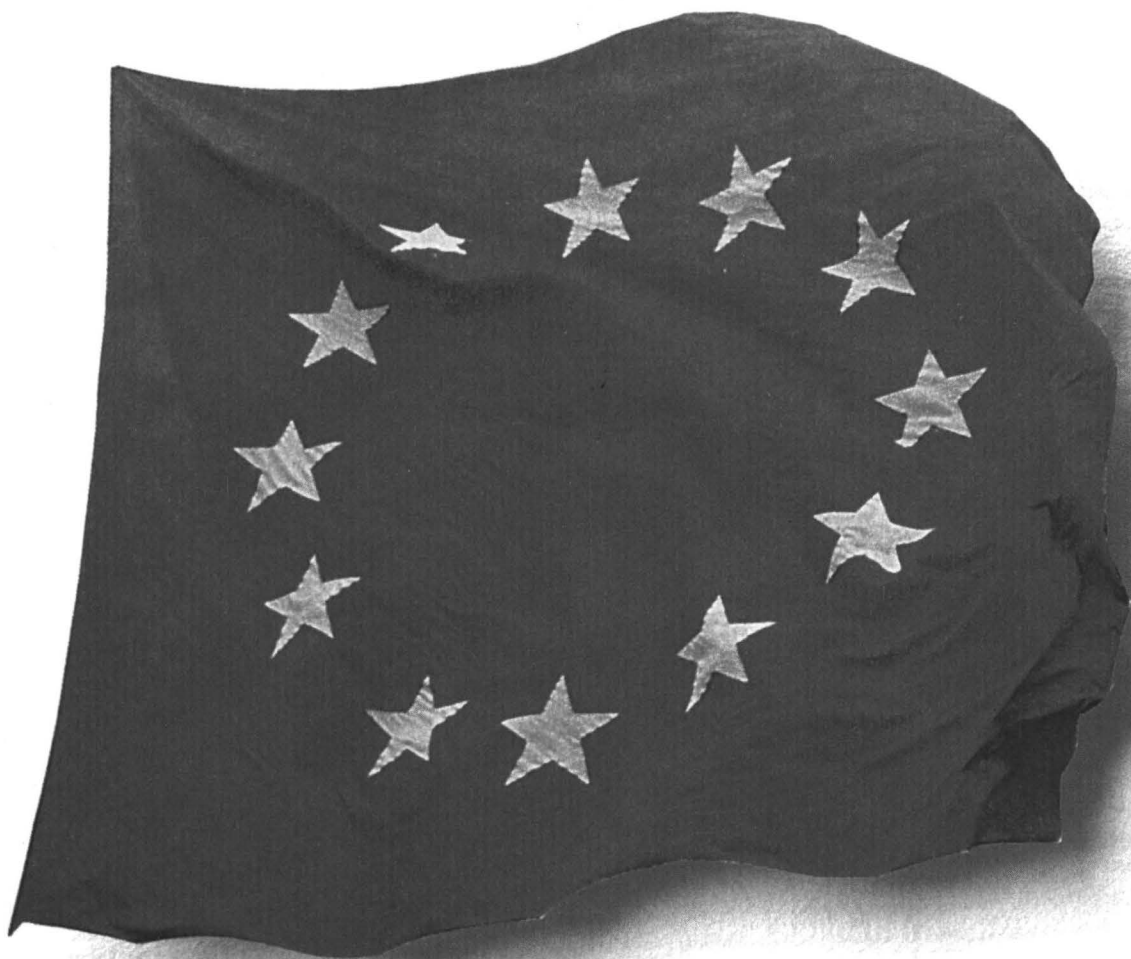


European Commission

# **Bulletin** **of the European Union**



12 • 1995

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European Commission

# **Bulletin of the European Union**

**12 • 1995**

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Standardized abbreviations for the designation of certain monetary units in the different languages of the Community.

BFR	= Belgische frank / Franc belge
DKR	= Dansk krone
DM	= Deutsche Mark
DR	= Greek drachma
ESC	= Escudo
FF	= Franc français
FMK	= Suomen markka
HFL	= Nederlandse gulden (Hollandse florijn)
IRL	= Irish pound / punt
LFR	= Franc luxembourgeois
LIT	= Lira italiana
OS	= Österreichische Schilling
PTA	= Peseta
SKR	= Svensk Krona
UKL	= Pound sterling
USD	= United States dollar



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# **PART ONE**

## **ACTIVITIES IN DECEMBER 1995**

# News in brief

## **European Council**

- The European Council meets in Madrid on 15 and 16 December (→ points I.1 to I.111).

## **Human rights**

- Fight against racism, xenophobia and anti-semitism: the Commission adopts a communication (→ point 1.2.1) and a proposal for a Council Decision designating 1997 European Year against Racism (→ point 1.2.1).

## **The Community economic and social area**

### *Economic and monetary policy*

- Madrid European Council: the European Council adopts the scenario for the introduction of the single currency, which it decides to call the 'euro', and confirms that the third phase of economic and monetary union will begin on 1 January 1999 (→ point 1.3.8).

### *Internal market*

- Abolition of barriers to trade: Parliament and the Council adopt a Decision establishing a procedure for the exchange of information on national measures derogating from the principle of the free movement of goods (→ point 1.3.11).
- Legal protection of biotechnological inventions: the Commission adopts a new proposal for a Parliament and Council Directive (→ point 1.3.29).

### *Competition*

- The Commission adopts a draft Community framework for State aid for research and development (→ point 1.3.57) and a draft notice to the Member States on the non-imposition or the mitigation of fines in cartel cases (→ point 1.3.34).

### *Research and technology*

- The Commission adopts a Green Paper on innovation (→ point 1.3.75).

### *Energy*

- The Commission adopts a White Paper entitled *An energy policy for the European Union* (→ point 1.3.101).

### *Transport*

- The Commission adopts a Green Paper entitled *Towards fair and efficient pricing in transport* (→ point 1.3.108).

- Air transport: the Council agrees the proposal for a Directive on access to the groundhandling market at Community airports (→ point 1.3.119) and the Commission adopts a proposal for a Council Regulation on air carrier liability in case of air accidents (→ point 1.3.120).

#### *Environment*

- The Council agrees the proposal for a Directive on the assessment of the impact of certain public and private projects on the environment (→ point 1.3.128).
- The Commission adopts a communication on a Community strategy to reduce CO<sub>2</sub> emissions from passenger cars (→ point 1.3.146).

#### *Agriculture*

Reform of the rice sector: the Council adopts two Regulations (→ points 1.3.154 and 1.3.155).

#### *Fisheries*

- The Council adopts TACs and quotas for 1996 (→ point 1.3.167).

#### *Employment and social policy*

- The Commission and the Council adopt a joint report on employment for transmission to the Madrid European Council (→ point 1.3.198).
- The social partners sign an agreement on parental leave (→ point 1.3.203).

#### *Equal opportunities*

- The fourth Community action programme (1996-2000) is adopted by the Council (→ point 1.3.205).

#### **Role of the Union in the world**

- The European Council confirms the principle of enlargement and specifies the timetable for negotiations with the countries of Central and Eastern Europe and with Cyprus and Malta (→ points I.25 and I.63 to I.67).

#### *Central and Eastern Europe, Baltic States*

- Lithuania (→ point 1.4.60) and Bulgaria (→ point 1.4.61) apply to join the European Union.

#### *Mediterranean and Middle East*

- Turkey: Parliament gives its assent to implementation of the final phase of the customs union (→ point 1.4.67).
- Bosnia-Herzegovina: the Commission adopts a proposal for a Regulation to include Bosnia-Herzegovina in the PHARE programme (→ point 1.4.78) and a meeting of donor countries and organizations is held on the reconstruction of Bosnia-Herzegovina (→ point 1.4.83).
- Tunisia: Parliament gives its assent to the Euro-Mediterranean Association Agreement (→ point 1.4.90).

#### *United States, Japan and other industrialized countries*

- A European Union-United States summit is held and a new transatlantic agenda is adopted (→ point 1.4.104).

*Asia*

- The Council adopts conclusions on China (→ point 1.4.107).

*Latin America*

- An interregional framework agreement is signed with Mercosur (→ point 1.4.111).
- A joint declaration on political dialogue is signed by the European Union and Chile (→ point 1.4.112).
- The Council adopts conclusions on general guidelines for cooperation with Latin America 1996-2000 (→ point 1.4.110).

**Financing Community activities**

*Budgets*

- The 1996 budget is adopted (→ point 1.6.2).

*Measures to combat fraud*

- Protection of the Communities' financial interests: the Council adopts a Regulation on the protection of the Communities' financial interests (→ point 1.6.7) and the Commission adopts a proposal for a Regulation concerning on-the-spot checks and inspections by the Commission (→ point 1.6.8) and a proposal for a Council act drawing up the additional Protocol to the Convention on the protection of the Communities' financial interests (→ point 1.5.7).

**Institutional affairs**

- The Reflection Group set up to prepare for the Intergovernmental Conference presents its final report and the European Council agrees that the Conference should open on 29 March 1996 (→ point 1.9.2).

**Community institutions**

*Commission*

- The Commission presents its 1996 work programme to Parliament (→ point 1.10.11).

# I — Madrid European Council.

## Madrid, 15 and 16 December

*1.1.* Chaired by Mr González, President of the European Council and Prime Minister of Spain, the summit of Heads of State or Government of the Member States took place in Madrid in the presence of Mr Santer, Mr Van den Broek and Mr de Silguy, for the Commission. It was preceded by an exchange of views with Mr Hänsch, President of Parliament, and followed by a meeting with the Heads of State or Government and Foreign Ministers of the associated countries of Central and Eastern Europe, including the Baltic States, and Cyprus and Malta.

## Conclusions of the Presidency

### PART A

#### Introduction

*1.2.* The European Council, meeting in Madrid on 15 and 16 December 1995, took decisions on employment, the single currency, the Intergovernmental Conference and enlargement to bring in countries of Central and Eastern Europe and the Mediterranean.

The European Council considers that job creation is the principal social, economic and political objective of the European Union and its Member States, and declares its firm resolve to continue to make every effort to reduce unemployment.

The European Council adopted the scenario for the changeover to the single currency, confirming unequivocally that stage three of economic and monetary union will commence on 1 January 1999.

The European Council decided to name the currency, to be used from 1 January 1999, the 'Euro'.

The European Council continued its deliberation on the future of Europe, which was launched in Essen and continued in Cannes and Formentor.

In this connection, having welcomed the Reflection Group's report, the European Council decided to launch the Intergovernmental Conference on 29 March 1996 in order to establish the political and institutional conditions for adapting the European Union to present and future needs, particularly with a view to the next enlargement.

It is essential that the Conference achieve results sufficient to enable the Union to bring added value to all its citizens and to shoulder its responsibilities adequately, both internally and externally.

