 331, 3.12.1991.

⁸ Regulation (EEC) No 2156/91, OJ L 201, 27.7.1991.

Lastly, the Council adopted the Regulation¹ providing a Community framework for studies and pilot projects relating to the conservation and management of fishery resources in the Mediterranean.

C — Common organization of the market

314. The Council adopted a Regulation² legislatively consolidating Council Regulation (EEC) No 3796/81 of 29 December 1981 on the common organization of the market in fishery products, with the various amendments made to that Regulation since its adoption.

The Council also adopted the Regulation designed to enhance the management of the market by harmonizing Community statistics on the total landings of fishery products in Member States.³

The Council amended Regulation (EEC) No 104/76 laying down common marketing standards for shrimps (*Crangon crangon*), edible crabs (*Cancer pagurus*) and Norway lobsters (*Nephrops norvegicus*).⁴

For the period 1 January to 31 December 1992 the Council integrated into Community law the opening and administration of Community tariff quotas for certain fishery products originating in certain EFTA countries, approved by Decisions⁵ 86/555/EEC, 86/557/EEC, 86/558/EEC and 86/559/EEC.⁶

The Council adopted the Regulations for 1992 suspending for certain periods⁷ import duties on certain products bound in GATT.⁸

Lastly, the Council adopted the Regulation partially and temporarily suspending the autonomous duties of the Common Customs Tariff on certain fish fillets for 1992.⁹

¹ Regulation (EEC) No 3499/91, OJ L 331, 3.12.1991.

² Regulation (EEC) No 3687/91, OJ L 354, 23.12.1991.

³ Regulation (EEC) No 1382/91, OJ L 133, 28.5.1991.

⁴ Regulation (EEC) No 3162/91, OJ L 300, 31.10.1991.

⁵ OJ L 328, 22.11.1986.

⁶ Regulation (EEC) No 3304/91, OJ L 313, 14.11.1991.

⁷ Regulation (EEC) No 3902/91, OJ L 370, 31.12.1991.

⁸ Regulation (EEC) No 3904/91, OJ L 370, 31.12.1991.

⁹ Regulation (EEC) No 3903/91, OJ L 370, 31.12.1991.

Common prices

315. The prices applicable in the fisheries sector for the fishing year 1 January to 31 December 1992 were fixed by the Council on 28 November.

For the fresh or chilled products (listed in Annex I(A), (D) and (E) of Regulation (EEC) No 3796/81) most of the guide prices were either kept at their 1991 level or adjusted by only a modest amount.¹

For August and September the Council maintained a seasonal guide price for herring lower than the guide price applicable during the remainder of the fishing year.

For the frozen products (listed in Annex II to the same Regulation), the Council reduced the guide price for squid of the species *Loligo patagonica* by 10% compared with 1991, while the prices for squid of the species *Ommastrephes sagittatus* and *Illex argentinus* were maintained.²

In view of trends in market prices the producer price of tuna for the canning industry was reduced for the sixth consecutive fishing year (a reduction of 7% compared with 1991).³

Statistical data

316. The Council adopted the Regulations on the submission of nominal catch statistics by Member States fishing in the North-East and the North-West Atlantic respectively. These Regulations transposed into Community legislation the questionnaire known as Statlant 21A, adopted some years ago and since used by the Member States to submit statistics on annual catches to the international organizations concerned with the North-West⁴ and North-East⁵ Atlantic.

¹ Regulation (EEC) No 3568/91, OJ L 338, 10.12.1991.

² Regulation (EEC) No 3569/91, OJ L 338, 10.12.1991.

³ Regulation (EEC) No 3570/91, OJ L 338, 10.12.1991.

⁴ Regulation (EEC) No 3881/91, OJ L 365, 31.12.1991.

⁵ Regulation (EEC) No 3880/91, OJ L 365, 31.12.1991.

D — Fisheries relations between the Community and certain third countries

Scandinavian countries

317. As each year, the Commission held consultations with the competent authorities of Norway, Sweden, the Faeroe Islands and Greenland on fishing arrangements for 1992, which are embodied in the Regulation on TACs and quotas for 1992 allocating the quotas of joint stocks available for the Community between the Member States,¹ and in other Regulations adopted on 18 December 1991.²

NORWAY

318. The Community's fishing allowance for cod, haddock and mackerel in Norwegian waters improved, while for the other species it was reduced.

During the abovementioned consultations with Norway, as regards common stocks, the respective TACs for mackerel, sprat, haddock and a number of other species were increased.

During 1991, Regulations (EEC) Nos 3927/90 and 3928/90 fixing the TACs and quotas for vessels flying the flag of Norway and of the Community were amended.³

SWEDEN

319. Regulation (EEC) No 973/91 allocated additional catch quotas among Member States for vessels fishing in Swedish waters for 1991.⁴

During the abovementioned consultations with Sweden the delegations agreed to fix certain catch quotas for 1992 for the vessels of the other party and to provide for certain additional catch quotas as a consequence of German unification.

¹ Regulation (EEC) No 3882/91, OJ L 367, 31.12.1991.

² For Norway: Regulations (EEC) Nos 3883/91 and 3884/91, OJ L 367, 31.12.1991.

For Sweden: Regulations (EEC) Nos 3885/91 and 3886/91, OJ L 367, 31.12.1991.

For the Faeroe Islands: Regulations (EEC) Nos 3888/91 and 3889/91, OJ L 367, 31.12.1991.

For Greenland: Regulation (EEC) No 3887/91, OJ L 367, 31.12.1991.

³ Regulation (EEC) No 3666/91, OJ L 348, 17.12.1991. Regulation (EEC) No 3604/91, OJ L 343, 13.12.1991. (For the first time by Regulation (EEC) No 2427/91, OJ L 333, 4.12.1991.)

⁴ Regulation (EEC) No 973/91, OJ L 102, 23.4.1991.

FAEROE ISLANDS

320. The TACs and quotas for Faeroese vessels fishing in the Community zone and for Community vessels fishing in Faeroese waters were generally maintained at their 1991 levels.

GREENLAND

321. The TACs and quotas for Community vessels in Greenland waters were generally maintained at their 1991 levels; the TACs and quotas for cod were reduced in NAFO zone 1 from 19 000 t to 16 000 t compared with 1991, as the Council did not accept an offer of additional quotas.

North America

UNITED STATES

322. By Decision 91/309/EEC the Council approved the extension until 31 December 1993 of the agreement between the Government of the United States of America and the Community concerning fisheries off the coasts of the United States (GIFA).¹

NAFO

323. The Council adopted the Regulation² fixing catch possibilities for 1992 for certain fish stocks and groups of fish stocks in the Regulatory Area as defined in the NAFO Convention.

In general, the TACs and quotas were maintained, except for the TACs for cod in zone NAFO 2J-3KL and for Atlantic redfish in zone NAFO 3M which were reduced by unilateral decision of the Community.

¹ Decision 91/309/EEC, OJ L 166, 28.6.1991.

² Regulation (EEC) No 3890/91, OJ L 367, 31.12.1991.

African countries and countries in the Indian Ocean

GUINEA-BISSAU

324. In Decision 91/570/EEC¹ the Community and the Government of the Republic of Guinea-Bissau established the fishing rights off the coast of Guinea-Bissau and the financial compensation for the period 16 June 1991 to 15 June 1993 as follows:

Freezer shrimp trawlers: 11 000 GRT/month, annual average;

Freezer fin fish and cephalopod trawlers: 6 000 GRT/month, annual average;

Freezer tuna seiners: 20 vessels;

Pole-and-line tuna vessels and surface longliners: 12 vessels.

Community financial compensation amounted to ECU 12 000 000, plus the following contributions to the financing of:

a scientific and technical programme: ECU 850 000;

study and practical training grants: up to ECU 550 000.

MOROCCO

325. **The Council** adopted the Regulation² opening, allocating and providing for the administration of a Community tariff quota for prepared or preserved sardines originating in Morocco, for the period 1 January to 29 February 1992.

During negotiations between the Community and the Kingdom of Morocco, **the Council** adopted the Decision³ establishing the crawfish fishing opportunities and the corresponding financial compensation for the period 1 April 1991 to 29 February 1992.

MAURITANIA

326. The Council approved the Protocol concluded with Mauritania⁴ by the Regulation⁵ establishing the fishing rights off Mauritania and the financial contribution for the period 1 August 1990 to 31 July 1993.⁶

¹ Decision 91/570/EEC, OJ L 309, 11.11.1991.

² Regulation (EEC) No 3732/91, OJ L 352, 21.12.1991.

³ Decision 19/360/EEC, OJ L 195, 18.7.1991.

⁴ Decision 90/622/EEC, OJ L 334, 30.11.1990.

⁵ Regulation (EEC) No 1177/91, OJ L 117, 10.5.1991.

⁶ See 38th Review, point 328.

SÃO TOMÉ AND PRINCIPE

327. A Fisheries Protocol¹ was concluded with the Democratic Republic of São Tomé and Príncipe for a period of three years starting 1 January 1990.²

SENEGAL

328. **The Council** approved the Protocol with the Republic of Senegal,³ by the Regulation on fishing off the coast of Senegal⁴ defining the fishing rights and financial compensation for the period 1 May 1990 to 30 April 1992.⁵

SOUTH AFRICA

329. **The Council** adopted the Decision⁶ authorizing the Portuguese Republic to extend until 7 March 1992 the Agreement on mutual fisheries relations with the Republic of South Africa.

E — International organizations

330. As in the past, **the Community** took part in the work of the bodies of the various international fisheries conventions, the most important of which are the following:

Convention for the Conservation of Salmon in the North Atlantic Ocean (Nasco),

Convention on Fishing and Conservation of Living Resources in the Baltic (IBSFC),

Convention on Multilateral Cooperation in North-West Atlantic Fisheries (NAFO),

Convention on Multilateral Cooperation in North-East Atlantic Fisheries (NEAFC),

Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR),

International Convention for the Conservation of Atlantic Tunas (Iccat).

¹ Regulation (EEC) No 1295/91, OJ L 123, 18.5.1991.

² See 38th Review, point 330.

³ Decision 90/405/EEC, OJ L 208, 7.8.1990.

⁴ Regulation (EEC) No 420/91, OJ L 53, 27.2.1991.

⁵ See 38th Review, point 331.

⁶ Decision 91/320/EEC, OJ L 175, 4.7.1991.

F — Reform of the common fisheries policy

331. **The Council** examined a communication from the Commission on the common fisheries policy. It reached certain conclusions designed to provide the basis for the report which the Commission was due to submit under Regulation (EEC) No 170/83¹ on any reforms to be made to the common fisheries policy after 10 years' experience.

¹ OJ L 24, 27.1.1983.

Chapter VI

Common Agricultural Policy

A — Guidelines for the common agricultural policy

332. In 1991, agriculture was dominated by three issues: the annual farm prices package, reform of the common agricultural policy and the Uruguay Round negotiations on agriculture.

Prices package

333. When fixing the farm prices the Council took measures confirming its resolve to maintain a cautious pricing policy, combined with stabilizer mechanisms and further accompanying measures designed to bring production more under control.

Following the Council's agreement at its meeting from 20 to 24 May, the measures for most sectors were formally adopted on 13 and 18 June¹ and for nuts on 15 June.²

In most cases institutional prices remained unchanged from the previous year. However, the intervention price for durum wheat was reduced by 3.5% in order to bring it into line with the price for common wheat; this was partially offset by a 6.3% increase in aid, in the form of a premium paid per hectare. There were also price reductions of 1.5% for oilseeds and protein crops and 2% for sheepmeat. Aid for dried fodder was reduced by 20% over two years, i.e. 10% in the 1991/92 marketing year, and the bonus for 'double zero' varieties of rape was reduced by half. There were also reductions in the prices and premiums for tobacco averaging 6%.

334. The basic co-responsibility levy for cereals rose from 3 to 5%. Furthermore, to help reduce cereals production in view of the worrying increase in stocks, the Council decided that in addition to the existing set-aside scheme for arable land, farmers should be able to join a further scheme for 1991/92 under which they would set aside at least 15% of the land on which cereals, oilseeds or protein crops were grown the previous year. In return, these farmers would be exempt from the basic

¹ OJ L 150, 15.6.1991, OJ L 162, 26.6.1991 and OJ L 163, 26.6.1991.

² OJ L 200, 23.7.1991.

cereals co-responsibility levy and would receive compensation for each hectare set aside that was at least equivalent to the share payable by the EAGGF under the five-year set-aside scheme.

335. As part of the prices agreement an undertaking was given to reform the current arrangements for **oilseeds** to bring them into line with the GATT Panel's conclusions and to take a decision on the matter before 31 October 1991. The agreement which the Council reached in October is set out in point 345 below.

