eurofocus

COMMISSION OF THE EUROPEAN COMMUNITIES
Directorate-General Information, Communication, Culture

a newssheet for journalists

Weekly n° 23/89 3 - 10 July 1989

SUMMARY

Mailed from: Brussels X

200 rue de la Loi • 1049 Brussels • Belgium • Tel.: 235.11.11 • Telex: 21877 COMEU B

ENVIRONMENT: A common agency for all Europe

The European Commission invites all European countries to work together in order to avert environmental disasters.

"There is an urgent need for reliable data at the level of the continent, instead of the often fragmentary and contradictory information which currently co-exists from one Member State to another", according to the European Community's Environment Commissioner, Mr Carlo Ripa di Meana. He believes that only a European Environmental Agency, set up specifically for this purpose but working closely with the bodies that already exist in each country, can collect the scientific information needed to avoid environmental disasters.

The European Commission in fact has just proposed the creation of such an agency. Its main task would be to help the Community and its Member States, as well as other countries prepared to work with it, reach the goal of environmental protection and improvement. Pollution, unhappily, knows no frontiers. It is essential, therefore, to coordinate all efforts and to use all available resources to solve the problem.

Negotiations would be opened with the six EFTA* countries (Austria, Finland, Iceland, Norway, Sweden and Switzerland) immediately after the launch of the new agency by the Community's environment ministers, set for the November meeting of the EC Council of Ministers. Membership of the agency will be open to all East European countries also, "but the process will take more time", according to Mr Ripa di Meana. "These countries are traditionally reluctant to make available information on their environment, even though the Soviet Union, Poland, Hungary and Czechoslovakia have shown keen interest in the project", he noted.

Although a Community body, the new Environmental Agency will enjoy a large measure of autonomy, which should facilitate the participation of third countries. Its governing body will be made up of one representative from each of the 12 Member States, two Commission representatives and two scientists designated by the European Parliament. It will appoint the agency's director-general, on a proposal from the European Commission. Third countries taking part in the agency's work will also be represented on the governing body. Seven countries have already offered at act as host to the new agency.

Initially, the agency will concentrate its efforts on collecting more detailed and reliable information on the health of the continent. The main areas to be covered will relate to the quality of air and atmospheric emissions; the quality of water, pollutants and water resources; the state of the soil and vegetation; soil use and national and regional development. Later the agency could play a role in the harmonization of environmental policy, but not in decision-making, which would remain the exclusive preserve of the European Commission, Council of Ministers and European Parliament.

* European Free Trade Association.

A PEOPLE'S EUROPE: A tradition is born

Madrid celebrates the European Community.

The 30th anniversary of the signature of the Treaty of Rome in 1957 was marked by a highly successful European festival, held in Brussels to coincide with the June meeting, under Belgium's presidency, of the European Council.

The idea caught on quickly. Convinced of the need to give the Community's citizens every opportunity to develop their awareness of their European identity, the cities and regions which host the meetings of the Community's heads of state or government, the European Council, have taken to organizing European festivities, most recently with the help of the European Commissioner responsible for a People's Europe, Jean Dondelinger.

Spain has helped strengthen this nascent tradition. A range of festivities were organized between June 23 and 27 in not only Madrid but also at the local, regional and national levels, under the patronage of the country's highest authorities. Their aim: alert the population, and more especially the young, to the promise of the single market of 1992.

ENVIRONMENT: Baby seals get a permanent reprieve
The Twelve introduce a permanent ban on imports of skins.

Baby seals can look forward to a more certain future. After several years of dithering, the European Community's environment ministers finally decided on June 8 to ban permanently the import of skins of certain seals pups and products made from them.

The current ban, adopted in 1985, expires on October 1. The first such ban was introduced in 1983 for a 2-year period. The Twelve had been unable so far to agree on a permanent ban, despite appeals from animal welfare bodies and the ecologists.

But pressure for a total ban remained strong. Last October more than 60% of Euro-MPs signed a declaration calling for the present ban to be made permanent, while the announcement by the Norwegian government at the beginning of the year, that seal hunting would be resumed, led nature lovers to plan a publicity campaign.

FINANCE: Insider trading by Europeans
The Twelve decided to improve the share market.