The European Council notes with satisfaction some significant achievements in the area of external relations which have occurred since its last meeting and in which the European Union has played a decisive role:

- the signing in Paris of the Dayton Agreement, which puts an end to the terrible war in former Yugoslavia and builds on considerable European efforts over the preceding months in military, humanitarian and negotiating terms; the European Council recognizes the decisive contribution made by the United States at a crucial moment;

- the new transatlantic agenda and the joint EU-US action plan signed at the Madrid summit on 3 December 1995, which are major joint commitments with the United States to revitalize and strengthen our association;

- the signing in Madrid of the interregional framework agreement between the European Union and Mercosur, the first agreement of this type to be concluded by the European Union;

- the Barcelona Declaration, launching a new, comprehensive Euro-Mediterranean association which will promote peace, stability and prosperity throughout the Mediterranean through a permanent process of dialogue and cooperation;

- the signing in Mauritius of the revised Lomé IV Convention by the European Union and the ACP States, which will consolidate the association between the two sides;

- the European Parliament's assent to the customs union between the European Union and Turkey, which opens the way for the consolidation and strengthening of a political, economic and security relationship crucial to the stability of that region.

The European Council began its proceedings by exchanging ideas with Mr Klaus Hänsch, President of the European Parliament, on the main subjects for discussion at this meeting.

Finally, a meeting took place today between the Heads of State or Government and the Ministers for Foreign Affairs of the associated countries of Central and Eastern Europe, including the Baltic States (CCEE), as well as Cyprus and Malta. There was a broad exchange of views on these conclusions, matters concerning the pre-accession strategy and various issues relating to international policies.

## **I — The economic revitalization of Europe in a socially integrated framework**

### *A. Economic and monetary union*

**References:** Commission Green Paper on the practical arrangements for the introduction of the single currency: COM(95) 333; Bull. 5-1995, point 1.3.7

Conclusions of the Cannes European Council: Bull. 6-1995, point I.11

Statement by Mr de Silguy on behalf of the Commission on the European Monetary Institute's report on the scenario for the introduction of the single currency: Bull. 11-1995, point 1.3.6

### **I. The scenario for the changeover to the single currency**

1.3. 1. The European Council confirms that 1 January 1999 will be the starting date for stage three of economic and monetary union, in accordance with the convergence criteria, timetable, protocols and procedures laid down in the Treaty.

The European Council confirms that a high degree of economic convergence is a precondition for the Treaty objective to create a stable single currency.

2. The name of the new currency is an important element in the preparation of the transition to the single currency, since it partly determines the public acceptability of economic and monetary union. The European Council considers that the name of the single currency must be the same in all the official languages of the European Union, taking into account the existence of different alphabets; it must be simple and symbolize Europe.

The European Council therefore decides that, as of the start of stage three, the name given to the European currency shall be Euro. This name is meant as a full name, not as a prefix to be attached to the national currency names.

The specific name Euro will be used instead of the generic term 'ecu' used by the Treaty to refer to the European currency unit.

The Governments of the 15 Member States have achieved the common agreement that this decision is

the agreed and definitive interpretation of the relevant Treaty provisions.

3. As a decisive step in the clarification of the process of introduction of the single currency, the European Council adopts the changeover scenario attached in Annex 1, which is based on the scenario elaborated at its request by the Council, in consultation with the Commission and the European Monetary Institute. It notes with satisfaction that the scenario is fully compatible with the EMI report on the changeover.

4. The scenario provides for transparency and acceptability, strengthens credibility and underlines the irreversibility of the process. It is technically feasible and aims to provide for the necessary legal certainty, to minimize adjustment costs and to avoid competitive distortions. Under the scenario, the Council, in the composition of Heads of State or Government, will confirm as early as possible in 1998 which Member States fulfil the necessary conditions for the adoption of the single currency. The European Central Bank (ECB) will have to be created early enough so as to allow preparations to be completed and full operation to start on 1 January 1999.

5. Stage three will begin on 1 January 1999 with the irrevocable fixing of conversion rates among the currencies of participating countries and against the Euro. From that date, monetary policy and the foreign exchange rate policy will be conducted in Euro, the use of the Euro will be encouraged in foreign exchange markets and new tradeable public debt will be issued in Euro by the participating Member States.

6. A Council Regulation, whose technical preparatory work shall be completed at the latest by the end of 1996, will enter into force on 1 January 1999 and provide the legal framework for the use of the Euro, which, from this date, will become a currency in its own right, and the official ecu basket will cease to exist. This Regulation will establish, as long as different monetary units still exist, a legally enforceable equivalence between the Euro and the national units. The substitution of the Euro for national currencies should not of itself alter the continuity of contracts, unless otherwise provided in the contract. In the case of contracts denominated by reference to the official ecu basket of the European Community, in accordance with the Treaty, substitution by the Euro will be at the rate of one to one, unless otherwise provided in the contract.

7. By 1 January 2002 at the latest, Euro banknotes and coins will start to circulate alongside national notes and coins. At most six months later, the national currencies will have been completely replaced by the Euro in all participating Member States and the changeover will be complete. Thereafter, national banknotes and coins may still be exchanged at the national central banks.

8. The European Council calls on the Ecofin Council to speed up all the additional technical work necessary



to implement the changeover scenario adopted today. The labelling of Euro banknotes and coins in the different alphabets of the Union will also be defined.

## II. Further preparation of stage three of EMU

### *Durable economic convergence*

*I.4.* Budgetary discipline is of crucial significance both for the success of the economic and monetary union and for the acceptance of the single currency by the public. It is therefore necessary to ensure that, after moving to stage three, public finances are kept on a sound track in line with Treaty obligations.

The European Council notes with interest the Commission's intention to present in 1996 its conclusions on ways to ensure budgetary discipline and coordination in the monetary union in accordance with the procedures and principles of the Treaty.

### *The relationship between Member States participating in the Euro area and non-participating Member States*

*I.5.* The future relationships between Member States participating in the Euro area and non-participating Member States will have to be defined prior to the move to stage three.

The European Council requests that the Ecofin Council together with, in their respective fields of competence, the Commission and the EMI study the range of issues raised by the fact that some countries may not initially participate in the Euro area. The study should in particular, but not exclusively, cover those issues related to monetary instability.

### *Work ahead*

*I.6.* The European Council requests the Ecofin Council to report on the two foregoing questions as soon as possible.

Work on both questions should respect the Treaty requirement that Member States entering the Euro area after 1999 should be able to do so on the same terms and conditions as those applied in 1998 to the initial participating Member States.

## *B. Broad economic policy guidelines*

**Reference:** Council recommendation 95/326/EC on the broad guidelines of the economic policies of the Member States and the Community: OJ L 191, 12.8.1995; Bull. 7/8-1995, point 1.3.6

*I.7.* The European Council reiterates the need to maintain a high degree of convergence between Member

States' economies on a durable basis, in order both to create stable conditions for changing over to the single currency and to secure smooth functioning of the internal market. In that connection, it approved the Council report on the implementation of the broad economic policy guidelines adopted in July 1995.

## *C. Employment*

### **References:**

Conclusions of the Essen European Council: Bull. 12-1994, point I.3

Conclusions of the Cannes European Council: Bull. 6-1995, points I.4 to I.10

Commission report on employment in Europe (1995): COM(95) 396; Bull. 7/8-1995, point 1.3.177

Commission communication on trends and developments in employment systems in the European Union: COM(95) 465; Bull. 10-1995, point 1.3.211

Parliament resolution on the Commission's annual report on employment: OJ C 339, 18.12.1995; Bull. 11-1995, point 1.3.183

Joint Council and Commission report to the European Council on employment: point 1.3.198 of this Bulletin

Agreement between the social partners on reconciling work and family life: point 1.3.203 of this Bulletin

*I.8. 1.* The European Council reaffirms that the fight against unemployment and for equal opportunities is the priority task of the Community and its Member States.

The medium-term strategy outlined in Essen and confirmed at Cannes provides the appropriate framework for developing the measures agreed. These measures have already begun to apply in the Member States with generally positive results, thanks mainly to an appropriate combination of structural measures and policies favouring sustained economic growth.

The European Council welcomes the Commission's interim report and assessment of the mutually beneficial effects of greater coordination of the Union's economic and structural policies. It requests the Commission to submit its final report at the European Council meeting in December 1996.

*2.* The European Council is pleased with the way in which the procedure for monitoring employment provided for in Essen, based on a strategy of cooperation between all those involved in this common endeavour, has been formulated and put into practice for the first time:

□ the Member States have translated the Essen recommendations into multiannual employment programmes incorporating innovative measures which have already started to bear fruit and which are the ap-

appropriate instrument for transposing the recommendations to be adopted by the Council in the socio-economic area;

□ the job-creation strategy in the European Union will receive a new impetus with the approval by the European Council of the joint report submitted by the Council (Ecofin and Labour and Social Affairs) and the Commission (Annex 2); for the first time a convergence of views has been achieved on the approach to be followed to ensure that the current economic recovery is accompanied by a more thoroughgoing improvement in the employment situation.

The approval of that report fulfils the Essen instructions on monitoring employment and consolidates the employment policies agreed at previous European Council meetings. With the cooperation of all parties involved, new steps are being taken not only towards identifying the obstacles in the way of reducing unemployment but above all in connection with the macro-economic and structural aspects which substantially favour the creation of new jobs.

□ It welcomes the fact that, in their Declaration from the social dialogue summit in Florence, the social partners at European level arrived at a common criterion for measures to promote employment; similarly, it is pleased to note the broad degree of convergence between this agreement by the social partners and the criteria in the single report;

□ within this same line of involvement of the various players and institutions operating within the European Union, the European Council has examined with great interest the European Parliament resolution on employment, observing here too the broad convergence between that resolution and the single report.

3. On the basis of the recommendations in the single report, the European Council urges Member States to regard as priorities the following spheres of action in their multiannual employment programmes:

□ stepping up training programmes, especially for the unemployed;

□ rendering business strategies more flexible in areas such as the organization of work and of working time;

□ ensuring a pattern of non-wage labour costs appropriate to unemployment-reducing objectives;

□ continuing the current wage restraint by linking it to productivity, as an essential element in promoting intensive use of manpower;

□ obtaining the maximum level of efficiency in social protection systems so that, while maintaining where possible the level attained, they never act as a disincentive to seeking work;

□ pressing for greater conversion of passive policies to protect the unemployed into active job-creation measures;

□ substantially improving the machinery for information between those providing and those seeking employment;

□ promoting local employment initiatives.

The above measures will be applied with particular emphasis on those categories requiring special attention, such as young people seeking their first job, the long-term unemployed and unemployed women.

As regards measures on wage restraint, it recalls that such action falls within the social partners' own sphere. The development of social security contributions points to the need to act within a margin for manoeuvre which will preserve the financial stability of social protection systems.

The degree of application of the multiannual employment programmes and the recommendations adopted in Madrid will have to be reviewed at the European Council meeting in December 1996, with the aim of reinforcing the employment strategy and adopting further recommendations.

4. The European Council reiterates the need to ensure economic growth which generates more employment and urges Member States to persevere with policies in line with the broad economic policy guidelines, backing them up with the structural reforms already initiated or awaiting application, with the aim of eliminating existing rigidities and achieving better operation of labour markets in the goods and service sectors.

Maximum advantage must be taken of the opportunity offered by the current phase of economic expansion to achieve additional progress in the structural reforms required.