336. In the **sugar** sector the Council decided to extend the period for bringing Spanish sugar and beet prices into line with common prices until 1 July 1995. During the intervening period appropriate measures would be taken to see that prices were aligned by that date.

As part of the farm prices package, the Council also adopted a Regulation laying down general rules on the marketing of preferential sugar in the Community. The Regulation introduced a marketing premium for suppliers of preferential sugar, which was not to exceed a total of ECU 30 million for the 1989/90, 1990/91 and 1991/92 marketing years. The premium is designed to secure the supply of raw sugar to Community refineries and enable supplier States to adjust their industries accordingly.

337. Pending a reform of the common organization of the market in **wine**, the Council extended some of the deadlines set in the legislation in preparation for the reform, and decided on various sectoral measures affecting in particular private storage, with a temporary derogation allowing partial early release from contracts concluded for the 1990/91 wine year, and alcohol sent for intervention, with the introduction of a definition of raw alcohol.

338. Implementation of the aid for quality and marketing improvement in the **nut** and locust bean sector has been adjusted to promote grubbing-up operations followed by replanting and/or switching varieties.

The Council asked the Commission to submit proposals on inter-branch arrangements regarding **fruit and vegetables** and **tobacco** before the end of the year.

339. In view of the situation on the market for **milk and milk products**, the Council decided to reduce quotas by 2%. At the same time, it introduced a voluntary scheme for buying up quotas spread over a five-year period starting in the autumn of 1992. Up to a limit of 3% of guaranteed total quantities in each Member State, the cost of buying up will be financed by the Community at a rate of ECU 0.10 per kg per year. Where rates are lower, Member States can use the money they save to buy extra quotas and bolster their national reserves.

The buying-up scheme provides the mechanism through which producer Member States are to solve the problem of 'SLOM' producers (reallocation of the quotas of producers who have temporarily stopped producing milk but are now able to resume

production). Using their own funds, Member States can where necessary buy additional quantities, compensate for additional reductions and supplement the ECU 0.10/kg rate.

For butter, it was agreed that the Commission should fix the buying-in price on intervention in the light of the amount of supply and the state of the market, on the understanding that the price would never fall below 90% of the intervention price. It was also agreed that the special buying-in price for Ireland and Northern Ireland should be discontinued, and that the resultant savings should be used to finance a milk quality scheme in those regions.

340. In view of the worrying trends on the market for **beef and veal**, the Council decided that normal tenders for intervention would be triggered at 84% of the Community price and 80% of the regional market price. There will still be safety-net intervention, but at 78% of the intervention price, instead of 80%. The safety net will come into operation when prices for bulls or steers fall below 75% of the intervention price in three Member States or regions representing 60% of total Community production, or when the same prices fall below 72% of the intervention price in one Member State or region. It was also agreed that offers accepted in tendering procedures could exceed the market price by a reasonable margin to be determined by the Commission on the basis of objective criteria under the Management Committee procedure.

On **pigmeat**, it was agreed that the Commission would study the possibility of more selective application of the private storage aid system.

Reform of the common agricultural policy

341. Faced with increasing overproduction on several agricultural markets, the deteriorating budget situation and the need to keep agriculture competitive whilst providing support better suited to farmers' needs, the Commission submitted further general reflections on the future of the common agricultural policy. The first paper was submitted to the Council in February, followed by a second in July 1991.

Against the background of the current situation, in which existing price guarantees, through their direct link to production, lead to growing output, which, in turn, creates massive intervention stocks and a rapid increase in budget spending without improving farmers' incomes, the Commission has proposed guidelines designed to encourage more competitive agriculture, involving large reductions in institutional prices. In exchange for this price reduction the Commission proposed compensatory aid for farmers, making clear that it should be granted in such a way as to reduce production and ensure that more account was taken of environmental requirements.

Proposals for implementing these ideas were submitted by the Commission in October and November 1991.

342. In the **arable crop** sector the main feature of the proposed reform is a reduction of about a third in the prices for cereals, oilseeds and protein crops, offset by the introduction of compensatory payments not related to production volume which would be paid direct to producers according to the area cultivated and average yields obtained in the region concerned. In the case of 'professional' holdings, entitlement to such aid would depend on the withdrawal of arable land from production (initially 15% of the area under cereals).

In the **milk products** sector the Commission's proposals involve a reduction in the institutional prices (15% for butter and 5% for skimmed-milk powder) offset by the introduction of a dairy cow premium for the first 40 cows per producer. The quota system would be extended for eight years and there would be a gradual 4% reduction of quotas plus a compensation scheme and a voluntary buy-up system.

Intervention prices for **beef and veal** would be gradually reduced by 15%. This would be coupled with a system of premiums for male bovine animals and for maintaining suckler cows, with a limit on the number of eligible animals per farm and a proviso that a maximum stocking density of animals held on the farm was not exceeded. A special premium would be introduced to revive the sale of male dairy-breed calves.

In the **sheepmeat** sector the Commission proposed that an individual limit per producer should be introduced for the ewe premium in the less-favoured and lowland areas and that the number of ewes for which each producer could seek the premium should be limited to the number eligible in 1990.

In the **tobacco** sector intervention and export refunds would be abolished. Support for producers would be provided by a system of premiums, the value of which would vary on the basis of eight groups of varieties. The premium would be paid up to an overall quota of 340 000 tonnes allocated between the Member States.

343. The Commission proposals were supplemented by **accompanying measures** concerning the agri-environmental field, incentives for the afforestation of agricultural land and improvements to the early-retirement scheme.

The Council's discussions highlighted the need to reform the common agricultural policy but there were differing views as to how this could be achieved. The Council discussed in particular the main questions raised by the Commission proposals, such as price reductions, compensation for such reductions, quantitative control measures, differentiated treatment according to farms and the scheme for the set-aside of arable land. At its meetings in the last quarter of the year the Council was thus able to make a comprehensive review of these problems and prepare for the decisions to be taken later on, when the opinions of the European Parliament and the Economic and Social Committee had been received.

Agricultural aspect of the Uruguay Round

344. After the Brussels Conference in December 1990 and the break in proceedings during the first few months of 1991, the Agriculture Council gave very close attention to developments in the GATT Uruguay Round negotiations.

On several occasions the Council reiterated its willingness to help in seeking a balanced agreement that would involve an overall approach without ignoring the need to uphold the fundamental principles of the common agricultural policy on the basis of the Community's offer. The Council confirmed this attitude when examining the document submitted at the end of the year by Mr Dunkel, the GATT Director-General. It found that the document as it stood called into question the very basis of the common agricultural policy and was thus unacceptable.

New support measures in the oilseeds sector

345. Following the undertakings given in connection with the agreement on prices, the Council at its meeting on 21 and 22 October agreed in principle to the reform of the support system in this sector. A Regulation was formally adopted on 12 December.¹ The purpose of the new system is to adjust Community support arrangements for oilseeds to bring them into line with the conclusions of the GATT Soya Panel. The aid will now be a lump sum, calculated per hectare and paid direct to producers. It will be calculated on the basis of a projected reference price and a Community reference amount. This will be done in two stages: a provisional calculation based on the projected reference price, then a final calculation towards the middle of the marketing year on the basis of the actual reference price. The amounts will be adjusted according to the yields of cereals or oilseeds in the region of production. Payments will be subject to a system of maximum guaranteed areas: if the area planted to an oilseed exceeds the relevant maximum guaranteed area, the amount of Community support will be reduced by 1% for each 1% overshoot.

B — Management of the common agricultural policy

346. As in previous years the Council adopted measures for managing the various sectors and adjusting the basic Regulations. The main points of these measures are described below.

¹ Regulation (EEC) No 3766/91, OJ L 356, 24.12.1991.

Plant products

CEREALS AND RICE

347. Following the decision to extend for 1991 the agreement between the Community and the United States, the Council on 19 November extended until 31 December 1991 Regulation (EEC) No 1799/87 on special arrangements for imports of maize and sorghum into Spain from 1987 to 1990. The annual maximum quantities were set at 2 million tonnes of maize and 300 000 tonnes of sorghum.¹

On 25 March the Council amended Regulation (EEC) No 1424/76 with regard to the conditions for selling products to be supplied under food-aid schemes.² The aim was to add to the rice market rules an option which already existed for cereals whereby, for the purpose of granting food aid from intervention stocks, a selling price could be set in advance in order to bring about satisfactory competition between tenderers seeking contracts to supply food aid and achieve clarity of accounting in the Community budget.

Through the adoption on 21 October of an amendment to Regulation (EEC) No 3877/86 on imports of rice of the long-grain aromatic Basmati variety, the Council extended for a further five-year period the existing arrangements for rice from Pakistan.³

SUGAR

348. In October 1990 the Council received a proposal concerning the Community sugar arrangements to be applied as from 1 July 1990. Taking account of all relevant factors, on 4 February the Council decided to extend the existing arrangements for two years on the understanding however that the national aid which Italy was authorized to grant would be set at 70% of the amount fixed in 1988/89 and granted to farmers as well as to undertakings, and that the amount of national aid which the United Kingdom was authorized to grant to the refining industry would be set at 90% of the level applicable in 1990/91.⁴

In 1990 the Council established special arrangements for imports of levulose (chemically pure fructose) into the Community. In this connection, on 19 November the Council adopted a Regulation opening and providing for the administration of a Community quota involving exemption from the variable component for an

¹ Regulation (EEC) No 3391/91, OJ L 320, 22.11.1991.

² Regulation (EEC) No 794/91, OJ L 82, 28.3.1991.

³ Regulation (EEC) No 3130/91, OJ L 297, 29.10.1991.

⁴ Regulation (EEC) No 305/91, OJ L 37, 9.2.1991.

amount equal to 4 504 tonnes of chemically pure fructose originating in third countries not bound to the Community by a preferential trade agreement for the year 1992.¹

Regarding preferential sugar, on 8 July the Council instructed the Commission to negotiate the guaranteed prices for preferential cane sugar during the 1991/92 delivery year. These negotiations with the ACP States concerned were concluded on 17 July; the agreement also covered the delivery years 1989/90 and 1990/91.

OILS AND FATS

349. Since the special arrangements for imports into the Community of untreated olive oil originating in Tunisia had been extended for three years until 31 December 1993,² the Council adopted the general rules for imports of such oil on 25 February.³

The representative market price and the threshold price for olive oil for the 1991/92 marketing year were adopted by the Council on 21 October at ECU 197.28 per 100 kg and ECU 194.20 per 100 kg.⁴ The level of consumption aid was reduced from ECU 60.90 per 100 kg to ECU 53.90 per 100 kg.

TABLE OLIVES

350. As indicated in the previous Review, the Council received a report in 1990 concerning the situation of the market in table olives together with a proposal for various measures intended to improve and develop consumption of this product. In the light of the Council's examination of this proposal, in June 1991 the Commission submitted an additional proposal aimed at stabilizing supply *inter alia* by storage measures for table olives.

WINES

351. On 4 March the Council adopted an amendment to Regulation (EEC) No 458/80 on collective projects for the restructuring of vineyards.⁵ The purpose of this amendment was to enable the transfer of Community aid granted to collective

¹ Regulation (EEC) No 3392/91, OJ L 320, 22.11.1991.

² Decision 91/105/EEC, OJ L 56, 2.3.1991.

³ Regulation (EEC) No 513/91, OJ L 56, 2.3.1991.

⁴ Regulation (EEC) No 3131/91, OJ L 297, 29.10.1991.

⁵ Regulation (EEC) No 596/91, OJ L 67, 14.3.1991.

restructuring projects which had been only partially completed to other projects also intended to improve the quality and limit the yield of the restructured vineyards.

In the absence of any common organization of the market in the alcohol sector and any provisions harmonizing the definitions of aromatized wines, on 22 April the Council adopted a Regulation extending for a further year until the end of 1991 the existing provisions of Regulation (EEC) No 351/79 concerning the addition of alcohol to products in the wine sector.¹

On 22 July the Council adopted three Regulations on imports of wine into the Community. For wines from Hungary, pending a global agreement between the Community and Hungary in the wine sector, the Council deferred for one year — until 31 August 1992 — the expiry date of the derogation granted for certain quality wines originating in that country in respect of their total alcoholic strength by volume in cases where this exceeded the maximum of 15% normally allowed by Community rules.²

Regarding wines imported from the United States, the Council decided to extend for three months — until 31 October 1991 — the derogations granted to this country which allow for greater flexibility with certificates of origin and analysis reports³ and permit imports of wines which have undergone certain oenological practices allowed in the United States but not allowed in the Community.⁴

Since no arrangement between the Community and the United States in this sector was reached by the appropriate deadline, these two derogations were extended by the Council on 11 November for a further period of three months, until 31 January 1992.⁵

352. On 29 July the Council adopted two Regulations banning the use of capsules or foils manufactured with lead to cover the closing devices of containers in which wines and grape musts⁶ or sparkling wines⁷ are marketed. In the context of measures updating certain rules for the description and presentation of special wines, a similar measure for special wines was adopted by the Council on 11 December.⁸

¹ Regulation (EEC) No 1029/91, OJ L 106, 26.4.1991.