Insider trading - the buying and selling of shares by those with inside information about a company - will be illegal throughout the 12-nation European Community from 1 June 1992. The Community's finance ministers approved an EC directive on June 19 which requires national authorities to incorporate provisions to this effect in their domestic legislation.

At present only three Member States - Britain, France and Denmark - have legislation dealing with insider trading, although Germany and the Amsterdam stock exchange have good conduct codes. The ban the Twelve have now agreed on aims at preventing the kind of speculative operations most likely to undermine investor confidence in the Community's stock exchanges. Several financial scandals in the course of recent years have underlined the danger which insider trading poses. The ban embodied in the Community directive would apply to insiders as well as to those tipped off by them. The Twelve clearly want it to be as effective as possible.

SMEs: A helping hand for the one-man band
The Twelve favour the creation of single-member private companies.

Soon every European will be able to incorporate himself as a company, whatever the European Community country in which he decides to do business. Only five of the EC's 12 Member States so far recognize the single-member private limited-liability company. They are Belgium, Denmark, France, Germany and the Netherlands. On June 14 the EC Council of Ministers reached agreement on a twelfth Directive on company law which authorizes the creation of such companies throughout the Community.

The statutes adopted by the Council represent a variation on those to be found in France and Belgium. They allow a businessman who is on his own to separate his professional assets from his private possessions, thus safeguarding the latter in the event of the business going bankrupt, for example. The statutes also make it easier to transfer the business to another individual or a company.

The European Commission's aim in securing the adoption of the new Directive is to encourage the creation of small and medium-sized enterprises (SMEs), which it sees as offering a solution to the unemployment problem.

SMEs: A Community company policy for the years 1990/93
The Twelve earmark ECU 135mn.* for this purpose.

The European Community's three major objectives in favour of small and medium-sized enterprises (SMEs) are contained in an action programme adopted by the Community's industry ministers on 21 June. They are: eliminate unnecessary administrative, financial and legal constraints; provide more information and encourage SMEs to collaborate with each other.

To ensure the programme's success, the ministers have earmarked ECU 135mn. for the period from 1990 to 1993. Their decision will widen the scope of the Community's activities in favour of SMEs, and make sure they are properly funded. So far the Community has launched a series of *ad hoc* projects aimed at helping SMEs take advantage of the emerging single market. They include the information network represented by the Euro-Info-Centres; the inter-business cooperation network BC-NET; the activities carried out in Ireland and Andalusia in the Europartnership framework, etc. Both the Commission and Council felt the time had come to move into top gear.

* 1 ECU = UK£0.66 or IR£0.78.

A PEOPLE'S EUROPE: A trousseau for the newly twinned

ECU 3mn. to encourage the twinning of Community towns.

The twinning of towns and cities in the European Community is an attractive way of drawing the peoples of Europe closer together. Many towns already have a "twin", sometimes at the other end of the 12-nation Community. But the growth in the numbers of such twin towns is not encouraged by such factors as distance and language difficulties. Twinning also involves costs, which not all municipalities, especially the smaller ones, can afford. What is more, many of the twin towns in the EC are to be found in the Community's six founding members*.

However, the European Commission can now use Community funds to help (1) towns which want to twin but cannot afford it, especially in the newer Member States and (2) twin towns which would like to strengthen the European dimension. Following an initiative of the European Parliament, ECU 3mn.** have been set aside for this purpose in this year's budget, so that the people and their elected representatives can be more closely associated with the building of Europe.

The necessary application forms are available in the offices of the European Commission and European Parliament in each of the 12 Community countries. They can also be obtained from the Community and national organizations which serve twin towns. Finally, they can be had from the Secretariat of the European Commission itself at 200 rue de la Loi, B-1049 Brussels, Belgium.

* Belgium, France, Germany, Italy, Luxembourg and the Netherlands.

** 1 ECU = UK£0.66 or IR£0.78.

INTERNAL MARKET: Banks in the 1992 single market
The Twelve approve the necessary Community "legislation".

From 1 January 1993 all banks established in any one of the 12 European Community countries will be able to conduct business in all the others. The Community's finance ministers reached an agreement on June 19 on the two directives still needed for the creation of a single market in banking services.

The ministers first approved the draft of a Community directive which sets out the general rules which banks must meet in order to open for business within the EC. Once a bank has been licensed by one of the 12 Member States, it can establish itself anywhere in the Community, regardless of whether it is a European bank or not. The country issuing the licence must ensure that the applicant meets all the conditions laid down by the Community directive.