5. The European Council emphasizes lastly the important job-creation role played by internal policies, especially the internal market, environment policy, SMEs and the trans-European networks.

6. Members of the European Council that participate in the Agreement annexed to the Social Protocol to the Treaty note with satisfaction that for the first time an agreement has been reached with the social partners in the framework of that Agreement, in connection with the draft Directive on combining working and family life (parental leave). They hope this agreement will open the way for subsequent agreements in other important social and employment areas.

7. Lastly, in order to ensure the continued success of this strategy, it requests the Council (Ecofin and Labour and Social Affairs) and the Commission to monitor the application of those programmes continuously and to submit a further joint annual report for its meeting in December 1996. So as to facilitate practical application of the employment monitoring procedure decided on in Essen, it is necessary to establish as soon as possible the mechanisms envisaged in the joint report (stable structure and common indicators). The European Council reaffirms its determination to continue to give the objective of job creation maximum priority in the European Union in the years to come.

## D. Other policies

### Internal market

#### References:

Conclusions of the Essen European Council: Bull. 12-1994, points I.6, I.35 and I.36

Conclusions of the Cannes European Council: Bull. 6-1995, points I.7 and I.10

Commission progress report on the trans-European networks: COM(95) 571; Bull. 11-1995, point 1.3.102

Commission report to the European Council *The single market in 1995*: point 1.3.10 of this Bulletin

Parliament and Council Decision establishing a procedure for the exchange of information on national measures derogating from the principle of the free movement of goods within the Community: point 1.3.11 of this Bulletin

Second report of the Competitiveness Advisory Group: point 1.3.1 of this Bulletin

*I.9.* The European Council takes note of the Commission report on the internal market and welcomes the agreements reached on a significant number of proposals and the adoption of a new procedure for notifying national measures which could hinder the free movement of goods, thus ensuring effective application of the principle of mutual recognition.

The European Council took note of the Ciampi report on competitiveness and instructed the Council to examine it.

The internal market must benefit its citizens and integrate them to the full, through the application of the Treaty provisions on freedom of movement, better protection for consumers, an improvement in the social dimension and the development of mechanisms to inform citizens of the advantages they can obtain from the internal market and to gain a better understanding of their needs.

The European Council stresses the importance of completing the establishment of the internal market by introducing greater competition in many sectors in order to improve competitiveness with a view to job creation. In this connection, the European Council reaffirms its 1995 Cannes conclusions regarding the need to make that objective compatible with the performance of tasks of general economic interest specific to the public services. In particular, it is necessary to ensure equal treatment for citizens, uphold requirements as to quality and continuity of services, and contribute to balanced regional development.

The European Council confirms that trans-European networks can make an essential contribution to competitiveness, job creation and the cohesion of the Union. It takes note with satisfaction of the Commis-

sion report and of progress recently achieved in this area. It calls upon the Council and the Parliament to complete the legislative framework rapidly and upon Member States to give top priority to the effective implementation of projects and, in particular, those identified by the European Council as being of special importance. The European Council requests the Ecofin Council to adopt, on a proposal from the Commission, the necessary decisions to complement the financial resources currently available for the trans-European networks.

### Small and medium-sized businesses

**Reference:** Commission report to the Council and the European Council on the role of SMEs as a dynamic source of employment, growth and competitiveness in the European Union: Bull. 11-1995, point 1.3.66

*I.10.* The European Council took note of the Commission report on the role played by SMEs as a source of jobs, growth and competitiveness, which points in particular to the need to:

- simplify administrative formalities;
- ensure better access to information, training and research;
- remove obstacles affecting SMEs within the internal market and promote their internationalization;
- improve the financial environment for them by means of better access to capital markets and encourage development of the European Investment Fund function with regard to SMEs.

The European Council urges the Commission to put these aims into practice as swiftly as possible in the framework of the next integrated programme for SMEs.

### Environment

#### References:

Third conference of the parties to the Basle Convention: Bull. 9-1995, point 1.3.87

Third Pan-European Conference of Environment Ministers: Bull. 10-1995, point 1.3.165

Second conference of the parties to the Convention on Biological Diversity: Bull. 11-1995, point 1.3.148

Seventh conference of the contracting parties to the Montreal Protocol: point 1.3.147 of this Bulletin

Council conclusions on a European Community water policy: point 1.3.135 of this Bulletin

*I.11.* The European Council welcomes the clear and decisive role the Union has been playing internationally in defence of the environment, especially in the control of transboundary movements of hazardous

wastes and their disposal (Basle Convention), biological diversity, substances that deplete the ozone layer (Montreal Protocol) and other subjects dealt with at the Third Pan-European Conference of Environment Ministers.

The European Council notes with satisfaction the important agreements reached in the context of that policy and the debate on a new integrated approach centring not only on the quality of water but also on its scarcity as a limited economic and environmental resource.

## Agriculture

### References:

Council Regulation on the common organization of the market in rice: point 1.3.154 of this Bulletin

Proposals for Council Regulations on the common organization of the markets in fresh and processed fruit and vegetables: point 1.3.157 of this Bulletin

*I.12.* The European Council welcomes the progress of work on the reforms of the common market organizations (CMOs). It urges the Council to ensure that the common organization of the market in rice is adopted before the end of the year and the common organization of the market in wine as soon as possible. It asks the European Parliament to deliver its Opinion on the proposed reform of the common organization of the market in fruit and vegetables with a view to its adoption at the earliest opportunity.

## Fisheries

**Reference:** Conclusions of the Essen European Council: Bull. 12-1994, point I.9

*I.13.* The European Council notes that Council proceedings have resulted in full compliance with the instructions given by the European Council at Essen, leading to full integration of Spain and Portugal into the common fisheries policy.

## II — A citizen-friendly Europe

### A. Subsidiarity

#### References:

Conclusions of the Birmingham European Council: Bull. 10-1992, point I.8

Conclusions of the Edinburgh European Council: Bull. 12-1992, points I.4 and I.15 to I.23

Conclusions of the Brussels European Council: Bull. 12-1993, point I.14

Commission report to the European Council on the application of the subsidiarity and proportionality principles, on simplification and on consolidation (*Better law-making*): Bull. 11-1995, point 1.9.2

*I.14.* The European Council held an exchange of views on the application of the principle of subsidiarity as set out in the Treaty. It confirmed the guidelines established at its meetings in Birmingham and Edinburgh, which should inform Union action.

The European Council took note of the second annual report from the Commission on the application of the subsidiarity and proportionality principles, and is pleased that the 1993 programme on the adaptation of existing legislation to the principle of subsidiarity is practically finalized.

It requested the Commission to report to the European Council at its meeting in Florence on the application of the principles of subsidiarity and proportionality to current EC legislation and to proposals under consideration.

### B. Policies close to the citizen

#### References:

Commission report on the state of health in the European Union: COM(95) 357; Bull. 7/8-1995, point 1.3.193

World Conference on Women (Beijing): Bull. 9-1995, point 1.3.122

Proposal for a Directive amending Directive 89/552/EEC on the coordination of certain provisions laid down by law, regulation or administrative action in the Member States concerning the pursuit of television broadcasting activities: OJ C 185, 19.7.1995; COM(95) 86; Bull. 5-1995, point 1.3.139; Bull. 9-1995, point 1.3.138

Proposal for a Parliament and Council Decision establishing a Community action programme in the field of cultural heritage (Raphael): COM (95) 110; Bull. 3-1995, point 1.3.156; Bull. 10-1995, point 1.3.233

Council code of conduct on public access to the minutes and statements in the minutes of the Council acting as legislator: Bull. 10-1995, point 1.9.1

Decision 95/553/EE of the Representatives of the Governments of the Member States, meeting within the Council, regarding, respectively, protection for citizens of the European Union by diplomatic and consular representations and measures implementing Decision 95/553/EC: OJ L 314, 28.12.1995; point 1.1.2 of this Bulletin

Council Decision on the fourth medium-term Community action programme on equal opportunities for women and men (1996-2000): point 1.3.205 of this Bulletin

Proposal for a Parliament and Council Decision adopting a Community action programme of

health promotion, information, education and training: point 1.3.209 of this Bulletin

Proposal for a Parliament and Council Decision adopting an action plan against cancer: point 1.3.210 of this Bulletin

Proposal for a Parliament and Council Decision adopting a Community action programme concerning the prevention of AIDS and certain other communicable diseases: point 1.3.211 of this Bulletin

*1.15.* The European Council urges progress in the fight against social exclusion in its various forms, taking the view that solidarity is an essential factor for integration and the attainment of common objectives within the European Union.

The European Council takes note of the approval of the fourth programme on equal rights and opportunities for women and men and wishes to continue action in favour of women with a view to achieving fully equal treatment. For the same purpose, the European Union will also monitor annually the action platform which emerged from the Beijing Conference.

The European Council reaffirms the importance of cultural action as a way of fostering a Community dimension in the cultures of all the Member States of the Union. The European Council stresses its interest in arriving shortly at a viable agreement on the Raphael programme regarding cultural heritage of European significance.

The European Council welcomes the renewal of the MEDIA programme and also the decisive progress achieved in the Council on the proposal to amend the Directive on television without frontiers, which will, it hopes, be adopted as soon as the necessary conditions obtain.

The European Council notes the work done on the protection of public health and urges adoption of the programmes to combat cancer and to combat AIDS and the programme of action on health education and training.

The European Council notes the major report on the state of health in the European Union and trusts that the European Parliament and the Council will be able to adopt the programme of action on health monitoring and inspection as soon as possible.

The European Council expresses satisfaction at the progress made in achieving greater transparency in Council proceedings, through the approval of a code of conduct to facilitate public access to Council minutes and statements when the Council acts as legislator, and at the growing number of debates which have been broadcast to the public.

The European Council welcomes the adoption of two Decisions on consular protection, which will give citizens of the Union access to all the Member States'

consulates in third countries, in compliance with Article 8c of the Treaty.

## *C. Justice and home affairs*

### **References:**

Council Joint Action 95/73/JHA concerning the Europol Drugs Unit: OJ L 62, 20.3.1995; Bull. 3-1995, point 1.5.4

Convention on the simplified extradition procedure: OJ C 78, 30.3.1995; Bull. 3-1995, point 1.5.5

Europol Convention: OJ C 316 du 27.11.1995; Bull. 7/8-1995, point 1.5.2

Convention on the protection of the Communities' financial interests: OJ C 316, 27.11.1995; Bull. 7/8-1995, point 1.5.3

Convention on the customs information system: OJ C 316, 27.11.1995; Bull. 7/8-1995, point 1.5.4

Council resolution on the burden-sharing with regard to the admission and residence of displaced persons on a temporary basis: OJ C 262, 7.10.1995; Bull. 9-1995, point 1.5.6

Council joint position concerning the harmonized application of the definition of the term 'refugee' in Article 1 of the Geneva Convention: Bull. 11-1995, point 1.5.2

Council conclusions on an alert and emergency procedure for burden-sharing with regard to the admission and residence of displaced persons on a temporary basis: Bull. 11-1995, point 1.5.3

Draft Convention on Insolvency Proceedings: Bull. 11-1995, point 1.5.13

Commission communication on racism, xenophobia and anti-semitism: point 1.2.1 of this Bulletin

Conclusions of the Council and the Representatives of the Governments of the Member States on readmission clauses in mixed agreements and in Community agreements: Bull. 11-1995, point 1.5.9; point 1.5.3 of this Bulletin

Conference on drugs policy in Europe: point 1.5.9 of this Bulletin

Agreements between the Community and Bolivia, Colombia, Ecuador, Peru and Venezuela on drug precursors and chemical substances: point 1.5.10 of this Bulletin

*1.16.* The European Council took note of the report on activities carried out in 1995 in the field of justice and home affairs, which describes a very wide range of activities, among them the conclusion of four Conventions and the establishment of the Europol Drugs Unit.