² Regulation (EEC) No 2201/91, OJ L 203, 26.7.1991.

³ Regulation (EEC) No 2199/91, OJ L 203, 26.7.1991.

⁴ Regulation (EEC) No 2200/91, OJ L 203, 26.7.1991.

⁵ Regulations (EEC) Nos 3331/91 and 3332/91, OJ L 316, 16.11.1991.

⁶ Regulation (EEC) No 2356/91, OJ L 216, 3.8.1991.

⁷ Regulation (EEC) No 2357/91, OJ L 216, 3.8.1991.

⁸ Regulation (EEC) No 3895/91, OJ L 368, 31.12.1991.

These bans, which are applicable from 1 January 1993, are intended to avoid any risk of contamination of wine in particular by accidental contact with such capsules and any risk of environmental pollution from waste containing lead. The Commission also proposed introducing the same ban for products in the spirituous beverage and aromatized wine sectors; the Council will decide on these proposals after consulting the European Parliament.

Finally in the wine sector, the Council decided on 16 December to make a number of technical adjustments to the following Regulations in the light of experience:

Regulation (EEC) No 823/87 laying down special provisions relating to quality wines produced in specified regions;¹

Regulation (EEC) No 2392/89 laying down general rules for the description and presentation of wines and grape musts;²

Regulation (EEC) No 358/79 on sparkling wines produced in the Community;³

Regulation (EEC) No 3309/85 laying down general rules for the description and presentation of sparkling wines and aerated sparkling wines.⁴

AROMATIZED WINES

353. As indicated in the previous Review, in December 1990 the Council adopted its common position on a proposal for a Regulation laying down general rules on the definition, description and presentation of aromatized wines, aromatized wine-based drinks and aromatized wine-product cocktails.⁵ On completion of the procedure for cooperation with the European Parliament, on 10 June the Council adopted the Regulation in question which provides for minimum production standards and suitable protection for certain names of the beverages in question, which constitute an important outlet for Community agriculture.⁶

FRUIT AND VEGETABLES

354. On 10 June the Council decided to amend Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables as regards quality standards⁷ in respect of indication of the net weight of prepackaged products.

¹ Regulation (EEC) No 3896/91, OJ L 368, 31.12.1991.

² Regulation (EEC) No 3897/91, OJ L 368, 31.12.1991.

³ Regulation (EEC) No 3898/91, OJ L 368, 31.12.1991.

⁴ Regulation (EEC) No 3899/91, OJ L 368, 31.12.1991.

⁵ See 38th Review, point 368.

⁶ Regulation (EEC) No 1601/91, OJ L 149, 14.6.1991.

⁷ Regulation (EEC) No 1603/91, OJ L 149, 14.6.1991.

Regulation (EEC) No 426/86 on the common organization of the market in products processed from fruit and vegetables was the subject of an amendment adopted by the Council on 13 June 1991.¹ This amendment introduces into the Annexes to Regulation (EEC) No 426/86 certain amendments to the codes in the Combined Nomenclature which were made recently in the new edition of the tariff and statistical nomenclature, and revises in the light of recent developments in trade the list of sensitive products contained in Annex IV to this Regulation, for which submission of an import licence is required if they are to be released for free circulation in the Community.

Finally, on 19 December the Council fixed for the 1991/92 marketing year the percentages mentioned in the second subparagraph of Article 3(1a) of Regulation (EEC) No 426/86 in connection with the premium granted for products processed from tomatoes.² This measure is intended to encourage the concentration of supplies of fresh tomatoes in order to achieve a better balance between the quantities to be produced and possible outlets, particularly in the case of quantities meant for the processing industry.

HOPS

355. On 10 June the Council adopted two Regulations in the hops sector. The first amended Regulation (EEC) No 1037/72 laying down general rules for granting and financing aid for hop producers and introduced the possibility of also granting the aid in question for acreage planted with experimental varieties.³ The second Regulation amends Regulation (EEC) No 1784/77 concerning the certification of hops in order explicitly to allow further processing of hop products since such processing has, as a result of technical developments, become as important as the processing of cone hops.⁴

On 11 December the Council set the amount of aid to producers for the 1990 harvest at ECU 340/ha for all varieties of hops.⁵

¹ Regulation (EEC) No 1943/91, OJ L 175, 4.7.1991.

² Regulation (EEC) No 3796/91, OJ L 357, 28.12.1991.

³ Regulation (EEC) No 1604/91, OJ L 149, 14.6.1991.

⁴ Regulation (EEC) No 1605/91, OJ L 149, 14.6.1991.

⁵ Regulation (EEC) No 3671/91, OJ L 349, 18.12.1991.

Animal products

MILK PRODUCTS

356. As the use of milk products imported from non-member countries under inward processing arrangements was threatening to disrupt the normal disposal of products of Community origin and the proper working of the common organization of the market in milk and milk products, the Council decided, on 22 January, to introduce a temporary suspension of inward processing arrangements in the milk sector until the end of the 1991/92 milk year,¹ although it did allow derogations from that suspension for products not available on the Community market, for Cheddar, Edam, Gouda, Gruyère and Emmenthal cheese processed into processed cheese or powdered cheese, and for whey.

In order to make the buying-up scheme for milk quotas more flexible and to specify that milk products other than those explicitly mentioned in the text of Regulation (EEC) No 857/84 were covered by the additional levy system, the Council decided on 4 February to make the appropriate amendments to Regulation (EEC) No 857/84 adopting general rules for the application of the levy referred to in Article 5c of the basic Regulation on milk products.²

On 24 April the Council set the guideline figure for the fat content of standardized whole milk imported into Ireland and the United Kingdom from the other Member States at 3.5% for Ireland for the 1990/91 and 1991/92 milk years and, in the case of the United Kingdom, at 3.9% for 1990/91 and 4% for 1991/92.³

On the same date the Council amended Regulation (EEC) No 1336/86 fixing compensation for the definitive discontinuation of milk production, thereby authorizing the German authorities to introduce a compulsory, across-the-board reduction of 3% in milk quotas in the five new *Länder* instead of having a voluntary programme for buying in quotas.⁴

357. On 26 June the Council amended Regulation (EEC) No 985/68 laying down general rules for intervention on the market in butter and cream in order to take account of a change in the classification of top-quality butter in Denmark.⁵

On 21 October the Council adopted a Regulation amending Regulation (EEC) No 1307/85 authorizing the Member States to grant consumption aid for butter.⁶

¹ Regulation (EEC) No 206/91, OJ L 24, 30.1.1991.

² Regulation (EEC) No 306/91, OJ L 37, 9.2.1991.

³ Regulation (EEC) No 1027/91, OJ L 106, 26.4.1991.

⁴ Regulation (EEC) No 1028/91, OJ L 106, 26.4.1991.

⁵ Regulation (EEC) No 2045/91, OJ L 187, 13.7.1991.

⁶ Regulation (EEC) No 3092/91, OJ L 293, 24.10.1991.

Under that measure the option of granting a national subsidy as consumption aid for butter was maintained for the 1991/92 marketing year; the maximum level of such aid remained unchanged at ECU 50/100 kg.

Lastly, Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and the Common Customs Tariff and Regulation (EEC) No 2915/79 determining the groups of products and the special provisions for calculating levies on milk and milk products were amended twice. The purpose of the first amendment, adopted by the Council on 19 November following a recommendation from the Customs Cooperation Council, was to bring all fresh cheeses, whether fermented or not, under one heading of the tariff nomenclature with the aim of simplifying customs checks.¹

The second amendment, adopted by the Council on 19 December, made a number of technical adjustments to the classification of whey.²

BEEF AND VEAL

358. The estimates for imports in this sector in the period 1 January to 31 December 1991 were adopted by the Council on 4 March. The estimates were:

198 000 head of young male bovine animals weighing 300 kg or less and intended for fattening;³ and

in view of the particular market conditions, nil for beef and veal intended for the processing industry.⁴

On 24 April the Council adopted a Regulation amending Regulation (EEC) No 1208/81 determining the Community scale for the classification of carcasses of adult bovine animals in order to allow the optional introduction of a conformation class superior to the five existing classes.⁵

On 26 June the Council adopted two Regulations opening and providing for the administration on a Community tariff quota for the period 1 July 1991 to 30 June 1992, at 4% duty, for:

42 600 head of heifers and cows, other than those intended for slaughter, of certain mountain breeds;⁶

5 000 head of bulls, cows and heifers, other than those intended for slaughter, of certain alpine breeds.⁷

¹ Regulation (EEC) No 3402/91, OJ L 321, 23.11.1991.

² Regulation (EEC) No 3798/91, OJ L 357, 28.12.1991.

³ Estimate 91/134/EEC, OJ L 66, 13.3.1991.

⁴ Estimate 91/135/EEC, OJ L 66, 13.3.1991.

⁵ Regulation (EEC) No 1205/91, OJ L 106, 26.4.1991.

⁶ Regulation (EEC) No 1894/91, OJ L 169, 29.6.1991.

⁷ Regulation (EEC) No 1895/91, OJ L 169, 29.6.1991.

359. On 25 July the Council adopted a special import quota of 11 430 tonnes of high-quality, fresh, chilled or frozen meat of bovine animals at 20% duty.¹

On 11 December the Council adopted other quotas, valid for 1992, by means of Regulations:

opening and providing for the administration of a Community tariff quota of 53 000 tonnes of frozen meat of bovine animals at 20% duty;²

opening a Community tariff quota of 34 300 tonnes of high-quality, fresh, chilled or frozen meat of bovine animals at 20% duty;³

opening a Community tariff quota of 2 250 tonnes of frozen buffalo meat at 20% duty;⁴

opening a Community tariff quota of 1 500 tonnes of frozen thin skirt of bovine animals at 4% duty.⁵

To remedy the problems encountered in the beef and veal sector the Council decided, on 11 December, to increase the amount of the premium for maintaining suckler cows.⁶ The Regulation provided, for the 1991/1992 marketing year only, for a derogation from the amount of the suckler cow premium as laid down in the rules in force, and for the Community premium to be raised to ECU 50 per cow and the maximum amount of the additional national premium to be raised to ECU 35 per cow. The latter amount would be co-financed up to a maximum of ECU 28 per cow in the case of Greece, Ireland and the United Kingdom for Northern Ireland.

SHEEPMET AND GOATMEAT

360. Pending introduction of a Community scale for the classification of carcasses in this sector, the Council adopted, on 5 February, a Regulation determining the Community standard quality of fresh or chilled sheep carcasses to be used in recording prices in the various quotation areas.⁷ The minimum carcass weight was set at 12 kg. The prices of carcasses below that limit would not be taken into account in reporting prices and, with regard to reasonable fat level, the heaviest carcasses in each quotation area would be excluded from price reporting.

¹ Regulation (EEC) No 2329/91, OJ L 214, 2.8.1991.

² Regulation (EEC) No 3667/91, OJ L 349, 18.12.1991.

³ Regulation (EEC) No 3668/91, OJ L 349, 18.12.1991.

⁴ Regulation (EEC) No 3669/91, OJ L 349, 18.12.1991.

⁵ Regulation (EEC) No 3670/91, OJ L 349, 18.12.1991.

⁶ Regulation (EEC) No 3605/91, OJ L 343, 13.12.1991.

⁷ Regulation (EEC) No 338/91, OJ L 41, 14.2.1991.

On 19 December the Council adopted an amendment to Regulation (EEC) No 3493/90 laying down general rules for the grant of premiums to sheepmeat and goatmeat producers.¹ Under that amendment, the definitions of 'eligible ewe' and 'eligible she-goat' used for the purposes of the premium were maintained for the 1992 marketing year pending new definitions.

SHEEPMEAT AND BEEF AND VEAL

361. On 19 December the Council adopted a Decision extending until 31 March 1992 Decision 82/530/EEC authorizing the United Kingdom to permit the Isle of Man authorities to apply a system of special import licences to sheepmeat and beef and veal.² This extra time was to enable the Council to examine the Commission proposal on the matter which recommended extending the existing provisions until 31 December 1995.

Specific measures in respect of certain agricultural products for the benefit of the French overseas departments

362. Further to its Decision of December 1989 adopting a programme of options specific to the remote and insular nature of the French overseas departments (Poseidom),³ the Council adopted, on 16 December, a Regulation introducing specific measures in respect of certain agricultural products for the benefit of the French overseas departments.⁴ The aim of that Regulation, which falls under the structural policy for the remoter regions, was to improve the terms of supply of agricultural products to the French overseas departments and to promote the development and improvement of their agricultural structures.