The ministers next approved the solvency ratio directive, which harmonizes capital requirements for banks. When combined with a third text, adopted last April, it ensures the free establishment of banks.

The Twelve have also made provisions for a special procedure to guarantee European banks their rights elsewhere in the world. The Community will thus be able to suspend licence applications submitted by banks from a given third country if its authorities discriminate against European banks.

CONSUMERS: European standards for tinned sardines
The Twelve want to improve the quality of their fishery products.

In the single market of 1992 tinned sardines will have to meet the same quality and packaging standards throughout the 12-nation European Community. The Community's fisheries ministers adopted on June 21 a regulation aimed at both improving quality and adding to producers' profits.

This Community directive limits the use of the term sardines to preparations which meet certain specific conditions. It represents a first, given that the Commission intends to propose similar rules for other fishery products to the Twelve, in the run-up to the single market.

AGRICULTURE: The fight against fraud

Spending by the agricultural fund (EAGGF) is to be more closely scrutinized.

A special service is to be set up in each of the European Community's 12 Member States, in order to tighten up the existing controls on the operations financed by its Agricultural Fund (EAGGF)*. At the same time the documentary evidence submitted by trading companies will be more closely scrutinized.

The regulation now being proposed by the European Commission has been drawn up in the context of the measures announced by Mr Ray MacSharry, the EC's Agricultural Commissioner, and is aimed at dealing more effectively with the frauds perpetrated against the Community budget. It provides in particular for an annual inventory of the stocks held on the Community's account as well as the subsequent examination of all commercial documents and accounts of companies entitled to payments from the Agricultural Fund's guarantee section.

At least half of the companies whose financial flows with the EAGGF exceed ECU 60,000** will be subject to an annual control. The sums paid out during the export of agricultural products will also be placed under surveillance, thanks to a system of sampling, based on 5% at least of their volume and a verification of all payment orders.

The fight against fraud is a relatively expensive matter, however, even if the eventual returns are handsome. Hence the European Commission's decision to share temporarily in the additional costs incurred by the Member States in taking on extra staff and to cover certain expenses for training and equipment, especially computers. The Commission's initial contribution of ECU 5.7mn. in 1990 will be gradually scaled down to ECU 2.4mn. in 1994.

The Commission also envisages tougher sanctions; it has invited the Member States to discuss its proposals and act on them as quickly as possible. The EC's Budget Commissioner, Mr Schmidhuber, stressed this point in particular when the Commission's proposals were presented to the EC Council of Ministers. The Council in fact welcomed them unanimously.

* European Agricultural Guarantee and Guidance Fund

** 1 ECU = UK£0.66 or IR£0.78.

COMETT: Could do better!

A close look at the European university-business exchange programme.

"Has done well, but could do better!" seems to be the conclusion reached by the two private consultancy firms and a team from the University of Sussex who looked at the European Community's action programme for teaching and training in technology, known as COMETT.

In mid-June, after a 5-month study, the experts held that COMETT had helped create a Community-wide university-business network and set up training programmes which otherwise would not have seen the light of day. During its first two years COMETT in fact enabled some 2,500 students and more than 90 professors and research workers from universities and private companies to spend time in another Community country.

The COMETT network nevertheless remains fragile, in the view of the experts, who have suggested three ways of strengthening the programme, whose avowed aim at the time of its launch was to train the high technology specialists which European industry needed in order to compete successfully with its American, Japanese and other rivals.

To begin with, industrial companies must be involved in the programme on a bigger scale, so that it reflects market needs better. Next, the cross-border nature of the cooperation between universities and businesses must be strengthened and the result of the work done under COMETT made available more widely. Finally, the task of bringing the programme to the attention of companies and regions would be made more effective if COMETT's objectives were more clearly presented, according to the experts.

These conclusions largely follow the proposals presented by the European Commission to the Twelve during the launch of COMETT's second phase (1990-1994). The Commission, which has already selected for the academic year now coming to an end, cooperation projects which cover the same ground as the Community's research programmes, plans to continue along this path. It would also like to extend the benefits of COMETT II to more small and medium-sized enterprises (SMEs) and the most disadvantaged areas of the Community.