It is the European Council's ambition that the Union can create an area of freedom and security for its citizens and it requests that, with a view to extending cooperation in these areas, future activities be focused on programmed priority areas, including Europol, over a number of Presidencies, particularly in relation to:

## 1. Terrorism

*I.17.* The European Council notes with great satisfaction the Council's approval of the La Gomera Declaration on terrorism (Annex 3) as evidence of the Union's firm resolve to reinforce collaboration in the fight against terrorism, one of the priority objectives of cooperation in justice and home affairs. It urges the Council to give expression to such cooperation in the form of effective practical measures.

## 2. Drugs and organized crime

*I.18.* The European Council approves the report of the Group of Experts on Drugs and stresses the urgency of translating the guidelines it contains into precise, coordinated operational activities within the Union.

The European Council invites the incoming Italian Presidency, in collaboration with the future Irish Presidency and after consultation of the Member States, the Commission, the Europol Drugs Unit and the European Monitoring Centre for Drugs and Drug Addiction, to prepare a programme of activities which takes account of the guidelines in that report. The European Council will examine progress in the application of that report in December 1996.

In this connection, the European Council considers it a matter of priority to establish a mechanism for cooperation between the European Union and Latin America, including the Caribbean, to combat drugs. It considers that the international strategy for combating drug abuse and unlawful trafficking in drugs must be based on a comprehensive, coordinated approach designed to reduce drug supply and demand through bilateral cooperation between both regions. It welcomes the Franco-British initiative on the Caribbean, which proposes regional action to combat trafficking in narcotics and which is also included in action under the transatlantic agenda.

The European Council calls upon the Council and the Commission to prepare a report and the requisite proposals for action in both areas by April 1996. An *ad hoc* working party on drugs will be set up for the purpose.

The European Council is pleased that an Agreement on precursors will be signed in Madrid on 18 December 1995 between the Community and the five countries of the Andean Pact, an important step forward in this strategy. In that connection, it supports the maintenance of preferences for the Andean countries and Central America as part of the special arrangements for combating drugs in the generalized scheme of preferences.

The European Council also expresses satisfaction at the Conference on drugs held in Brussels on 7 and 8 December 1995.

The European Council takes note of the proceedings on organized crime and urges the Council to adopt the

necessary operational measures to combat this threat to all the Member States.

The European Council calls upon the Council and the Commission to consider the extent to which harmonization of Member States' laws could contribute to a reduction in the consumption of drugs and unlawful trafficking in them.

## 3. Judicial cooperation

*I.19.* The European Council considers that priority should be given to extradition and mutual judicial assistance in criminal matters and to the extension of the Brussels Convention and document transmission in civil matters. It notes with satisfaction the signing of the Convention on Insolvency Proceedings.

## 4. Immigration and asylum

*I.20.* The European Council expresses satisfaction at the results achieved regarding third-country nationals residing illegally in the Union, readmission agreements and combating illegal immigration and illegal employment, and urges the Council to continue proceedings in this area.

The European Council also expresses satisfaction at the approval of the resolution on burden-sharing with regard to the admission of displaced persons, and the decision on an alert and emergency procedure for burden-sharing.

The European Council takes note of the common position aimed at harmonized application of the definition of the term 'refugee' within the meaning of Article 1 of the Geneva Convention and calls for ratification of the Dublin Convention to be completed.

## 5. External frontiers

*I.21.* The European Council urges the Council to settle as soon as possible the issues outstanding with regard to the adoption of the Convention on persons crossing the external frontiers of the Member States of the European Union and welcomes the results achieved on visas.

## 6. Racism and xenophobia

*I.22.* The European Council took note of the results obtained on defining strategies to combat racism and xenophobia (Annex 4); it urges adoption of the Joint Action concerning action to combat racism and xenophobia with the aim of approximating Member States' laws and enhancing the opportunities for judicial assistance between the Member States in this area.

The European Council took note of the interim report from the Consultative Commission and instructs it to

continue its proceedings on that basis and complete the feasibility study for a European Monitoring Centre on Racism and Xenophobia in time for the European Council meeting in June 1996.

#### **D. Fraud and protection of financial interests**

##### **References:**

Convention on the protection of the Communities' financial interests: OJ C 316, 27.11.1995; Bull. 7/8-1995, point 1.5.3

Council conclusions on the comparative analysis of the reports supplied by the Member States on measures taken to combat fraud: Bull. 11-1995, point 1.6.11; points 1.61 and 1.62 of this Bulletin

Council Regulation (EC) No 2988/95 on the protection of the Communities' financial interests: OJ L 312, 23.12.1995; point 1.6.7 of this Bulletin

Proposal for a Council Regulation concerning on-the-spot checks and inspections by the Commission for the deflection of frauds and irregularities detrimental to the financial interests of the Communities: COM(95) 690; point 1.6.8 of this Bulletin

Proposal for a Council act establishing a Protocol to the Convention on the protection of the Communities' financial interests: COM(95) 693; point 1.5.7 of this Bulletin

*I.23.* The European Council took note of the comparative analysis and synthesis document on national measures taken to combat wastefulness and the misuse of Community resources, prepared by the Commission on the basis of reports from the Member States.

The European Council supports the conclusions approved by the Economic and Financial Affairs Council (Annex 5) and calls upon the Member States and the institutions to adopt the necessary measures to ensure an equivalent level of protection throughout the Community and in the Community budget and the EDF as a whole.

The European Council also expresses satisfaction at the imminent adoption of the Regulation on the protection of the European Communities' financial interests and the signing of the relevant Convention.

It calls upon the Commission to submit a proposal shortly on checks and verifications *in situ* and requests the Economic and Financial Affairs Council to adopt those provisions before the European Council meeting in June.

The European Council also notes with satisfaction that consensus has been reached on an additional protocol to the Convention on the protection of the European Communities' financial interests which is designed to

harmonize treatment of corruption on the part of both national and European officials and members of Community or national institutions and bodies as a criminal offence.

It calls upon the JHA Council to continue its proceedings in order to supplement the Convention, particularly in the field of judicial cooperation.

The European Council welcomes the Commission initiative on sound financial management and particularly its decision to establish a group of personal representatives to identify priority action at Community and national level with a view to improving budget execution and making good the shortcomings in financial management identified by the Court of Auditors.

It invites the Commission and the Council to examine the possibility of extending the system of clearance of accounts from agriculture to other sectors.

#### **E. Legislative and administrative simplification**

**Reference:** Commission's comments on the report of the group of independent experts on simplification of legislation and administration: Bull. 11-1995, point 1.9.3

*I.24.* The European Council reaffirms the importance of preventing the imposition of unnecessary burdens on business activity, through a process of legislative and administrative simplification which must preserve the *acquis communautaire* and be accompanied by national measures contributing to the same objective. In this respect, it refers to the Commission report on the report from the independent experts group.

It calls upon the Commission to table its new proposals for the consolidation of Community law and upon the Council to act as soon as possible.

### **III — A Europe open to the world, enjoying stability, security, freedom and solidarity**

#### **A. Enlargement**

##### **References:**

Conclusions of the Copenhagen European Council: Bull. 6-1993, point I.26

Conclusions of the Essen European Council: Bull. 12-1994, point I.13

Conclusions of the Cannes European Council: Bull. 6-1995, point I.12

Commission interim report on the effects on the policies of the European Union of enlarge-

ment to the associated countries of Central and Eastern Europe: Bull. 11-1995, point 1.4.47; point 1.4.62 of this Bulletin

Commission progress report on the pre-accession strategy with the associated countries of Central and Eastern Europe: Bull. 11-1995, point 1.4.46

Commission study into ways of developing agricultural relations between the European Union and the associated countries with a view to their accession: Bull. 11-1995, point 1.4.48

*I.25.* Enlargement is both a political necessity and a historic opportunity for Europe. It will ensure the stability and security of the continent and will thus offer both the applicant States and the current members of the Union new prospects for economic growth and general well-being. Enlargement must serve to strengthen the building of Europe in observance of the *acquis communautaire* which includes the common policies.

With that in mind, the European Council took note of the Commission reports on the effects of enlargement on the policies of the European Union, on alternative strategies in agriculture and on the progress of the pre-accession strategy for the associated countries of Central and Eastern Europe.

The European Council takes note of the Council report on relations with the associated CCEE during the second half of 1995 (Annex 6).

The PHARE programme, as supported by the European Council's decisions at its Cannes meeting, and the continued activities of the European Investment Bank will allow an overall increase in the input for accession preparations.

The European Council reiterates that the accession negotiations with Malta and Cyprus will commence, on the basis of the Commission proposals, six months after the conclusion of the 1996 Intergovernmental Conference, and will take its results into account. It is pleased that structured dialogue with both countries began in July 1995 within the framework of the pre-accession strategy.

The European Council also confirms the need to make sound preparation for enlargement on the basis of the criteria established in Copenhagen and in the context of the pre-accession strategy defined in Essen for the CCEE; that strategy will have to be intensified in order to create the conditions for the gradual, harmonious integration of those States, particularly through the development of the market economy, the adjustment of their administrative structures and the creation of a stable economic and monetary environment.

The European Council calls upon the Commission to take its evaluation of the effects of enlargement on Community policies further, particularly with regard to agricultural and structural policies. The European

Union will continue its review at its next meetings on the basis of reports from the Commission.

It asks the Commission to expedite preparation of its opinions on the applications made so that they can be forwarded to the Council as soon as possible after the conclusion of the Intergovernmental Conference, and to embark upon preparation of a composite paper on enlargement. This procedure will ensure that the applicant countries are treated on an equal basis.

It also calls upon the Commission to undertake a detailed analysis as soon as possible of the European Union's financing system in order to submit, immediately after the conclusion of the Intergovernmental Conference, a communication on the future financial framework of the Union as from 31 December 1999, having regard to the prospect of enlargement.

Following the conclusion of the Intergovernmental Conference and in the light of its outcome and of all the opinions and reports from the Commission referred to above, the Council will, at the earliest opportunity, take the necessary decisions for launching the accession negotiations.

The European Council hopes that the initial phase of negotiations will coincide with the start of negotiations with Cyprus and Malta.