C — Agricultural structures

363. During 1991 the Council adopted a number of agricultural structures policy measures; in addition, as part of the work commenced in the second half of the year on reforming the common agricultural policy, the Council examined the measures proposed by the Commission to back up the changes being made to the common market organizations.

¹ Regulation (EEC) No 3797/91, OJ L 357, 28.12.1991.

² Decision 91/657/EEC, OJ L 357, 28.12.1991.

³ See 37th Review, point 101.

⁴ Regulation (EEC) No 3763/91, OJ L 356, 24.12.1991.

On 22 April the Council adopted Regulation (EEC) No 1030/91¹ extending until 31 December 1991 the derogation from Regulation (EEC) No 797/85 as regards investment aids in the pig production sector. This derogation applies in certain specified regions of the Community and relaxes the provisions whereby holdings are required to produce a minimum percentage of feed consumed by the pigs.

On 15 July the Council adopted Regulation (EEC) No 2328/91² which is designed to consolidate the rules on improving the efficiency of agricultural structures. With the aim of simplifying and clarifying the presentation of Community law, the Council Regulation aims at legislative consolidation in the sense that the new Regulation replaces the various Regulations covered by the consolidation while fully preserving the substance of the consolidated texts.

364. On 22 July the Council adopted:

Directive 91/465/EEC amending Directive 86/466/EEC concerning the Community list of less-favoured farming areas within the meaning of Directive 75/268/EEC (Spain);³

Directive 91/466/EEC amending Directive 85/350/EEC concerning the Community list of less favoured farming areas within the meaning of Directive 75/268/EEC (Ireland).³

These two Directives extend the Community list of less favoured farming areas in Spain and Ireland. The extension in the case of Spain represents approximately 1.2 million hectares, which means that less favoured areas in Spain now account for 67.5% of the utilized agricultural area of the country; in the case of Ireland an additional 750 000 hectares are classified as less favoured areas, so that less favoured areas now represent 71.25% of Ireland's utilized agricultural area.

In March the Council examined the proposal which the Commission had submitted the previous year on the setting-up of a model scheme for Information on rural development initiatives and agricultural markets, known as Miriam. Following a detailed discussion the Council failed to reach a consensus on this proposal.

365. On 6 May the Council received a Commission communication on extending to other species of livestock the compensatory allowances provided for under the Community arrangements for mountain and hill farming and farming in certain less favoured areas. The communication was in pursuance of a commitment the Commission had given during the Council's discussions of December 1989 on agricultural

¹ OJ L 106, 26.4.1991.

² OJ L 218, 6.8.1991.

³ OJ L 251, 7.9.1991.

structures. The Council authorities noted the conclusions reached by the Commission, namely, that there was no reason at this stage to envisage any changes in the current arrangements for granting the compensatory allowance.

On 31 May the Council received a report from the Commission on the conduct of the common action referred to in Regulation (EEC) No 1401/86 on the encouragement of agriculture in certain less favoured areas of northern Italy. The Council authorities noted the content of the report, which reported on the progress made in implementing various regional programmes over the period 1987-89.

During the first half of the year the Council's subordinate bodies made a detailed examination of the proposal submitted by the Commission in August 1990 on the introduction and the maintenance of agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside. The examination dealt in particular with the objectives of the proposed action, the range and scope of the measures proposed and the financial aspects. Subsequently, in July, the Commission sent the Council a communication on the development and future of the common agriculture policy which promised, among other initiatives, a new proposal in the agri-environmental field.

On 31 October the Council received three proposals for measures to back up the reform of the CAP, on agri-environment, forestry measures in agriculture and aid for the early retirement of farmers. The three proposals were examined in depth by the Council's subordinate bodies and the general problems they raised were debated by the Council in December.

Protection of forests

366. On 12 November the Council received two proposals extending and modifying Community measures for the protection of the Community's forests against atmospheric pollution and fires; the Council's subordinate bodies have begun discussions on these proposals.

Agricultural statistics

367. On 22 February the Council received a report from the Commission on the progress of the pilot project on remote sensing applied to agriculture statistics; the report was drawn up in accordance with Article 3 of Council Decision 88/503/EEC. The Council authorities noted that work had proceeded satisfactorily over the period 1989-90.

The Council authorities also examined the report submitted by the Commission in December 1990 in accordance with Article 5 of Decision 85/360/EEC on the programme for the restructuring of the system of agricultural surveys in Greece and noted the results achieved in implementing that programme during 1989 and the problems encountered.

D — Financial and agrimonetary aspects

368. During 1991 the Council continued to work towards a strengthening of the methods of supervision launched in 1989 with a view to stepping up action against fraud and the prevention and punishment of irregularities committed to the detriment of the Communities' budget.

The Council adopted a Regulation on reinforcing the monitoring of certain expenditure chargeable to the Guarantee Section of the EAGGF,¹ which seeks to encourage Member States to step up the controls falling to them under Article 8 of Council Regulation No 729/70 over exports and aids, premiums and various measures provided for under the market organizations. The encouragement takes the form of Community financing for a five-year period, up to a maximum of ECU 10 million a year, of 50% of the expenditure on a reinforcement measure over the first three years, and 25% for the last two years. In the same context, the Council adopted a Regulation² concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the CAP and the organization of an information system in this field and repealing Regulation (EEC) No 283/72.

This Regulation updates, standardizes and reinforces the methods of combating irregularities by facilitating exchanges of information between the Commission and the Member States, notably in cases of irregularities involving a number of Member States, and clarifying cooperation by Commission staff in carrying out controls. A financial incentive is provided for, in that Member States may withhold part of the amounts recovered.

Again with a view to a better utilization of Community Funds, the Council, in its Economic and Financial Affairs and Agriculture formations, approved the conclusions of the examination carried out by its subordinate bodies of Special Report No 2/90 of the Court of Auditors on the management and control of export refunds; those conclusions found that Member States and the Commission should take

¹ Regulation (EEC) No 307/91 of 4.2.1991, OJ L 37, 9.2.1991.

² Regulation (EEC) No 595/91 of 4.3.1991, OJ L 67, 14.3.1991.

the utmost account of the Commission's recommendations, and ensure that the management and control of refunds were of high quality.

369. The Council decided¹ that, for 1991 and 1992, the revenue from accession compensatory amounts on imports of common wheat from other Member States would be refunded to Portugal in order to help that country continue with the necessary adjustments in the cereals sector. The refund was limited to quantities covering the traditional requirements of national consumption of common wheat (400 000 tonnes per year).

370. In the agrimonetary field, in the context of the Decision on prices and related measures for the 1991-92 marketing year, the Council adopted a Regulation² in preparation for the disappearance of monetary gaps on 1 January 1993. It decided to dismantle completely the remaining monetary gaps in the cereals sector for Germany and the Netherlands. It further decided on a substantial reduction of the negative monetary gaps for Greece, a relative dismantling of the positive monetary gaps for Spain, and to maintain the status quo for Portugal.

Following that decision, monetary gaps were abolished for all currencies observing the 2.5% fluctuation margin in the European Monetary System. The other currencies (drachma, escudo, peseta, pound sterling) may still have monetary compensatory amounts applied in agricultural trade. For all currencies the green ecu system (ecu x correcting factor of 1 145) remains in force.

E — International affairs affecting agriculture

International Sugar Agreement

371. The 1987 International Sugar Agreement expires on 31 December 1992, following two extensions. During the negotiations held in 1991 in the International Sugar Organization it was decided that negotiations would commence on a new Agreement which, like those of 1984 and 1987, would be of an administrative nature. On 19 December the Council decided to authorize the Commission to participate in the discussions and drew up negotiating directives for that purpose.

¹ Council Decision 91/183/EEC of 8.4.1991, OJ L 91, 12.4.1991.

² Regulation (EEC) No 1640/91 of 13.6.1991, OJ L 150, 15.6.1991.

International Wheat Council

372. The Member States and the Commission regularly coordinated their positions for this organization's meetings.

International Olive Oil Council (IOOC)

373. In 1991 the International Olive Oil Council continued discussions on the administration of the International Agreement on olive oil and table olives and decided to extend the Agreement until 31 December 1993.

The IOOC also decided, at its meeting in December, to accept Lebanon's application for membership and set down the conditions for its accession to the Agreement.

The Community participated in meetings of the IOOC and coordination meetings were held for that purpose.

International Vine and Wine Office (IWO)

374. The Council closely monitored the proceedings of the IWO, particularly at its 71st general assembly held in Paris from 2 to 6 September.

FAO — World Food Council

375. The coordination of the positions of the Community and the Member States in connection with the proceedings of the FAO and the World Food Council became a matter of increasing importance. In particular, the proposed accession of the Community to the FAO made it advisable to improve preparation for that organization's meetings, in order to ensure that the Community's interests were better represented at the level of the Conference, the Council, the committees or the working groups. To this end the Community introduced a more intensive internal coordination procedure. That procedure will nevertheless be subjected to further scrutiny before the Community finally accedes to the FAO.

Codex Alimentarius (FAO/WHO)

376. In the context of the proceedings of the *Codex Alimentarius* (FAO/WHO programme) the Member States and the Commission coordinated their positions with a view to arriving at a common view regarding the matters on the agenda for the various committees.

F — Harmonization of legislation

Veterinary sector

377. In 1991 work within the Council was expedited in order to set up the arrangements whereby veterinary checks at borders between Member States could be eliminated and uniform checks at the Community's external borders introduced on 1 January 1993.

With this in mind, on 15 July the Council adopted Directive 91/496/EEC¹ laying down the principles governing the organization of veterinary checks on animals entering the Community from third countries and amending Directives 90/425/EEC and 90/675/EEC. That decision completed the framework established by the Directives mentioned above for replacing checks at internal borders by spot checks at the place of origin and the destination and ensuring uniform checks on products imported from non-member countries.

Starting from the principle that from 1 January 1993 all trade in animals and products of animal origin will have to be governed by these new rules on checks, in 1991 the Council completed the area subject to Community harmonization by the adoption of 17 specific Directives.

ANIMAL HEALTH

378. Directive 91/67/EEC, adopted on 28 January,² lays down the animal health conditions governing the placing on the market of aquaculture animals and products.² Amongst other things, the Directive specifies the conditions to be complied with in order to obtain, for the purposes of free movement, the status of approved area or approved farm located in a non-approved area with regard to the main diseases which fish are subject to and the rules to be complied with in order for the animals and products concerned to be introduced into such approved areas or farms.

On 28 January the Council adopted Directive 91/68/EEC² on animal health conditions governing intra-Community trade in ovine and caprine animals and Directive 91/69/EEC amending Directive 72/462/EEC on health and veterinary inspection problems upon importation of bovine animals and swine, fresh meat or meat products from third countries, in order to include ovine and caprine animals.

¹ OJ L 268, 24.9.1991.

² OJ L 46, 19.2.1991.

These two Directives lay down the rules to be complied with for checking the movement of animals with regard to the main diseases to which ovine and caprine animals are subject.

379. Directive 91/499/EEC,¹ adopted on 26 June, amends Directive 64/432/EEC as regards the diagnosis of bovine brucellosis and enzootic bovine leucosis to take account of developments in the techniques for diagnosing these two diseases.

Directive 91/494/EEC, also adopted on 26 June, prescribes the animal health conditions governing intra-Community trade in and imports from third countries of fresh poultrymeat.¹ It lays down the rules to be complied with for preventing the spread of diseases which can be transmitted to poultry, in particular Newcastle disease and avian influenza. Taken together, these decisions enable the animals and products concerned to be covered by the rules and principles governing veterinary checks, as well as Community inspection rules and any Community safeguard measures.

In the framework of the guarantees provided for to take account of the vaccination policy decided on on 26 June,² on 11 December the Council adopted Decision 91/666/EEC³ establishing Community reserves of foot-and-mouth disease vaccines so as to be able to react as rapidly as possible to any outbreak of foot-and-mouth disease on the territory of the Community after the discontinuation of vaccination by all Member States, and Decision 91/665/EEC designating a Community Coordinating Institute for foot-and-mouth disease vaccines and laying down its functions.³

380. Finally, to take account of the discontinuation of vaccination against swine-fever throughout the Community and the satisfactory evolution of the situation with regard to this disease, the Council adopted the following Directives and Decisions:

Directive 91/685/EEC amending Directive 80/217/EEC introducing Community measures for the control of classical swine-fever;

Decision 91/686/EEC amending Directive 80/1095/EEC and Decision 80/1096/EEC as regards certain measures relating to classical swine-fever;

Directive 91/687/EEC amending Directives 64/432/EEC, 72/461/EEC and 80/215/EEC as regards certain measures relating to swine-fever

Directive 91/688/EEC amending Directive 72/462/EEC on health and veterinary inspection problems upon importation of bovine, ovine and caprine animals and swine, fresh meat or meat products from third countries.⁴

¹ OJ L 268, 24.9.1991.