## *B. External relations*

### **Former Yugoslavia**

**Reference:** Meeting of donor countries and organizations concerning the reconstruction of Bosnia-Herzegovina: point 1.4.83 of this Bulletin

*I.26.* The European Council expresses satisfaction at the fact that the peace agreement negotiated in Dayton was signed in Paris on 14 December 1995 and confirms its determination to make a substantial contribution to implementing it.

The European Council welcomes the adoption by the United Nations Security Council of the Resolution supporting the peace agreements signed in Paris and applying their provisions at both civil and military level.

With regard to civilian aspects, the European Council endorses the conclusions of the Conference held in London on 7 and 8 December 1995. It welcomes the appointment of Mr Carl Bildt as the High Representative and assures him of its full support.

The application of the peace agreement involves the implementation of a stable military equilibrium based on the lowest possible level of weaponry. The European Council hopes that the parties involved will take advantage of the opportunity for dialogue offered by the Conference to be held in Bonn on 18 December 1995.



It is now for the parties to shoulder their responsibilities in fully implementing the agreement in order to bring an end to the war once and for all.

For its part, the European Union reiterates its willingness to make a contribution to the reconstruction of former Yugoslavia in the context of equitable international burden-sharing. A preparatory conference will be held in Brussels on 20 and 21 December 1995 with a view to identifying the most urgent needs.

The European Council reaffirms the right of refugees and displaced persons to return freely and safely to their homes throughout the territory of former Yugoslavia and to obtain fair compensation as a fundamental right.

The European Council approved the Declaration in Annex 7.

### Former Yugoslav Republic of Macedonia

**Reference:** Proposal for a trade and cooperation agreement with the former Yugoslav Republic of Macedonia: point 1.4.84 of this Bulletin

*I.27.* The European Council is pleased that the conditions exist for establishing contractual cooperation relations between the Union and the FYROM and asks the Council to approve the negotiating directives before the end of 1995 with a view to concluding a cooperation and trade Agreement which takes full account of its aspirations.

### Slovenia

#### References:

Conclusions of the Cannes European Council: Bull. 6-1995, point I.12

Draft Europe (Association) Agreement with Slovenia: Bull. 10-1995, point 1.4.64

*I.28.* In the light of the Cannes conclusions and bearing in mind the compromise proposal from the Presidency, the European Council reaffirms its desire to have the Association Agreement with Slovenia signed as soon as possible.

### Baltic Sea region

**Reference:** Commission report on the current state of and perspectives for cooperation in the Baltic Sea region: COM(95) 609; Bull. 11-1995, point 1.4.43

*I.29.* The European Council took note of the Commission report on the current state of and prospects for cooperation in the Baltic Sea Region.

The Union has an interest in promoting political stability and economic development in that region. The

European Council therefore urges the Commission to propose a suitable regional cooperation initiative to be presented to the Heads of State or Government of the Council of Baltic Sea States at their Conference in Visby on 3 and 4 May 1996, and thereafter report to the European Council in Florence.

### Russia

#### References:

Draft Interim Agreement with Russia on trade and trade-related matters: Bull. 10-1995, point 1.4.89

Council conclusions on strategy on EU-Russia relations: Bull. 11-1995, points 1.4.81 and 2.2.1

*I.30.* The European Council trusts that Russia will continue its action to promote stability, development, peace and democracy. It means to support its efforts. It wishes to strengthen permanently the ties between the European Union and this great country.

It is convinced that the development of cooperation in the field of security between the European Union and Russia is essential for stability in Europe.

It notes with satisfaction that the Interim Agreement with Russia signed in Brussels on 17 July 1995 is to come into force on 1 February 1996 and it urges the Contracting Parties to ratify the Partnership and Cooperation Agreement as soon as possible. It also welcomes the outcome of the summit between the European Union and Russia which took place in September in Moscow. It confirms the European Union's overall political approach to its future relations with Russia, as formulated by the General Affairs Council on 20 November 1995 (Annex 8).

It approved a Declaration on the forthcoming holding of parliamentary elections in Russia (Annex 9).

It supports Russia's efforts to achieve complete integration into the international economy and its admission to the WTO and other international organizations.

It also confirms its support for Russia's accession to the Council of Europe in the near future.

### TACIS

**Reference:** Proposal for a Council Regulation concerning the provision of assistance to economic reform and recovery in the new independent States and Mongolia (TACIS): OJ C 134, 1.6.1995; COM(95) 12; Bull. 1/2-1995, point 1.4.102; Bull. 11-1995, point 1.4.86

*I.31.* The European Council reaffirms the readiness of the European Union to continue its assistance programme to the republics of the former Soviet Union

with the aim of supporting the process of political and economic reform which these republics have initiated. It underlines the importance of adopting the new TACIS Regulation at the beginning of 1996.

### Ukraine

**Reference:** Council Decision 95/442/EC providing further macro-financial assistance to Ukraine: OJ L 258, 28.10.1995; Bull. 10-1995, point 1.4.91

*I.32.* The European Council expresses satisfaction at the recent accession of Ukraine to the Council of Europe and supports its authorities' undertaking to continue the current process of economic reform. The Union welcomes the important agreement reached with Ukraine on the definitive closure of the Chernobyl nuclear power station by the year 2000, in accordance with the timetable and conditions foreseen; it continues to provide support for Ukraine through macroeconomic assistance.

### Turkey

**Reference:** Proposal for a Council Decision relating to a common position by the Community in the EC-Turkey Association Council on implementing the final phase of the customs union: point 1.4.67 of this Bulletin

*I.33.* The European Council reiterates the priority it attaches to the development and strengthening of relations with Turkey and welcomes the assent given by the European Parliament which will enable the final phase of the customs union with Turkey to enter into force on 31 December 1995, together with the arrangements for strengthening political dialogue and institutional cooperation. It hopes that the Regulation on financial cooperation with Turkey will enter into force as soon as possible.

The European Council recalls the importance it attaches to respect for human rights, the rule of law and fundamental freedoms and strongly supports all those in Turkey endeavouring to put reforms into practice. In that spirit, it welcomes the measures already adopted by the Turkish authorities and urges them to continue along that path.

### Cyprus

*I.34.* The Council reiterates the importance which it attaches to making substantial efforts to achieve a just and viable solution to the question of Cyprus in line with the United Nations Security Council resolutions, on the basis of a bi-zonal and bi-community federation.

### Security

*I.35.* In the security field, the European Council welcomes the progress made within the Union on developing a common policy for the integration of the

CCEE into the European security architecture, and the place which Russia and Ukraine will have in it.

The European Council expresses its satisfaction at the approval by the Ministerial Council of the Western European Union, meeting in Madrid in November 1995, of the WEU contribution to the 1996 Intergovernmental Conference confirming the desirability of strengthening links between the European Union and the WEU. It takes note of the wish expressed by the WEU to contribute, as necessary, to the proceedings of the Intergovernmental Conference on security and defence aspects and to keep a close watch on their development. The European Council also takes note of the Reflection Group's contribution in this area.

It stressed the need to continue encouraging disarmament and non-proliferation within the framework of the common foreign and security policy. In this connection:

- it expresses its firm desire that the negotiations for a comprehensive nuclear test ban Treaty be completed no later than June 1996;
- it supports an immediate start to negotiations for a Treaty banning the production of fissile material for nuclear weapons (cut-off);
- it welcomes the adoption, in the first round of the Conference to review the 1980 Convention on Inhumane Weapons, of a new protocol prohibiting the use of blinding laser weapons;
- it reiterates the European Union's wish that all its members ratify the Convention on Chemical Weapons at the earliest opportunity so that it can come into force shortly.

### OSCE

**Reference:** Fifth Summit of the Heads of State or Government and the Foreign Ministers of the OSCE: point 1.4.19 of this Bulletin

*I.36.* The Union welcomes the results of the OSCE Budapest Conference which are intended to reinforce the structures and capacities of the OSCE so that it can fulfil its ever-increasing number of tasks, particularly in the field of preventive diplomacy.

It reiterates the European Union's intention of continuing to contribute actively to strengthening the OSCE and, in particular, to drawing up a common and comprehensive security model for Europe for the 21st century.

The European Council welcomed the adoption on 13 December 1995 in Royaumont, at the suggestion of the European Union, of the Declaration on the process of stability and good-neighbourly relations in south-eastern Europe.

### Andorra

*I.37.* The European Council welcomes the renewed impetus given to the Union's relations with Andorra and calls upon the Commission to submit appropriate proposals for developing new areas of cooperation.

## Transatlantic relations

### References:

Conference organized to launch the transatlantic trade dialogue: Bull. 11-1995, point 1.4.90

European Union-United States summit in the framework of the transatlantic declaration: point 1.4.104 of this Bulletin

*I.38.* The European Council underlines the great importance of the new transatlantic agenda and the joint EU-US action plan signed at the EU-US Summit in Madrid on 3 December 1995 (Annex 10). It considers that this initiative constitutes a qualitative leap forward in strengthening our relations, moving on from a stage of consultations towards a new stage of concerted and joint action. It is resolved that the Union for its part should put fully into practice what was agreed in Madrid and to resume examination of this issue at the European Council in Florence.

It welcomes the initiatives put forward at the meeting of the transatlantic business dialogue in Seville.

It hopes that other Atlantic democracies will share the goals of the new transatlantic agenda.

## Mediterranean

### References:

Draft Euro-Mediterranean Association Agreement with Egypt: Bull. 12-1994, point 1.3.67

Conclusions of the Cannes European Council: Bull. 6-1995, points 1.49 to 1.53

Draft Euro-Mediterranean Association Agreement with Jordan: Bull. 6-1995, point 1.4.82

Draft Euro-Mediterranean Association Agreement with Lebanon: Bull. 10-1995, point 1.4.82

Barcelona Euro-Mediterranean Conference: Bull. 11-1995, points 1.4.56 and 2.3.1

Draft Euro-Mediterranean Association Agreement with Morocco: point 1.4.88 of this Bulletin

Draft Euro-Mediterranean Association Agreement with Tunisia: point 1.4.90 of this Bulletin

Draft Association Agreement with Israel: point 1.4.91 of this Bulletin

*I.39.* The European Council highlights the major significance of the results achieved at the Barcelona Euro-Mediterranean Conference and calls upon the Council and the Commission to put into practice the Barcelona Declaration and Work Programme (Annex 11).

The Barcelona Conference marked the start of a new stage in which the goal of securing peace, stability and prosperity in the Mediterranean region constitutes a common task for all parties to the new Euro-Mediterranean association. The 'Barcelona spirit' must encourage this on-going process, which should culminate in the conclusion of a pact for the Mediterranean.

The European Council warmly welcomes the Agreements concluded with Tunisia, Israel and Morocco. It

hopes that the negotiations under way with Egypt, Jordan and Lebanon will reach a rapid conclusion, and points out that the European Union is ready to negotiate such agreements with Algeria and Syria as soon as possible. In this connection it confirms its Cannes conclusions regarding the nature of the Euro-Mediterranean free-trade area.

It notes with satisfaction the recent presidential elections in Algeria and trusts that there will shortly be new moves towards restoring a normal political situation in the country through dialogue and the holding of free and above-board general and local elections. It notes that Algeria wishes to conclude a new association agreement with the European Union, and calls upon the Commission to submit draft negotiating directives to that end.