² Directive 90/423/EEC, OJ L 224, 18.8.1990.

³ OJ L 368, 31.12.1991.

⁴ OJ L 377, 31.12.1991.

PUBLIC HEALTH

381. Directive 91/492/EEC, adopted on 15 July, laid down the health conditions for the production and the placing on the market of live bivalve molluscs while Directive 91/493/EEC laid down those applicable to fishery products.¹ These decisions deal amongst other things with the conditions of hygiene applicable to factories, the rules for the approval of production establishments and the rules of hygiene to be complied with for the handling and preparation of fishery products.

At the same time, these products fall within the scope of the Directives on checks referred to previously.

Directive 91/497/EEC,¹ amending and consolidating Directive 64/433/EEC, adopted on 29 July, laid down the rules applicable to fresh meat production for the purposes of the internal market. It lays down, in particular, the conditions for the approval of small establishments while altering those of slaughterhouses with industrial capacity. It also abolishes the distinction which had existed since 1964 between meat declared to be suitable for intra-Community trade, after *post mortem* inspection, and meat restricted to domestic markets.

Finally, Directive 91/498/EEC grants a waiver until 31 December 1995 to establishments unable to fulfil, on 1 January 1993, the new approval requirements for adaptation as regards structures and equipment.

On 11 December, by Decision 91/664/EEC,² the Council designated the Community reference laboratories for testing certain substances for residues in animals and their meat in application of Directive 86/469/EEC.³

Directive 91/684/EEC,⁴ adopted on 19 December, amended Directive 89/437/EEC on egg products in order to adapt certain provisions to take account of scientific progress, regarding testing for staphylococci in egg products and the storage temperatures for certain egg products.

382. The Council also adopted, on 4 February, Decision 91/61/EEC⁵ extending for a year the ban on marketing and administering bovine somatotropin in order to enable the Commission to complete research on the effects of this substance on the productivity of dairy cows, on their welfare and on any effects it might have on human health.

¹ OJ L 268, 24.9.1991.

² OJ L 368, 31.12.1991.

³ OJ L 275, 2.10.1991.

⁴ OJ L 376, 31.12.1991.

⁵ OJ L 37, 9.2.1991.

ANIMAL HUSBANDRY

383. On 25 March the Council adopted Directive 91/174/EEC¹ laying down zootechnical and pedigree requirements for the marketing of pure-bred animals and amending Directives 77/504/EEC and 90/425/EEC.

As a result of this decision, all pure-bred animals not yet covered by Community animal husbandry rules may no longer be subjected to trade restrictions or barriers on animal husbandry or pedigree grounds.

ANIMAL WELFARE

384. In this field, the Council adopted three Directives on 18 November.

Directive 91/628/EEC² on the protection of animals during transport, amending Directives 90/425/EEC and 91/496/EEC and repealing Directives 77/489/EEC and 81/389/EEC, tightened up certain requirements on the rules to be complied with by traders when transporting animals, particularly as regards the measures to be taken and means to be provided for feeding and watering animals.

Directives 91/629/EEC² and 91/630/EEC² laid down minimum standards for the protection of calves and pigs.

Plant health

385. The Council's work in this sector led to the adoption of two Directives of significance for the completion of the internal market, namely;

Directive 91/414/EEC of 15 July 1991 on the marketing of plant-protection products,³ which sets out to establish a harmonized procedure for the authorization of plant-protection products to be used for the protection of plants and plant products against harmful organisms and weeds,

Directive 91/683/EEC of 19 December 1991 amending Directive 77/93/EEC on protective measures against the introduction into the Member States of organisms harmful to plants or plant products⁴ laying down new control arrangements in the area of plant health protection, compatible with the requirements of the internal market,

¹ OJ L 85, 5.4.1991.

² OJ L 340, 11.12.1991.

³ OJ L 230, 19.8.1991.

⁴ OJ L 376, 31.12.1991.

which will result in the elimination of all physical barriers to trade, in particular controls at customs posts or other points at the borders between the Member States.

Feedingstuffs

386. The legislation adopted by the Council during the period under review is aimed at supplementing and adapting Community rules on the basis of experience acquired and developments in scientific and technical knowledge in the field.

It consists of the following Directives:

Directive 91/132/EEC of 4 March 1991 amending Directive 74/63/EEC on the fixing of maximum permitted levels for undesirable substances and products in feedingstuffs,¹ which extends the list of substances and products for which maximum permitted levels in feedingstuffs should be laid down;

Directive 91/681/EEC of 19 December 1991 amending Directive 79/373/EEC on the marketing of compound feedingstuffs² enabling traders, until the end of 1992, to market with the old labelling compound feedingstuffs manufactured before the entry into force of the new rules laid down by Directive 90/44/EEC.

Plants and seeds

387. In this sector, governed by Community rules which have been firmly established for several years, the Council adopted the following acts:

Decision 91/239/EEC of 22 April 1991 amending the Seventh Decision, 85/355/EEC, on the equivalence of field inspections carried out in third countries on seed-producing crops and the seventh Decision, 85/356/EEC, on the equivalence of seed produced in third countries.³ The aim of this Decision is to extend until 30 June 1995 the period of equivalence applicable in Austria for all seeds other than maize and to extend it until 31 March 1992 for maize seeds;

Directive 91/682/EEC of 19 December 1991 on the marketing of ornamental-plant-propagation material and ornamental plants.² The aim of the Directive is to harmonize the quality and plant health standards which must be complied with by propagating material (including seeds) and also by ornamental plants marketed as such.

¹ OJ L 66, 13.3.1991.

² OJ L 376, 31.12.1991.

³ OJ L 107, 27.4.1991.

Organic production

388. In this sector, a new area for Community legislation, the Council adopted **Regulation (EEC) No 2092/91 of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs.**¹

This is an act introducing a harmonized framework for the production, inspection and labelling of agricultural products and foodstuffs which bear, or are intended to bear, indications referring to organic production methods.

¹ OJ L 198, 22.7.1991.

Chapter VII

Community budget — Staff Regulations

A — Financial perspective

INTRODUCTION

389. The political and economic upheavals which characterized the beginning of the present decade and left their mark on the Community's financial and budgetary environment continued in 1991. The preceding financial year (1990) had already been greatly disrupted by major political events necessitating four revisions/amendments of the 'financial perspective'¹ (due in particular to German unification and the Gulf crisis), and 1991 proved to be no less difficult: the Gulf crisis culminating in all-out war, with consequences such as the exodus of the Kurdish peoples, and the breakup of the former Soviet Union at the end of the year, to mention only the most salient events. These occurrences undoubtedly influenced the 1991 financial year, necessitating a first revision/amendment of the FP in May and a second which would only be completed in February 1992.

Adjustment/adaptation of the FP on the basis of Articles 10 and 11 of the 1988 Interinstitutional Agreement (IIA)

390. As it does every year, the Commission submitted a proposal to the budgetary authority for the adjustment and adaptation of the FP ceilings for the current financial year. On the basis of a Commission proposal forwarded to the Council on 11 March, and further to the agreement of the Council and the European Parliament, the two arms of the budget authority adopted an adaptation of the FP on 15 May on the basis of Articles 10 and 11 of the IIA by authorizing the transfer of certain amounts of appropriations unused in 1990 to the 1992 financial year: the ceilings on non-compulsory commitment appropriations were thus increased in 1992 by ECU 350 million for Heading 2 and by ECU 115 million for Heading 3.

¹ Hereinafter abbreviated to FP.

First revision/amendment of FP in connection with the Community's external activities

(technical assistance for the USSR, Israel and the Occupied Territories, humanitarian aid for the Kurdish peoples and for certain famine-hit regions in Africa)

391. The scale of the European Community's external activities is constantly increasing in line with the responsibilities which the Community intends to assume in the world. Against this background it wished to play its part, both financially and otherwise, in responding to the crises and disasters that caused such upheavals in 1991; the main budgetary features of its contribution are summarized below.

TECHNICAL ASSISTANCE TO THE USSR

392. On the basis of preparatory discussions held by the Economic and Financial Affairs Council on 10 December 1990 and the Commission's suggestions, the European Council meeting in Rome on 14 and 15 December 1990 agreed to provide, *inter alia*, Community technical assistance for the USSR in 1991 and 1992. Expenditure to be charged to the Community budget was assessed at ECU 400 million for 1991; the European Council did not at this stage quantify the amount needed for 1992.

Entry of this assistance in the budget necessitated an immediate increase in the ceiling for heading 4 of the FP

The Commission therefore proposed on 3 January that the FP be revised (COM(91) 691 final).

The technical assistance activities cover the areas of training for public and private management, financial services, energy, transport and foodstuffs distribution.

The aim of this assistance is crucial: it is designed to support the structural reforms in the country with a view to facilitating the transition to a market economy by means of transfers of know-how and knowledge in the abovementioned areas.

For the purposes of this technical assistance the Commission proposed that the FP be increased for 1991 by ECU 400 million in commitment appropriations and by ECU 300 million in payment appropriations and for 1992 by ECU 100 million in payment appropriations.

When the Council's subordinate bodies embarked on the technical examination of this dossier, the political decision was already an established fact, since the European Council in Rome. Some of the attitudes of the Soviet authorities on an internal level, including the deployment of troops in certain regions and in particular in the Baltic republics, tempered the original willingness to take rapid and far-reaching action on this question. Thus, completion of the dossier was overtaken by the other matters described below.

FINANCIAL ASSISTANCE TO ISRAEL AND THE PALESTINIANS IN THE OCCUPIED TERRITORIES

393. On 4 March the Council (General Affairs) agreed on financial assistance to Israel and the Palestinians in the Occupied Territories, as follows:

for Israel, ECU 160 million in loans raised on the market, linked to interest subsidies for which ECU 27.5 million would be included in the 1991 budget, to cover import costs in particular;

for the Palestinians in the Occupied Territories, ECU 60 million in the form of grants, to be included in the 1991 budget, for the financing of subsidized housing and hospitals.

This aid supplemented the provisions already entered in the 1991 budget for the countries most affected by the Gulf crisis (ECU 500 million).

HUMANITARIAN AID FOR THE IRAQIS OF KURDISH ORIGIN

394. Already on 8 April the European Council reacted to the multitudinous sufferings of the Iraqis of Kurdish origin fleeing from the acts of repression and war inflicted on them by the Iraqi authorities; ECU 100 million was earmarked for them in the Community budget and a contribution of ECU 50 million from the Member States, this latter sum to be coordinated by the Commission.

The charging of ECU 100 million to the budget necessitated an increase in the FP ceiling.

As the European Parliament was very prompt in giving its agreement in principle, the Commission was able to pre-finance this aid pending formal revision of the FP.

FAMINE IN AFRICA

395. On 18 April the Commission submitted a special programme of food aid for Africa which committed an amount of ECU 160 million to be charged to the Community budget in 1991.

This programme also necessitated an increase in the ceiling for Heading 4 of the FP.

The special programme was in response to a large-scale food crisis in sub-Saharan Africa: the famine was to affect some 30 million people. In this instance too, the Community was able to react with the necessary promptness; the successful outcome of the triologue of 2 May between the representatives of the three institutions enabled the Commission to proceed immediately with the launching of this programme to purchase and forward an extra 400 000 tonnes of cereals.

All the Commission proposals referred to above were submitted in the form of proposals for the revision of the FP.

At two triologue meetings (16 April and 2 May) the President of the Council endeavoured to reach agreement with the European Parliament on the various points reviewed above.

The points which caused problems were those having financial repercussions beyond the 1991 financial year and the suggestion that a global reserve be set up in the FP which would enable the budgetary authority to respond with greater flexibility to the various occurrences which, like those referred to above, could periodically upset the normal course of events.

396. In the joint declaration attached to the Decision on the FP the three parties also agreed to examine, when the Commission's first report on the implementation of the programmes covered by this Decision was discussed, 'requirements for 1992 with a view to completing the process of adjusting the FP for 1992 before Parliament's first reading of the draft budget'.

In detail, the Decision led to an increase in the ceiling for Heading 4 'Other policies' of the FP of ECU 728 million in commitment appropriations in 1991, namely ECU 400 million for assistance to the USSR, ECU 87.5 million for assistance to Israel and the Occupied Territories, ECU 100 million for aid to the population of Kurdish origin in Iraq and ECU 140 million for the special programme in Africa.

Total payment appropriations were increased by ECU 423 million in 1991 and ECU 180 million in 1992.

In order to understand certain subsequent developments, it should be made clear that the increase in the total payment appropriations comprised an amount of ECU 323 million for aid to the USSR, Israel and the Occupied Territories and the special programme for Africa by means of the revision of the FP (Article 12 of the IIA), while the remainder (ECU 100 million) concerning aid to the Kurds resulted from an amendment pursuant to Article 4 of the IIA; this position is in line with the interpretation given by the Council in particular to the concept of 'contingency reserve' provided for in Article 12 of the IIA. In a declaration attached to the abovementioned Decision the European Parliament recorded its disagreement with this interpretation.

On 15 May an agreement whereby the four major political areas referred to above would be taken into account in the FP was recorded and signed on behalf of the Council, the European Parliament and the Commission. The agreement covered only those aspects and its financial impact was confined to the 1991 financial year; it did not include any response to the European Parliament's insistent request for the creation of a global reserve for urgent cases. Agreeing at this stage to limit the revision in this way, the European Parliament stressed that the aim was to bring this matter rapidly to a close since its justification had been established beyond any doubt and its urgency was such that no further time should be lost.

Attempts at a second revision/amendment of the FP

(in connection in particular with assistance for the USSR, external aid and administrative expenditure)

397. On 27 September the Commission presented the budgetary authority with a second proposal for a revision of the FP and involving in particular an increase in the ceilings for Headings 4 and 5 for 1992.

It thought that the ceilings for Headings 4 and 5, last revised in May, would not be sufficient for the adoption of a balanced Community budget capable of coping with the new tasks facing the Community in 1992 (including the declining situation resulting from the accelerating disintegration of the former USSR and the possible occurrence of further disasters such as movements of refugees and famines necessitating, as recent experience had shown, the rapid mobilization of humanitarian aid). It also thought it was essential to have additional administrative appropriations if it were to be in a position to carry out these new tasks.

The proposal was examined by the two arms of the budgetary authority which, however, adopted two different approaches in this respect:

- (i) the Council took the view that this was not the time to initiate a further increase in the FP ceilings for 1992 and that in any case existing margins within the recently revised FP ought to be sufficient for the adoption of a balanced 1992 budget on the basis of the draft budget it had voted on 25 July. The Council (Economic and Financial Affairs) meeting on 11 November was therefore unable to reach agreement on the Commission proposal;
- (ii) the Parliament, for its part, was in favour of the Commission proposal. However, the trialogue organized on 10 December in parallel with the part-session of the European Parliament, during which the 1992 budget was supposed to be voted by the latter on the second reading, failed to reach a solution acceptable to the three parties concerned (Commission, Council and Parliament). Parliament then

reacted in its own way by voting several major items of expenditure, including the appropriations for the former USSR 'subject to revision of the FP' (see Section B below on the budgetary procedure for 1992).

This unsatisfactory situation would not be regularized until February 1992. At that time the Council, the Commission and the European Parliament would agree on a revision of the FP for 1992, which would make it possible to include in the 1992 budget certain new items of expenditure deemed to be essential (*inter alia* for the former USSR) by means of a supplementary and amending budget.

B — 1992 budgetary procedure

Preliminary draft Commission budget (including Letter of Amendment No 1)

398. The preliminary draft budget for the 1992 financial year, which the Commission submitted on 21 June 1991 (including Letter of Amendment No 1), brings the total expenditure to ECU 65 571 million in commitment appropriations and ECU 62 614 million in payment appropriations. Compared with the budget adopted for the 1991 financial year (taking into account SAB No 1/91) these amounts represent an increase of 10.57% in commitment appropriations and 11.78% in payment appropriations. In these amounts the increase in compulsory expenditure is limited to 9.18% in commitment appropriations and 9.09% in payment appropriations; non-compulsory expenditure increases by 12.62% in commitment appropriations and 16.34% in payment appropriations.

This preliminary draft reflects the two main lines of Community action in the budgetary field:

- (i) continuation of the Community's quest for integration in the run-up to the implementation of the Single Act in particular and the development of the Community in general;
- (ii) inclusion of the preliminary draft budget in the last financial year covered by the Interinstitutional Agreement of 1988 and the FP which forms a part thereof.

Compared with the overall ceilings for the FP as last amended and adapted on 15 May, the PDB fell short by ECU 1 020.9 million in commitment appropriations (including ECU 805.4 million for non-compulsory expenditure) and ECU 627.4 million in payment appropriations (including ECU 399.3 million for non-compulsory expenditure).

Council — First reading

399. The Council discussed the preliminary draft budget on 25 July after the prescribed meeting with a delegation from the European Parliament.

At the close of its discussions the Council established the draft general budget of the European Communities for 1992, providing for total expenditure of ECU 65 606 million in commitment appropriations (CA) and ECU 62 407 million in payment appropriations (PA), of which:

(million ECU)

	CA	PA
Non-compulsory expenditure (NCE)	27 058	23 932
Compulsory expenditure (CE)	38 548	38 475

400. The main items of the draft budget for the 1992 financial year were as follows:

(million ECU)

	CA	PA
EAGGF Guarantee Section	35 008.0	35 008.0
Set-aside and income aid	280.0	280.0
Depreciation of agricultural stocks	810.0	810.0
Monetary reserve	1 000.0	1 000.0
Structural Funds	17 585.3	16 039.6
Pedip (Specific programme for industrial development in Portugal)	127.7	121.6
IMPs (integrated Mediterranean programmes)	466.9	302.4
Research (framework programme)	2 037.9	1 562.7
Other policies	5 085.6	4 077.2
of which: food aid	518.0	552.7
aid to Latin America and Asia	553.9	349.0
Mediterranean countries	397.7	280.3
Central and Eastern Europe	1 025.0	570.0
USSR	400.0	320.0
Administration: Commission	1 908.9	1 908.9
other institutions	1 023.1	1 023.1
Repayments to Member States	82.0	82.0
Total	68 310.0	64 287.5

Compared with the FP ceilings for 1992 the Council left a margin of ECU 31 million for Heading 1 (EAGGF Guarantee Section), a margin of ECU 435 million for Heading 3 (notably research appropriations), a margin of ECU 88 million in compulsory expenditure and ECU 50 million in non-compulsory expenditure for Heading 4; on the other hand, it used up the margins for Headings 2 (Structural Funds) and 5 (administrative appropriations, stock disposal) apart from ECU 381 million (compulsory expenditure) committed for stock disposal.

The Council thought it advisable to make maximum use of the appropriations under the different FP ceilings and in particular as regards expenditure coming under Heading 4 so that it could meet the Community's new challenges from outside (e.g. assistance to the former USSR). This approach did of course involve the risk of a clash with the European Parliament's views.

European Parliament — First reading

401. At its sitting on 24 October the European Parliament adopted amendments and proposed modifications to the draft budget adopted by the Council on first reading. The Parliament forwarded its draft as amended and modified to the Council under cover of a letter dated 30 October.

Of the proposed modifications and amendments which gave rise to some difficulties, *inter alia* of a legal nature, the following amendments may be mentioned:

- (i) those in the research sector (Subsection B6), where certain amendments entailed an overrun of the specific 'funds estimated as necessary' for the second framework programme and the overall sub-ceiling for the third framework programme;
- (ii) the 'horizontal' amendment concerning commitment appropriations of ECU 1 660 million relating in particular to external projects (including assistance to the former USSR, aid in the event of disasters and tropical forests) and voted 'subject to revision of the FP'.

The implications of the Parliament's vote at its first reading were as follows:

	<i>(million ECU)</i>	
	CA	PA
General expenditure	67 796	64 080
of which:		
— compulsory expenditure (CE)	29 201	25 511
— non-compulsory expenditure (NCE)	38 595	38 569

Council — Second reading (12 November)

402. After the traditional meeting with a delegation from the European Parliament the Council, at its meeting on 12 November, held its second reading of the draft budget for 1992 amended and coupled with proposals for modification by the European Parliament.

The Council took up some of Parliament's amendments. In the main, however, it upheld the approach it had adopted at its vote in July. This applied in particular to expenditure in connection with external relations and research. In the latter sphere the Council continued to insist that the funds estimated as necessary be observed.

403. In essence the expenditure agreed on by the Council on its second reading of its draft 1992 budget amounted to:

	<i>(million ECU)</i>	
	CA	PA
EAGGF Guarantee Section	35 008.0	35 008.0
Monetary reserve	1 000.0	1 000.0
Set-aside and income aid	280.0	280.0
Structural Funds	17 585.3	16 039.6
Pedip (Specific programme for industrial development in Portugal)	127.7	121.6
Support programme	16.0	13.9
IMPs (integrated Mediterranean programmes)	466.9	302.4
Research (framework programme)	2 037.9	1 562.7
Research (other than framework programme)	181.9	183.8
Other policies	5 135.6	4 111.1
of which: food aid	518.0	552.7
aid to Latin America and Asia	553.9	349.0
Mediterranean countries	397.7	280.3
Central and Eastern Europe	1 033.0	570.0
USSR	400.0	320.0
Administration: Commission	1 849.6	1 849.6
other institutions	1 053.3	1 053.3
Depreciation of agricultural stocks	810.0	810.0
Repayments to Member States	82.0	82.0
Total	65 634.2	62 418.0

The rates of increase for non-compulsory expenditure thus amounted to 13.25% in the case of commitment appropriations and 15.83% in the case of payment appropriations.

Letter of Amendment No 1 to the draft budget for 1992

404. On 24 September the Commission submitted to the Council letter of Amendment No 2 to the preliminary draft general budget of the European Communities for 1992.

The Council subsequently received Letter of Amendment No 3 to the preliminary draft budget for 1992 (document forwarded on 6 November).

On the basis of these two letters the Council, meeting on 12 November, drew up Letter of Amendment No 1/92 to its draft budget, the features of which were as follows:

(a) The 'research appropriations' part of Letter of Amendment No 3 to the preliminary draft budget.

The effect of this part — connected with the proposal for transfer of appropriations No 21/91 — was to make changes in 1992 to the allocation for certain specific programmes under the third framework programme.

(b) The parts of Letter of Amendment No 3 to the preliminary draft budget, namely: entry of the balance (estimated) for the 1991 financial year (see Article 32 of the Financial Regulation) of ECU 938 million, broken down as follows:

traditional own resources	ECU - 294 million
VAT balances and GNP from previous years	ECU + 750 million
cancellation of appropriations (EAGGF Guarantee Section)	ECU + 480 million
	<hr/>
	ECU 938 million

inclusion of headings with token entries ('p.m.') for the borrowing/loan operations with Romania and Algeria;

correction for the United Kingdom in respect of the 1988 financial year and its financing and a review of the correction for the United Kingdom in respect of 1991.

(c) In Section II (Council), entry of an Article 164 ('aid for the handicapped') deleted by the Council on first reading and reinstated as part of a compromise together with a small number of new posts.

European Parliament — Second reading (12 December)

405. The Council's vote on second reading and the fact that the talks between the three parties concerned (Council, Parliament and Commission) regarding a second revision/amendment of the FP could not be brought to a successful conclusion before the final adoption of the budget for the 1992 financial year resulted in a clash between the two arms of the budgetary authority in the second stage of the 1992 budget procedure.

On 12 December Parliament voted on the 1992 budget and at the same time rejected the Council's letter of amendment which had been adopted on 12 November. Parliament justified this rejection on the grounds that Article 14 of the Financial Regulation laid down that, save in exceptional circumstances, a letter of amendment must be submitted to Parliament at least 15 days prior to its first reading of the initial draft budget.

The 1992 budget was definitively adopted on 18 December when it was forwarded to the Council. The budget shows a marked increase in expenditure over the 1991 budget due, *inter alia*, to the appropriations entered to take account of the Community's outside commitments. However, it undoubtedly contains a flaw in that it includes a 'reserve' not covered by the financial perspective and relating to certain items of expenditure which Parliament deemed necessary for the Structural Funds (compensation for inflation) and certain external projects (such as assistance for the USSR) which Parliament did not want to offset by reducing other expenditure, in particular in the 'internal market' sector. As already stated earlier (see page 200, last paragraph before Section B), it was possible to rectify this flaw in February 1992 when a further revision of the FP was completed.

406. Overall, Parliament's vote on second reading reflected the positions and priorities it had adopted at its first reading in October, which were aimed at finding a balance between the Community's internal expenditure and external activities.

The total appropriations entered in the 1992 budget — without taking account of the 'reserve' (budget heading BO-50) of ECU 1 660 million in commitment appropriations and ECU 1 200 million in payment appropriations — amounted to ECU 66 118 million in commitment appropriations and ECU 62 828 million in payment appropriations, representing an increase of 11.37% in commitment appropriations and 12.02% in payment appropriations respectively in relation to the 1991 budget (including SAB Nos 1, 2 and 3) and used up the margins remaining under the FP ceilings for 1992. The following table sets out this budget in detail.