## Middle East

**Reference:** Agreement on the extension of autonomy to the whole of the West Bank: Bull. 9-1995, point 1.4.46

*I.40.* The European Council welcomes the Interim Agreement between Israel and the Palestine Liberation Organization, signed in Washington on 28 September.

The European Council deeply regrets the tragic assassination of Prime Minister Yitzhak Rabin and supports the undertaking given by the new Prime Minister, Mr Peres, to take the peace process forward with the same resolve. It accordingly appeals for rapid progress to be made on the Syrian track and for all parties to step up their efforts to reach a comprehensive, just and lasting peace.

It welcomes the rapid disbursement of the EIB loans for ECU 250 million granted to the Palestine Authority, and hopes that the Commission will submit to it, at the earliest opportunity, draft directives for negotiating an agreement with the European Union. It similarly welcomes the implementation of the measures needed to coordinate the monitoring of the Palestinian elections.

It notes with satisfaction the progress made at the Amman Economic Summit and trusts that positive results will be achieved at the Ministerial Conference for Economic Assistance to the Palestinian People, to be held in Paris on 9 January 1996.

## Iran

*I.41.* The European Union will continue to ensure that cooperation with Iran is conducted with all the guarantees necessary to avoid any contribution whatsoever to the acquisition of a military nuclear capacity.

In the context of respect for fundamental rights and freedom of expression, the European Union will keep

up its efforts, within the framework of critical dialogue, to obtain a satisfactory solution in respect of the British writer Salman Rushdie and calls upon the Iranian authorities to respond constructively to its efforts. It requests the Council to keep a close watch on the matter.

## Latin America

### References:

Council conclusions on Cuba: Bull. 10-1995, point 1.4.108

Proposed economic partnership and political consultation Agreement between the Community and Mexico: Bull. 10-1995, point 1.4.109

Recommendation for a Council Decision on the renewal of the San José dialogue: COM(95) 600; Bull. 11-1995, point 1.4.96

Recommendation for a Council Decision on the negotiation of a framework Agreement on trade and economic cooperation with Chile: Bull. 11-1995, point 1.4.97

Council conclusions on general guidelines for cooperation between the Community and Latin America 1996-2000: point 1.4.110 of this Bulletin

Interregional framework cooperation agreement with Mercosur: point 1.4.111 of this Bulletin

Joint declaration on political dialogue between the European Union and Chile: point 1.4.112 of this Bulletin

*I.42.* The European Council stresses the significant progress made in the process of strengthening relations with Latin America. It requests the Council and the Commission to expedite implementation of the conclusions on enhancing cooperation between the European Union and Latin America in the period 1996-2000 (Annex 12).

It welcomes the signing in Madrid of the interregional framework agreement on trade and economic cooperation between the European Union and Mercosur, the final objective of which is to achieve political and economic association.

It emphasizes that the joint declaration on political dialogue between the European Union and Chile is to be signed shortly. This marks an important step towards the early negotiation of a new agreement directed ultimately at political and economic association.

The European Council calls upon the Council and the Commission to begin negotiations as soon as possible with Mexico for a new political, economic and trade agreement which includes progressive and reciprocal trade liberalization, taking account of the sensitivity of certain products and in line with WTO rules.

It also declares its interest in renewing the San José dialogue between the European Union and Central

America, on the basis of the communication recently submitted by the Commission.

It notes the wish expressed by the Andean presidential council to strengthen relations between the Andean Pact and the European Union, and calls upon the Commission to submit appropriate measures. It also considers an early renewal of the generalized scheme of preferences for the Central American and Andean Pact countries to be of particular importance, and asks the Council to adopt this at the earliest opportunity.

It considers that dialogue and cooperation should be continued with Cuba in order to lend active support to the process of reform under way, to foster respect for human rights and fundamental freedoms and to broaden the scope of private initiative and the development of civil society. To that end, it asks the Commission to present, in the first half of 1996, draft negotiating directives for a trade and economic cooperation agreement, which will be examined by the Council in the light of developments in the political and economic situation in Cuba.

Lastly, it calls upon the EIB to step up its activity in Latin America in line with its financing procedures and criteria.

## Lomé Convention

### References:

Proposed Agreement amending the fourth Lomé Convention following the mid-term review: Bull. 11-1995, point 1.4.102

Proposal for a Protocol to the fourth ACP-EEC Convention consequent on the accession of Austria, Finland and Sweden: Bull. 11-1995, point 1.4.104

Council Decision on transitional measures for the advance application of certain provisions of the revised Lomé Agreement: point 1.4.117 of this Bulletin

*I.43.* The European Council welcomes the signing in Mauritius on 4 November of the Agreement on the revision of the fourth ACP-EC Convention, together with the Protocol on the Accession of Austria, Finland and Sweden, as well as the adoption of provisional implementing measures.

## Africa

### References:

Draft Agreement on trade and cooperation with South Africa: Bull. 10-1995, point 1.4.126

Council conclusions on preventive diplomacy, conflict resolution and peace-keeping in Africa: point 1.4.116 of this Bulletin

Common position 95/544/CFSP on Nigeria — OJ L 309, 21.12.1995; point 1.4.119 of this Bulletin

1.44. The European Council expresses its grave concern at the situation in Nigeria, confirms the sanctions adopted within the European Union and appeals once more to the Nigerian authorities to ensure full respect for human rights and a swift transition to democracy, failing which it reserves the right to take further measures.

To put an end to the violence, particularly in Burundi, and to ease the return of Rwandan refugees, the European Council emphasizes the importance of national reconciliation and stability in the Great Lakes region. It restates its support for the convening of the Conference on the Great Lakes Region under the auspices of the United Nations and the Organization for African Unity, as well as the rapid appointment of a new special representative of the United Nations Secretary-General to Burundi.

It welcomes the political dialogue which has begun between the European Union and the OAU, and particularly the Council conclusions of 4 December on preventive diplomacy, conflict resolution and peace-keeping in Africa (Annex 13).

It notes with satisfaction the negotiations under way with South Africa with a view to drawing up an agreement on creating a free-trade area and highlights the importance of these negotiations being brought to a rapid conclusion.

## Asia

### References:

Council report to the European Council on the Union position on the Asia-Europe Meeting: point 1.4.106 of this Bulletin

Council conclusions on a long-term policy for relations between the European Union and China: point 1.4.107 of this Bulletin

1.45. The European Council welcomes the adoption of the Council report which will serve as a basis for preparing the Europe-Asia Meeting to be held in Bangkok on 1 and 2 March 1996 (Annex 14).

It confirms the importance which the European Union places on the development of relations with China. It notes the conclusions adopted by the Council on a long-term policy for China-Europe relations.

The European Council reiterates its deep concern at the heavy prison sentence imposed on the Chinese human rights campaigner, Mr Wei Ging Xeng, and urges China to show clemency at his appeal and grant his swift and unconditional release.

The European Union will participate, in conditions to be negotiated, in the Korean Peninsular Energy Development Organization (KEDO).

The European Council, bearing in mind in particular the latest events in Djakarta in connection with the

increased tension in East Timor, pledges support for any appropriate action which could contribute towards a just, overall and internationally acceptable solution to this issue and particularly towards the mediation efforts being made by the UN Secretary-General.

## United Nations

**Reference:** Presidency statement on behalf of the European Union concerning the financial situation of the United Nations: Bull. 10-1995, point 1.4.10

1.46. On the occasion of the 50th anniversary of the United Nations, the European Union expressed its continuing support for the UN as a global forum fostering mankind's aspirations for peace, security and economic and social progress.

The European Union, whose Member States together constitute the UN's main financial contributor, expressed its concern in its Declaration of 25 October 1995 at the current critical financial situation of the United Nations. The European Council appeals again to all States which are members of the UN to pay their contributions to the normal budget and to peace-keeping operations, in full, on time and without conditions.

The European Council hopes, in this connection, that progress will be made on adjustments to improve UN structures and institutions, including the Security Council.

## IV — Laying the foundations of the Europe of the future

### *The political agenda for Europe*

1.47. The European Council identified the challenges which the Member States of the European Union must meet in order to prepare Europe for the 21st century. In the next five years, we must:

- carry out adjustments to the Treaty on European Union;
- make the transition to a single currency in line with the timetable and conditions set;
- prepare for and carry out the enlargement negotiations with the associated countries of Central, Eastern and Southern Europe which have applied for membership;
- determine, in parallel, the financial perspective beyond 31 December 1999;
- contribute to establishing the new European security architecture;
- actively continue the policy of dialogue, cooperation and association already under way with the

Union's neighbouring countries, and in particular with Russia, Ukraine, Turkey and the Mediterranean countries.

Success in all these tasks will mean that a large community enjoying the benefits of freedom, prosperity and stability can be set up Europe-wide.

### *The Intergovernmental Conference*

**Reference:** Final report of the Reflection Group on the Intergovernmental Conference: point 1.9.2 of this Bulletin

1.48. 1. The European Council received with great interest the report by the Reflection Group, chaired by Mr Westendorp (Annex 15), which had been instructed by the European Council to prepare for the 1996 Intergovernmental Conference. It considers that the guidelines distilled within the Group, following a thorough analysis of the internal and external challenges facing the Union and the possible responses, constitute a sound basis for the work of the Conference.

2. The Intergovernmental Conference will have to examine those provisions of the Treaty on European Union review expressly called for in the Treaty, as well as those questions which it was decided should be discussed by the Conference, both in the Brussels and Corfu European Council conclusions and in declarations adopted at the time of interinstitutional agreements. The European Council also reaffirms the guidelines laid down at its Cannes meeting. The Intergovernmental Conference will, in general, have to examine the improvements which will have to be made to the Treaties to bring the Union into line with today's realities and tomorrow's requirements, in the light of the outcome of the Reflection Group's proceedings.

3. The European Council agrees that the formal review procedure stipulated in Article N of the Treaty will be carried out as quickly as possible so that the Conference can be officially opened in Turin on 29 March. The European Council takes note of the intention of the forthcoming Italian presidency to adopt appropriate measures for preparing the Conference.

4. The Conference will meet regularly, in principle once a month, at the level of Foreign Affairs Ministers, who will have responsibility for all proceedings; preparations will be conducted by a working party made up of a representative of each Member State's Minister for Foreign Affairs and of the President of the Commission.

The Secretary-General of the Council will make the necessary arrangements to provide secretarial support for the Conference.

5. The European Parliament will be closely associated with the work of the Conference so that it is both briefed regularly and in detail on the progress of the discussions and can give its point of view, where it considers this necessary, on all matters under discussion. The detailed arrangements for such association will be determined by the Ministers for Foreign Affairs in line with the provisions which apply to the review of the Treaties.

6. The representatives of those countries of Central and Eastern Europe which have concluded Europe Agreements, and of Malta and Cyprus, will be briefed regularly on the progress of discussions and will be able to put their points of view at meetings with the Presidency of the European Union to be held, in principle, every two months. The European Economic Area and Switzerland will also be briefed.

## **PART B**

### **Annex 1 — Economic and monetary union**

#### *The scenario for the changeover to the single currency*

1.49. 1. At its meeting in Cannes on 27 June 1995, the European Council requested the Ecofin Council to define, in consultation with the Commission and the European Monetary Institute (EMI), a reference scenario for the changeover to the single currency and to report back to the European Council at its meeting in December 1995 in Madrid with a view to its adoption.

2. Since the entry into force of the Treaty on European Union ('Maastricht Treaty'), particularly since the start of stage two of the process of moving to an economic and monetary union, the Member States, the European bodies and representatives of many private organizations have been studying the different aspects of the changeover. Preparations have now reached a level which allows the presentation of a reference changeover scenario containing clearly defined measures to be implemented within pre-set dates or deadlines.

3. The preparations under way are guided by the overriding Treaty objective to create a stable single currency. One precondition for this is to achieve a high degree of convergence of economic performance before locking exchange rates irrevocably. A strict application of the convergence criteria in assessing which Member States fulfil the necessary conditions for the

adoption of a single currency will establish confidence in the new currency and convince the public at large as well as markets that it will be strong and stable. After moving to stage three of economic and monetary union, convergence will have to be maintained. In particular public finances must be kept on a sound track in line with Treaty obligations. Therefore work has to be done on ways to secure budgetary discipline among participants in the Euro area in accordance with the procedures and the principles of the Treaty. In addition, the future relationship between the Member States participating in the Euro area and the others will need to be defined prior to the move to stage three with a view, *inter alia*, to safeguarding monetary stability within the single market.

4. The removal of uncertainties requires careful technical preparation of the move to stage three. This preparation will also contribute to public acceptability of the new currency. The changeover scenario presented below has been defined in consultation with the Commission and the EMI and has benefited from the Commission's Green Paper and the EMI report on the changeover to the single currency. It is in line with the timetable, procedures and criteria laid down in the Treaty. It provides for transparency, strengthens credibility and underlines the irreversibility of the process. It is technically feasible and aims to provide for the necessary legal certainty, to minimize adjustment costs and to avoid competitive distortions. The changeover scenario, by announcing concrete measures to be taken within a clear timetable, offers the users of money the information necessary for them to adapt to the introduction of the single currency. The scenario is compatible with the EMI report on the changeover.

5. This changeover scenario is based on 1 January 1999 as the starting date for the third stage. The steps to be taken during the different stages of the changeover process are presented below and summarized in the annexed tables, which set out the timing and the various dates and deadlines for the participating Member States.

6. The Council in the composition of Heads of State or Government will confirm which Member States fulfil the necessary conditions for the adoption of the single currency. The date of this decision marks the beginning of an interim period prior to the entry into stage three, during which decisions are to be taken to complete the preparations. On the one hand, the magnitude of the workload would suggest that this interim period lasts for about one year; but, on the other, the Heads of State or Government should base their decision on participating Member States on the most recent and reliable actual data for 1997. Thus, special efforts will be made so that the Heads of State or Government make their decision as soon as possible in

1998. Advance preparation will help to ensure that all the necessary measures will be in place for the start of stage three of economic and monetary union. Several of these measures fall within the competence of the European Central Bank (ECB).

7. The ECB will have to be created early enough so as to allow preparations to be completed and full operation to start on 1 January 1999. Therefore, as early as possible in this interim period, the Council and the participating Member States will have to adopt a number of legal provisions and to appoint the Executive Board of the European Central Bank. As soon as the Executive Board of the ECB is appointed, the ECB and the European System of Central Banks (ESCB) will be established. The decision-making bodies of the ECB will decide on, implement and test the framework needed for the ESCB/ECB to perform its task in stage three.

8. Stage three of economic and monetary union will start on 1 January 1999, with the irrevocable fixing of conversion rates among currencies of participating countries and against the Euro and with the single monetary policy which will be defined and implemented by the ESCB in Euro. The ESCB will encourage the use of the Euro in the foreign exchange markets; its operations in these markets will be effected and settled in Euro. The payments system's infrastructure needs to be in place so as to ensure the smooth functioning of an area-wide money market based on the Euro. National central banks could provide conversion facilities for those financial institutions which have not been able to equip themselves with such facilities to translate amounts from Euro into national monetary units and vice versa.

9. A Council Regulation entering into force on 1 January 1999 will provide the legal framework for the use of the Euro. From that date, the Euro will be 'a currency in its own right' and the official ecu basket will cease to exist. This Regulation will have the effect that the national currencies and the Euro will become different expressions of what is economically the same currency. As long as different national monetary units still exist, the Council Regulation will establish a legally enforceable equivalence between the Euro and the national currency units ('legally enforceable equivalence' means that each monetary amount is assigned, in a legally enforceable way, an unchangeable countervalue in terms of the Euro unit at the official conversion rate and vice versa). For the period before the deadline set for the completion of the changeover, the Regulation will ensure that private economic agents will be free to use the Euro; at the same time they should not be obliged to do so. As far as possible, they should be allowed to develop their own mechanisms of adjustment to the changeover; however, the implementation of these principles should take into account market practices in terms of standardization. The Regulation will also provide that national banknotes will continue to remain legal tender within the boundaries of the respective national

territories until the completion of the changeover to the single currency. The technical preparatory work for this Regulation shall be completed at the latest by the end of 1996.

10. The substitution of the Euro for national currencies should not of itself alter the continuity of contracts; amounts expressed in national currency will be converted into Euro at the rate of conversion laid down by the Council. In the case of fixed interest rate securities and loans, this substitution will not of itself alter the nominal interest rate payable by the debtor unless otherwise provided in the contract. In the case of contracts denominated by reference to the official ecu basket of the European Community, in accordance with the Treaty, substitution by the Euro will be at the 1:1 rate, subject to the particular terms of individual contracts.

11. New tradeable public debt will be issued in Euro by the participating Member States as from 1 January 1999. By 1 July 2002 at the latest, public debt denominated in the former national currencies will be redeemable only in the single currency.

12. The generalization of the use of the Euro for public sector operations will occur in all participating Member States at the latest when the Euro banknotes and coins are fully introduced. The time frame will be laid down in Community legislation and might leave some freedom to individual Member States.

13. The public authorities are invited to set in hand the arrangements for planning the adaptation of their administration to the Euro.

14. By 1 January 2002 at the latest, Euro banknotes and coins will start to circulate alongside national notes and coins. Euro notes and coins will have legal tender status. In line with the increasing circulation of Euro notes and coins, national notes and coins will be withdrawn. Member States should endeavour to keep this period of dual circulation of national and Euro notes and coins to the minimum. In any event, national notes and coins will cease to be legal tender at the latest six months after the introduction of Euro notes and coins. By that deadline, the changeover will be complete. Thereafter, national banknotes and coins may still be exchanged free of charge at the national central banks.

**The changeover to the single currency — Chronological sequence of events**

*December 1995 up to the decision on participating Member States*

Timing	Actions to be taken	Responsibility
December 1995	Adoption of the changeover scenario, including announcement of the deadline for the completion of the changeover (1 July 2002) and the name for the new currency	European Council
31 December 1996	Specification of the regulatory, organizational and logistical framework for the ECB/ESCB to perform its tasks in Stage 3 Preparation of legislation related to the ECB/ESCB and to the introduction of the single currency	EMI Commission, EMI, Council
Before the decision on participating Member States	Conformity of national legislation <sup>1</sup>	Member States

<sup>1</sup> The Commission and EMI reports under Article 109j(1) shall include an examination of the compatibility between each Member State's national legislation, including the statutes of each national central bank, and Articles 107 and 108 of the Treaty and the Statute of the ESCB (Article 108 provides that national legislations must be compatible with the Treaty and the Statute of the ESCB at the latest at the date of the establishment of the ESCB).



*From the decision on participating Member States to 1 January 1999*

Timing	Actions to be taken	Responsibility
As soon as possible in 1998	Decision on participating Member States	Council <sup>1</sup>
As soon as possible after the decision on participating Member States	(i) Appointment of Executive Board of the ECB (ii) Set the day for the introduction of Euro banknotes and coins (iii) Start production of Euro banknotes (iv) Start production of Euro coins	Member States <sup>2</sup> ECB, Council <sup>3</sup> ESCB Council and Member States <sup>3</sup>
Before 1 January 1999	Final preparation of the ECB/ESCB (i) Adoption of secondary legislation, including: ● key for capital subscription; ● collection of statistical information; ● minimum reserves; ● consultation of ECB; ● fines and penalties on undertakings. (ii) Rendering the ECB/ESCB operational (setting up the ECB; adoption of regulatory framework; testing monetary policy framework; etc.).	Council ECB/ESCB

<sup>1</sup> In the composition of Heads of State or Government (Article 109j(4)).<sup>2</sup> Governments of participating Member States at the level of Heads of State or Government by common accord (Article 109l(1)).<sup>3</sup> Participating Member States (Articles 105a(2) and 109k(4)).*From 1 January 1999 to 1 January 2002 at the latest*

## From start of Stage 3 to introduction of Euro banknotes and coins

Timing	Actions to be taken	Responsibility
1 January 1999	Irrevocable fixing of conversion rates and entry into force of legislation related to the introduction of the Euro (legal status, continuity of contracts, rounding, etc.)	Council <sup>1</sup>
From 1 January 1999	(i) Definition and execution of the single monetary policy in Euro (ii) Conduct of foreign exchange operations in the Euro (iii) Operation of target payment system (iv) Issue new public debt in Euro	ESCB ESCB ESCB Member States

Timing	Actions to be taken	Responsibility
1 January 1999 to 1 January 2002 at the latest	(i) Exchange at par value of currencies with irrevocably fixed conversion rates (ii) Monitor changeover developments in the banking and finance industry (iii) Assist the whole of the economy in an orderly changeover	ESCB  ESCB and public authorities in Member States and the Community  ESCB and public authorities in Member States and the Community

<sup>1</sup> Unanimity of the participating Member States.

*From 1 January 2002 to 1 July 2002 at the latest*  
 Completion of the changeover

Timing	Actions to be taken	Responsibility
1 January 2002 at the latest	(i) Start circulation of the Euro banknotes and withdrawal of national banknotes (ii) Start circulation of the Euro coins and withdrawal of national coins	ESCB  Member States <sup>1</sup>
1 July 2002 at the latest	(i) Complete changeover in the public administration (ii) Cancel the legal tender status of national banknotes and coins	Member States; <sup>1</sup> Council; ESCB

<sup>1</sup> Participating Member States.

## Annex 2 — Employment

### *Implementation of the European Union's approach in the employment field*

#### **The fight against unemployment must remain the top priority for the EU**

1.50. As restated by the European Councils in Essen and Cannes, the fight against unemployment and for equal opportunities remains the most important task facing the European Union and its Member States.

This report from the Council and the Commission is intended to fulfil the mandate given to the latter by the European Council to report on measures taken and progress made by the Member States in implementing

the Essen guidelines. Recent developments in terms of policy and coordination have demonstrated the value of the agreements reached at the 1994 Essen and 1995 Cannes summits, which have led to major efforts being deployed by Member States as far as both macroeconomic and structural policies are concerned.