1992 budget¹

(ECU)

	Commitments	Payments
1. EAGGF Guarantee (CE) (Subsection B1)	35 039 000 000	35 039 000 000
2. Structural operations		
— Structural Funds (T. B2-1)	17 585 285 000	16 039 600 000
— Pedip (Ch. B2-20)	127 700 000	121 600 000
— Support programme (Ch. B2-21)	16 015 000	13 915 000
— Set-aside/income aid (Ch. B2-22)	280 000 000	280 000 000
<i>Total structural operations</i>	18 009 000 000	16 455 115 000
3. Multiannual policies		
— IMPs (T. B2-3)	466 931 000	302 431 000
— Research (total Subsection B6)	2 648 000 000	1 945 146 021
<i>Total multiannual policies</i>	3 114 931 000	2 247 577 021
4. Other policies		
— Agriculture (Ch. B2-51)	196 645 000	205 952 000
— Other regional operations (T. B2-6)	86 130 000	79 616 000
— Transport (Ch. B2-70)	151 515 000	120 833 000
— Tourism (Ch. B2-71)	5 642 000	5 642 000
— Fisheries (T. B2-9)	594 900 000	468 200 000
— Training/youth (T. B3-1)	269 875 000	268 875 000
— Culture (T. B3-2)	12 896 000	12 896 000
— Information (T. B3-3)	86 771 000	70 509 000
— Other social operations (T. B3-4)	149 680 000	170 915 000
— Energy (T. B4-1)	186 350 000	146 005 000
— Nuclear safeguards (T. B4-2)	9 594 000	6 444 000
— Environment (T. B4-3)	121 005 001	88 459 001
— Consumer protection (T. B5-1)	20 485 000	20 850 000
— Reconstruction aid (T. B5-2)	18 650 000	18 650 000
— Internal market (T. B5-3)	165 013 000	141 424 000
— Industry (T. B5-4)	63 877 000	63 720 000
— Innovation/information market (T. B5-5)	39 441 000	36 979 000
— Statistical information (T. B5-6)	47 003 000	42 235 000
— Food aid (T. B7-2)	522 043 000	556 693 000
— Asia/Latin America (T. B7-3)	590 000 000	371 600 000
— Mediterranean region (T. B7-4)	429 730 000	302 300 000
— Other cooperation measures (T. B7-5)	335 398 999	317 798 999
— Central/Eastern Europe (Ch. B7-60/61)	1 033 000 000	570 000 000
— USSR (Ch. B7-62)	0	150 000 000
— Gulf aid (T. B7-70)	0	30 000 000
<i>Total other policies</i>	5 135 644 000	4 266 596 000
of which NCE	4 204 000 000	3 442 582 000

5. Reimbursements/administration		
— Stock disposal (T. B0-10)	810 000 000	810 000 000
— Repayments (T. B0-11)	81 937 665	81 937 665
— Commission (Part A)	1 872 707 101	1 872 707 101
— Other institutions	1 054 669 562	1 054 669 562
<i>Total reimbursements/administration</i>	3 819 314 328	3 819 314 328
6. Monetary reserve	1 000 000 000	1 000 000 000
Grand total	66 117 889 328	62 827 602 349
of which CE	27 539 467 463	24 321 810 484
NCE	38 578 421 865	38 505 791 865
Financial perspective reserve (Ch. B0-50)	1 660 000 000	1 200 000 000
1 Adopted on 12 December 1991.		

C — Follow-up to the 1991 budgetary procedure

407. Three supplementary and amending budgets for the 1991 financial year were adopted in the course of 1991.

Supplementary and amending budget No 1 for the 1991 financial year

Having received preliminary draft supplementary and amending budget No 1/91 which the Commission forwarded on 21 January, the Council drew up at its meeting on 18 March draft supplementary and amending budget No 1/91 involving an overall increase in the administrative appropriations of the general budget and taking into consideration guarantees for loan transactions with various East European countries.

At its meeting on 29 April the Council took a decision on second reading on draft supplementary and amending budget No 1/91 as amended and coupled with proposed modifications by the European Parliament on 17 March, but adopted only the amendment raising the increase in administrative appropriations to ECU 34 million.

Further to the Commission's submission of Letters of Amendment Nos 1, 2 and 3 to preliminary draft supplementary and amending budget No 1/91, the Council approved on 15 April Letter of Amendment No 1/91 on the extension of guarantees for loan transactions for East European countries and, on 13 May, Letter of Amendment No 2 which included all the points covered by the May 1991 agreement on the 1991 Financial Perspective.

On 15 May, following the European Parliament's deliberations confirming the amendments and proposed modifications already voted on 17 March, the President of the European Parliament adopted supplementary and amending budget No 1/91 containing all the points referred to above.

Supplementary and amending budget No 2 for the 1991 financial year

408. Following submission of preliminary draft supplementary and amending budget No 2/91 by the Commission on 9 August, the Council drew up at its meeting on 7 October draft supplementary and amending budget No 2/91 containing only the points of the preliminary draft which the Commission had asked the Council to examine as a matter of priority in view of the urgency of the matter, namely the guarantees for loans for Romania and Algeria and the comments on the 'energy planning' item.

At its meeting on 12 November the Council took a decision on second reading on draft supplementary and amending budget No 2/91 as amended and coupled with proposed modifications by the European Parliament on 24 October, completely reinstating its initial draft budget.

On 20 November, following the European Parliament's deliberations confirming the amendments and proposed modifications already voted on 24 October, the President of the European Parliament adopted supplementary and amending budget No 2/91.

Supplementary and amending budget No 3 for the 1991 financial year

409. Following submission of a letter of amendment to preliminary draft supplementary and amending budget No 2/91 by the Commission on 26 October, and taking account of the points in preliminary draft supplementary and amending budget No 2/91 which had not been examined in its draft supplementary and amending budget No 2/91, the Council drew up at its meeting on 12 November draft supplementary and amending budget No 3/91 setting out the surplus balance for the

1990 financial year (ECU 225.7 million) and an increase in administrative appropriations (ECU 40 million for the Commission and ECU 0.9 million for the Court of Justice) and repayments to Spain and Portugal (ECU 27.3 million).

On 20 November, following the European Parliament's deliberations, the President of the European Parliament adopted supplementary and amending budget No 3/91.

D — Other budgetary matters

Discharge given to the Commission in respect of the implementation of the 1989 budget

410. At its meeting on 18 March the Council recommended that the European Parliament give the Commission a discharge in respect of the implementation of the budget of the European Communities for the 1989 financial year.

On 16 April the European Parliament gave the Commission a discharge in respect of the implementation of that budget.

Fight against fraud affecting the Community budget

411. At its meeting on 8 July the Council took note of the Commission's report on the fight against fraud in 1990. At the close of the discussion it adopted a statement in which it confirmed its firm commitment to the fight against fraud and its determination to see that the momentum was maintained.

Carry-overs of appropriations

412. At the meeting on 18 March the Council agreed to an initial request for non-automatic carry-overs of non-differentiated appropriations which the Commission had made on 31 January 1991 on the basis of Article 7(3) of the Financial Regulation applicable to the general budget of the European Communities.

At its meeting on 25 March the Council agreed to a second request from the Commission for non-automatic carry-overs of non-differentiated appropriations, submitted on 13 February, on the basis of Article 7(3) of the Financial Regulation, with the exception of an amount of ECU 30 million.

At its meeting on 25 March the Council also, having been consulted by Parliament, delivered a favourable opinion on the requests for non-automatic carry-overs of non-differentiated appropriations which the Commission and the European Parliament had submitted on the basis of Article 7(1) of the Financial Regulation.

Transfers of appropriations

413. The Council approved various proposals for transfers of appropriations between chapters in connection with compulsory expenditure which had been submitted to it by the Commission (Article 26(4) and (5)(a) of the Financial Regulation).

The European Parliament had consulted it on several other requests for transfers relating to non-compulsory expenditure (Article 26(4) and (5)(b) of the Financial Regulation).

Following conciliation with the Parliament, the Council, at its meeting on 25 July, *inter alia* gave a favourable opinion on a transfer of ECU 40 million within the Commission's administrative appropriations to pre-finance the move out of the Berlaymont building, accompanied by a joint statement by the two arms of the budgetary authority undertaking to reinstate this appropriation, if necessary, by means of a supplementary and amending budget.

In total the Council examined 30 proposals for transfers with regard to Section III — Commission.

E — Staff Regulations

414. Apart from a number of routine and internal decisions the Council acted in the following areas.

Rules for the adjustment of remuneration and related matters

Further to the negotiations conducted under the consultation procedure set up in 1981, on 19 December 1991 the Council adopted a series of Regulations¹ following from the compromise reached in those negotiations. Those acts were the following: Regulation (ECSC, EEC, Euratom) No 3830/91 amending the Staff Regulations of Officials of the European Communities and the Conditions of Employment of Other Servants of those Communities in respect of detailed rules for adjusting the remuneration ('the method');

¹ OJ L 361, 31.12.1991.

Regulation (ECSC, EEC, Euratom) No 3831/91 amending the Staff Regulations of Officials of the European Communities and the Conditions of Employment of Other Servants of those Communities with a view to introducing a temporary contribution;

Regulation (ECSC, EEC, Euratom) No 3832/91 amending the Staff Regulations of Officials of the European Communities and the Conditions of Employment of Other Servants of those Communities with regard to the contribution to the pension scheme.

415. The essential aspects of those acts may be summarized as follows:

DETAILED RULES FOR THE ADJUSTMENT OF REMUNERATION

- the new 'method', substituted for that decided on by the Council on 15 December 1981, is incorporated in the Staff Regulations as Annex XI;
- it will apply from 1 July 1991 to 30 June 2001;
- there will be a review at the end of the fifth year;
- henceforth the index provided for in Article 65 of the Staff Regulations will be weighted so that 25% is accounted for by the Belgian index (the Brussels capital component).

THE TEMPORARY CONTRIBUTION

- the temporary contribution will be calculated in accordance with the detailed rules for the levy in force until 30 June 1991 and will be applied to the remuneration of actively employed officials;
- it was introduced with effect from 1 January 1992 and will remain in force until 30 June 2001.;
- its gross rate, fixed at 5.83%, may be adjusted on the review of the 'method' (see (a) above).

CONTRIBUTION TO THE PENSION SCHEME

The rate of contribution to the retirement pension was increased from 6.75 to 8.25% as from 1 January 1993.

It should also be noted that the Council stated its intention of acting before the end of March 1992 on two other proposals for Regulations also arising out of the salaries negotiations and intended to increase the rate of the survivor's pension.

Other dossiers concerning remuneration

416. (a) By means of Regulation (ECSC, EEC, Euratom) No 2380/91 of 29 July 1991¹ the Council effected the interim adjustment with effect from 1 January 1991 of the remuneration and pensions for places of employment where the cost of living increased substantially during the second half of 1990.

(b) In accordance with the first paragraph of Article 13 of Annex X to the Staff Regulations, on 30 July 1991 the Council adopted Regulation (ECSC, EEC, Euratom) No 2330/91 fixing the weightings applicable to the remuneration of officials posted in third countries.²

(c) By means of Regulation (ECSC, EEC, Euratom) No 3833/91 of 19 December 1991³ the Council corrected with effect from 1 July 1990 the remuneration and pensions of officials and other servants consequent upon the revision of the figures for the purchasing powers of the officials of the national civil services of three Member States.

(d) In the context of the 1991 annual review the Council adopted Regulation (ECSC, EEC, Euratom) No 3834/91 adjusting the remuneration and pensions of officials and other servants⁴ with effect from 1 July 1991. In doing so it took as its basis for the first time the provisions of the new method for the adjustment of remuneration adopted the same day.

Conditions for the grant of the rent allowance

417. By means of Regulation (ECSC, EEC, Euratom) No 150/91 of 21 January 1991⁵ the Council adapted certain conditions for the grant of the rent allowance provided for in Article 14a of Annex VII to the Staff Regulations to take account of the special circumstances encountered by officials posted to offices and delegations within the Community (with the exception of Belgium and Luxembourg) under the rotation system.

Adaptation of the daily subsistence allowance rates

418. By means of Regulation (EEC) No 2232/91 of 22 July 1991⁶ the Council adjusted the daily subsistence allowance rates for officials on mission provided for in Article 13 of Annex VII to the Staff Regulations covering the expenses of officials on mission in a Member State of the European Community.

¹ OJ L 219, 7.8.1991.

² OJ L 214, 2.8.1991.

³ OJ L 361, 31.12.1991.

⁴ OJ L 361, 31.12.1991; corrigendum: OJ L 10, 16.1.1992.

⁵ OJ L 18, 25.1.1991.

⁶ OJ L 204, 27.7.1991.

Table
**Number of days spent on Council meetings
and meetings of preparatory bodies**

Year	Ministers	Ambassadors and ministerial delegations	Committees and working parties
	EEC/EAEC/ECSC	EEC/EAEC/ECSC	EEC/EAEC/ECSC
1958	21	39	302
1959	21	71	325
1960	44	97	505
1961	46	108	655
1962	80	128	783
1963	63½	146½	744½
1964	102½	229½	1 002½
1965	35	105½	760½
1966	70½	112½	952½
1967	75½	134	1 233
1968	61	132	1 253
1969	69	129	1 412½
1970	81	154	1 403
1971	75½	127½	1 439
1972	73	159	2 135
1973	79½	148	1 820
1974	66	114½	1 999½
1975	67½	118	2 079½
1976	65½	108½	2 130
1977	71	122	2 108½
1978	76½	104½	2 090
1979	59	107½	2 000
1980	83	106½	2 078½
1981	83	110	1 976
1982	86	107	1 885
1983	121½	105½	1 912½
1984	133	86	1 868½
1985	118	117	1 892
1986	107	118½	1 842½
1987	123	120½	1 828
1988	117½	104	2 000½
1989	119½	100	1 932
1990	138	107	2 021½
1991	115½	145½	2 239

Abbreviations

— A —

Acnat
Action by the Community relating to nature
conservation

ACP
African, Caribbean and Pacific States

Asean
Association of South-East Asian Nations

ATA
Admission temporaire/temporary admission

— B —

Bridge
Biotechnology research for innovation, develop-
ment and growth in Europe (research programme
in the field of biotechnology)

— C —

CCT
Common Customs Tariff

CE
Compulsory expenditure

Cedefop
European Centre for the Development of
Vocational Training

COST
European cooperation in the field of scientific and
technical research

Crest
Scientific and Technical Research Committee

CSCE
Conference on Security and Cooperation in
Europe

— D —

DECT
Digital European cordless telecommunications

— E —

EAEC
European Atomic Energy Community

EAGGF
European Agricultural Guidance and Guarantee
Fund

ECSC
European Coal and Steel Community

ECU
European currency unit

EDF
European Development Fund

EEA
European Economic Area

EEC
European Economic Community

EFTA
European Free Trade Association

Ehlass
European home and leisure accident surveillance
system (Community system of information
on accidents involving consumer products)

EIB
European Investment Bank

EMI
European Monetary Institute

EMS
European Monetary System

Epoch
European programme on climatology and natural hazards

ERDF
European Regional Development Fund

ESC
Economic and Social Committee

ESF
European Social Fund

Euratom
European Atomic Energy Community

Euret
European research for transport

— F —

FAO
Food and Agriculture Organization (of the United Nations)

Flair
Food-linked agro-industrial research (research and development in the field of food science and technology)

— G —

GAFI
Financial action task force on money laundering

GATT
General Agreement on Tariffs and Trade

GNP
Gross national product

GSP
Generalized system of preferences

— I —

IAEA
International Atomic Energy Agency

IEA
International Energy Agency (OECD)

IMO
International Maritime Organization

IMPs
Integrated Mediterranean programmes

Impact
Information market policy actions (internal information services market)

IWO
International Vine and Wine Office

— M —

Matthaeus
Community action programme for the vocational training of customs officials

Medspa
Strategy and action plan for the protection of the environment in the Mediterranean region

MFA
Multifibre Arrangement

Miriam
Model scheme for information on rural development initiatives and agricultural markets

— N —

NAFO
North-West Atlantic Fisheries Organization

NCE
Non-compulsory expenditure

NGOs
Non-governmental organizations

Norspa
North Sea special programme of action (action to protect the environment in the coastal areas and coastal waters of the Irish Sea, North Sea, English Channel, Baltic Sea and North-East Atlantic Ocean)

— O —

OCTs
Overseas countries and territories

OECD
Organization for Economic Cooperation and Development

— P —

Pedip
Specific programme for industrial development in Portugal

Perifra
Peripheral regions and destabilized activities

Petra
Action programme for the training and preparation of young people for adult and working life

Phare
Poland and Hungary: aid for economic restructuring

Poseican
Programme of options specific to the remote and insular nature of the Canary Islands

Poseima
Programme of options specific to the remote and insular nature of Madeira and the Azores

— S —

SAVE
Specific actions for vigorous energy efficiency (promotion of energy efficiency in the Community)

Science
Plan to stimulate the international cooperation and interchange needed by European research scientists

SMEs
small and medium-sized enterprises

Stabex
(System of) stabilization of export earnings (of the ACP States and the OCTs)

STEP
Science and technology for environmental protection

Sysmin
Aid scheme for mineral products

— T —

t
tonne

TAC
total allowable catch

Tedis
Trade electronic data interchange systems

Tempus
Trans-European mobility scheme for university studies

TIR
International carriage of goods by road

— U —

UN
United Nations

Unccd
United Nations Conference on Environment and Development

— V —

VAT
Value-added tax

— W —

WHO
World Health Organization

WIPO
World Intellectual Property Organization

Bangladesh	270	Carriage of goods by rail	31
Bankruptcy	82	Carriage of passengers by coach and bus	174
Banks	74	Cars	166
Barcelona Convention	219	Celtic Sea	312
Basle Convention	218	Central America	295
Batteries	206	Central American Bank for Economic Integration	295
Beef and veal	252, 340, 342, 358, 361	Central American isthmus	296, 299
Berlaimont building	413	Central banks	103
Berlin	173, 275	Central Europe	155, 159, 239, 255, 258, 302, 400
Biomedicine	195	Centre for the Development of Industry	279
Biotechnological inventions	89	Cereals	272, 334, 347, 369
Biotechnology	56, 194, 200	Cetaceans	219
Biotopes	215	Charter of the United Nations	256
Boatmasters' certificates	171	Cheese	356
Boilers	147	Chemical analysis	199
Bolivia	294	Chernobyl	152
Bonn Convention	219	Child-care services	133
Bovine somatotropin	382	Children	133, 176
Brazil	268, 294	Chile	294, 297
Brazilian forests	268	China	306
Bridge	200	Chlorofluorocarbons	204
Broadcasting	96	Citizenship of the European Union	4
Budget — 1989	410	Civil aviation	186
Budget — 1992	397	Civil protection	221
Bulgaria	106, 108, 240, 242, 258, 259	Climate change	219
Butter	339, 342, 357	Climatology	200
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Cabotage	172, 189	Clothing industry	54
Cadmium	33	Coal	196
Calves	342, 384	Cod	312
Canada	158, 198, 252	Codex Alimentarius	376
Canary Islands	141, 216	Colombia	294
Cancer	223	Combined carriage of goods	164
Cane sugar	348	Comett	229
Capital gains	75	Commercial policy	244
Caprine animals	378	Commission of the European Communities	245
Carbon dioxide	148, 214	Commodities	310
Carpets	26	Common Customs Tariff	25, 296
Carriage of goods and passengers by inland waterway	171	Common foreign and security policy	14
		Common telephone access code	49
		Communications	195

Communities' budget	368	Denied-boarding compensation	183
Community loan to Greece	105	Denmark	103, 111, 357
Community patents	42	Developing countries	267, 274
Community technical assistance to the Soviet Union	392	Development	264
Community of Ten	312	Development cooperation	262
Community trade mark	91	Diesel engines	34, 209
Community Trade Mark Office	91	Digital European cordless telecommunications	44
Competition	60, 184	Dignity	137
Competition rules	57	Dignity of women and men at work	134
Computer programs	93	Discrimination	132
Consortia	188	Dolphins	250
Consumer products	228	Draft general budget — 1992	399
Consumers	61, 222	Driving licences	169
Contracts of employment	129	Drug addicts	225
Controls on cabin baggage	29	Drugs	29, 225
Convention on International Civil Aviation	187	Dumping	238
Convergence	101	Duty-free allowances for travellers	111
Cooperation Agreements	288, 297		
Copper	310	— E —	
Copyright	93, 235, 253	EAGGF	334, 368, 400
Council of Europe	15, 98	Early retirement for farmers	343
Court of First Instance	23	Eastern Europe	104, 155, 159, 255, 258, 302, 400
Court of Justice	20	East European countries	115
Craft industry enterprises	53	EC international investment partners	269, 300
Crawfish	325	Eco-label	218
Credit institutions	65	Economic and monetary union	3, 5, 100
Credit insurance	116	Economic and Social Committee	17
CSCE	256	ECSC products	240, 307
Culture	406	ECSC sector aid	52
Customs cooperation	282	ECSC Treaty	51, 138
Customs officials	28	Ecuador	294
Czechoslovakia	106, 108, 240, 243, 258, 259	Edible crabs	314
		Education	118, 230
— D —		EFTA	246
Dairy cows	342	Eggs	381
Dangerous chemicals	218	Egypt	288
Dangerous substances	33, 126	Ehlass	228
Deep-water prawns	312	EIB	108
Democracy	263	Elbe	220
Democratization of the Community	6	Electric apparatus	38

Electromagnetic compatibility	38		
Electronic apparatus	38		
Electronics	57		
Emergency and humanitarian aid	266		
Employment	117		
Energy Charter	145		
Energy efficiency	149		
Energy prices	214		
Environment			
145, 195, 200, 216, 239, 265, 301, 341, 406			
Equal treatment for men and women	117, 131		
Erasmus	229		
Estonia	275		
Ethiopia	270		
Euro-Arab Dialogue	293		
European artists in the United States	235		
European Association Agreements	258		
European Central Bank	103		
European company	80		
European Council — Luxembourg (April 1991)	8, 287		
European Council — Luxembourg (June 1991)	238		
European Council — Maastricht (December 1991)	11, 100, 257		
European Council — Rome (December 1990)	155, 255, 307, 392		
European cultural networks	236		
European Development Fund	286		
European Economic Area	14, 246		
European Energy Charter	145, 156		
European Monetary Institute	102		
European Monetary System	370		
European Parliament	10		
European System of Central Banks	103		
European Union	2		
European works councils	130		
European Year of Safety, Hygiene and Health at Work	125		
Ewes	342, 360		
Exchange of teachers	232		
Exhibitions	245		
Export credits	112		
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		Fairs	245
		Families	133
		Famine	391
		FAO	375
		Farmers	341
		Farm prices	332
		Faeroe Islands	320
		Feedingstuffs	386
		Fiji	282
		Financial perspective	389
		Finland	199
		Fires	366
		Fiscal frontiers	110
		Fish	378
		Fisheries	195
		Fishery resources	311
		Fish fillets	314
		Fishing quotas	312
		Fixed-duration employment	127
		Flair	200
		Fodder	333
		Food and Agriculture Organization	309
		Food aid	272, 400
		Food science and technology	200
		Foodstuffs	388
		Forests	366
		France	173, 250, 285
		Fraud	63, 368, 411
		Fraud involving Community funds	63, 368, 411
		Freedom of movement for workers	135
		Free trade area	258
		French overseas departments	144, 362
		Fresh or chilled products	315
		Fresh, coastal and marine waters	213
		Frozen products	315
		Fruit	338, 354
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		G7 Summit in London	238
		G24	260
		Gaseous pollutants	209

Gasoil	218	Hops	355
GATT	237, 335	Hormones	250
Generalized preferences	260, 275, 298	Horn of Africa	272
General product safety	227	Human rights	251, 263
General Treaty on Central American Economic Integration	295	Hungary	106, 243, 258, 259, 351
Genetically modified organisms	209	Hydrocarbons	157
Geneva Convention	219		
Genoa International Exhibition	245	— I —	
German unification	99, 161, 242, 319, 389	Iceland	199
Germany	173, 240, 370	IMF	104
Glazing materials	35	Impact 2	46
Goatmeat	360	Indebtedness	278
Gold	307	India	305
Government procurement	239	Indian Ocean	324
Grape musts	352	Indirect taxation	111
Greece	105, 247, 359, 367	Industrial accidents	220
Green ecu	370	Industrial cooperation	300
Greenhouse effect	214	Industrial designs	98
Greenland	285, 321	Industrial subsidies	238
Green Paper	202	Information and communication technologies	57
Growth	99	Information security	39
Guarantees issued by credit institutions	71	Information technology	195, 306
Guiana	312	Infringement of Community patents	42
Guinea-Bissau	324	Infringements of the Treaties establishing the Communities	62
Gulf	115, 145, 292	Insurance	61
Gulf Cooperation Council	292	Insurance Committee	76
Gulf crisis	12, 287, 389	Insurance other than life assurance	77
Gulf War	7	Insurance undertakings	74
		Intellectual property	98, 275
— H —		Intergovernmental Conferences	2, 10
Haddock	312	Interinstitutional Agreement (1988)	390
Haiti	284	Internal energy market	145
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Harmonization of customs legislation	26	International Atomic Energy Agency	158
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