Unemployment in the EU has come down from its mid-1994 record level of 11.4% and is now 10.5%, concerning nearly 18 million people. This unacceptably high level of unemployment affects almost all Member States. It is the result mainly of a lack of sustained economic growth over a number of years, rigidities in the product and services markets due to over-regulation and insufficient competition, and a mismatch between the skills offered by the labour force and the changing needs of the labour market due to technological and productivity developments, causing a disparity between total labour cost and productivity.

The European Council in Essen 1994 agreed to a common effort to launch and strengthen a structural reform process to improve the functioning of labour markets. In this way the capacity of the economy to create new jobs and new resources should be enhanced. The structural policies themselves have a role in creating growth and employment by making higher levels of employment possible without adverse inflationary pressures. However, such structural policies will have their full effect only when supported by a stability-oriented macroeconomic policy that stimulates investment and new jobs. Satisfactory economic growth is necessary to reduce unemployment.

There are clear indications that a large part of unemployment is becoming structural in nature, characterized by a lengthening of unemployment periods, and by its particularly severe impact on certain categories: the low-skilled, young people and women. The Council and the Commission therefore believe that it is now time to consider a further concentration of efforts, in the framework of the Essen employment strategy, on:

- integrating young people into working life,
- preventing long-term unemployment,
- achieving equal opportunities for men and women in working life.

### **The current economic context offers a window of opportunity**

*I.51.* A process of macroeconomic recovery has been under way for the last few years. The overall performance of the main factors affecting economic activity is generally positive and offers a window of opportunity for pursuing employment policies:

- Europe now has inflation averaging 3% – better than in recent decades – and inflation expectations are low;
- nominal wage increases are below 4% and real unit labour costs are clearly decreasing;
- Europe's industry is performing well on world markets; exports are now stronger than imports; extra-EU trade gives a surplus of about 1% of GDP; over the last few years, the EU has maintained or strengthened its position on fast growing markets;
- the profitability of Europe's industry is now back at levels not registered since the 1960s, but real interest rates continue to be high in most countries;
- public finances have improved thanks both to economic growth and to decisions taken in the framework of the convergence programmes; public deficits are expected to be reduced further in 1996.

The present temporary slowdown in activity shows the need to pursue fully the strategy of a stability-oriented macroeconomic policy. At present, economic fundamentals for continued and stronger growth

are in place and should be fully exploited to undertake the structural reforms that are needed to improve the EU's employment performance.

### **The Essen guidelines for employment have led to major efforts at all levels**

*I.52.* At the level of the Member States, major efforts have recently been deployed, resulting in multiannual national programmes being adopted which give a coherent presentation of the principal existing or planned measures for implementation of the employment strategy provided for at Essen.

The multiannual programmes have been the subject of wide-ranging internal debates. Their preparation encouraged dialogue between administrations responsible, respectively, for employment or social affairs and for economic and budgetary policy. In some cases, management and labour were involved. This broad consultation process is in itself a major achievement of the Essen strategy.

A variety of measures have been taken to implement the five priorities for labour market policy identified at Essen. These were the subject of detailed reports by the Commission and the Council. The efforts made in the following areas were particularly significant:

- the initial training of young people, special training for the unemployed and the encouragement of continuing training;
- making the legal framework of the organization of work more flexible, and measures which link flexibility or reduction of working time to the maintenance or creation of jobs;
- taking into account the geographical dimension of employment by mobilizing local actors and promoting local employment initiatives;
- decentralizing the wage-negotiation process;
- reducing indirect labour costs, particularly for certain categories and for the low-paid;
- reinforcing the effectiveness of the public employment services;
- revising the unemployment benefit systems and their relationship with support schemes, in order to strengthen the incentive to work;
- setting up arrangements to help young people without basic training or experience to catch up through access to appropriate training or work experience;
- occupational reinsertion for the long-term unemployed through training, placement guidance, promoting local employment opportunities or recruitment subsidies.

Management and labour reiterated their support both for the broad economic policy guidelines as well as for the priorities laid down in the field of structural labour market policy. They played a key role in the

implementation of the recent measures in these areas, in particular through agreements on training, the organization of work and working time, wage moderation and the occupational insertion of particular categories in difficulty, and they have committed themselves to strengthening their efforts in those directions.

The added value of the European Union in the implementation of the Essen strategy is illustrated by the intensification of exchanges of information and experience between Member States, within the framework of the Economic and Financial Questions Council and the Social Affairs Council, in collaboration with the Commission. Progress has been made towards enhanced coordination of macroeconomic and structural policies.

Moreover, programmes adopted in partnership between Member States and the European Commission to make use of Structural Funds in the 1994-99 period provide a useful contribution to the implementation of the Essen priorities.

### **There has been a more thorough approach to understanding certain specific aspects of employment policies**

1.53. In response to the requests of the European Council, the Council and the Commission undertook a thorough examination of certain aspects of employment policies.

The effects of tax and support systems on the readiness both to create and to take up jobs and the relationship between economic growth and the environment were examined by the Ecofin Council and the Commission.

At the Cannes summit, the European Council emphasized the fact that the European Union, as an economic entity, offered an additional margin for manoeuvre and specific added value to permit permanent employment to be created. An initial analysis of the mutual benefits which could accrue from closer coordination of macroeconomic and structural policies was undertaken by the Commission and a final report will be presented to the European Council in 1996.

The European Council also emphasized the contribution of small and medium-sized enterprises to employment and asked for an examination of the policies applied to them and ways of improving their effectiveness. The Commission has prepared a report on this subject.

### *Conclusions and policy guidelines*

1.54. 1. The Madrid European Council should give new impetus to, and make further progress in developing and putting into practical effect, the strategy defined at Essen and confirmed in Cannes.

2. This employment strategy, in particular with respect to the five main areas of action on the labour market, provides and will continue to provide the framework for Member States' multiannual programmes and for the development of their employment policy.

3. The implementation of this strategy is well under way in Member States. Its success depends to a large extent on the mobilization of institutional and economic partners, and management and labour, at all levels, and in particular on the development of an integrated local approach to employment policy.

The involvement and contribution of management and labour in this process is fundamental at all levels, and is welcome at every stage of the implementation of the Essen strategy.

4. An integrated approach to employment policy, based in particular on the link between macroeconomic and structural employment policies, should be pursued and reinforced in such a way as to maximize the mutually beneficial effects of these policies.

5. The reforms taking place must be pushed forward if the current economic recovery is to deliver a decisive improvement in the employment situation in the European Union. The favourable climate created by economic expansion offers a unique opportunity for further progress to be made, with a view both to an increase in the level of employment and to a substantial reduction in structural unemployment. Action must be pursued and strengthened in particular in the following areas:

### **Supporting the achievement of sound and sustainable growth**

□ It is necessary to implement the broad economic policy guidelines with continuity and determination. In particular, wage increases should respect the conditions for price stability and profitability of investment, and budget deficits should be further reduced, dropping in the medium term to well below the Maastricht reference value of 3% of GDP. Such policies should create the conditions for further reductions in real interest rates and an increase in job-creating investments.

### **Ensuring a better operation of the product and services markets, promoting entrepreneurship and preserving a healthy environment**

□ The completion of the internal market must be supported by a vigorous competition policy in order to eliminate excessive rigidities on the product and services markets (for example, on the telecommunications and energy markets). A number of structural constraints must be removed in order to let the poten-

tial for enterprise and employment creation, in particular in the service sector, be exploited to the full.

□ Under stable conditions of economic growth, the contribution of small and medium-sized enterprises to improving the employment situation must be maximized by adjusting the existing legal, fiscal and financial environment better to their specific needs, and by encouraging them to invest in training.

□ In order to exploit the job-creation potential of environmental protection, these policies should – to a greater extent than at present – rely on market-based instruments, including fiscal ones. Public authorities should also promote long-term investment in environment friendly technologies in major sectors such as energy, transport and agriculture.

### **Implementing the five Essen priorities for the reform of labour markets**

The implementation of the five Essen priorities will be pursued and reinforced through the multiannual programmes, with emphasis being placed on the following.

□ Further improvements to investment in training should be made: priority should be given to enhancing the employability of unemployed persons, in particular low-skilled, inexperienced labour, and to reducing the skill mismatch on the labour market by providing training better adapted to the changing needs of the labour market and promoting in-company training. A relatively stable workforce in the enterprise will contribute to enhancing the efficiency of these measures.

□ Good practices in reorganizing work and working hours should be better developed and disseminated. They should lead to an increase in employment, and measures should be taken to upgrade the jobs concerned.

□ Local development initiatives should be encouraged, by seeking the active involvement of local authorities and local players, and by improving the legal, tax and financial conditions for the development of new areas of employment.

□ Maintaining wage moderation, encouraging the present trend for more flexible wage bargaining and making wage structures more closely related to productivity has been possible as a result of the efforts of management and labour. It is advisable to maintain and intensify this effort within the framework of the broad economic policy guidelines in order to create the highest possible number of jobs.

□ Governments, within the available margin of manoeuvre to preserve fiscal stability, should aim to reverse the tendency of the last few years to increase the taxation of labour. The tax regime on lower income levels should be reviewed in order to remove unwarranted barriers to work resulting from regressive tax schedules in both income tax and social security contributions.

The impact on employment of targeted reductions in social security contributions should be evaluated. Targeting should be used primarily to promote the hiring of disadvantaged labour, to foster the creation of jobs, especially in the new social and local domains, and to encourage businesses to recruit more staff.

□ The transformation of passive labour market policies into active ones should be pursued and strengthened, especially for particularly disadvantaged categories, in order to improve their employability and the incentive for employers to hire them. To that end, employment services should be enhanced in order to better perform their job brokerage function, in which elements of competition can be helpful. The provision of information to jobseekers and employers should be intensified. Technical or financial assistance for the active search for work should be provided.

In addition, unemployment benefit systems must continue to be improved in order to remove undue disincentives to work, while maintaining a high level of social protection. Closer controls on people's availability for work should be enforced. Welfare schemes neighbouring unemployment protection schemes should be reviewed in order to prevent hidden transfers of unemployed persons across welfare schemes.

□ Efforts should be intensified regarding action in favour of groups particularly hard hit by unemployment:

□ young people: Member States and management and labour should ensure a proper pathway to their integration on the labour market; *all* young people should be provided with the level of education, training and work experience needed to make them employable;

□ the long-term unemployed: Member States and management and labour should engage in a more active policy for the prevention of long-term unemployment; *all* unemployed people should have the opportunity of retraining or reintegration *before* reaching the point of long-term unemployment.

Older workers should be given a chance to make full use of their work experience and potential. They should have the opportunity to undertake training and be encouraged to do so.

□ women: through the promotion of equal opportunities in the context of all public policies affecting employment, an active policy of desegregation of the labour market using a renewed approach to part-time working as a transitional measure, and the reconciliation of family and working life for men and women.

6. The Structural Funds should be used more systematically as a support mechanism for promoting the Essen strategy.

### **Follow-up**

7. The exchanges and cooperation which have developed at Community level in the follow-up to the Essen conclusions demonstrate the added value of a Community strategy and of dialogue on employment.

In order to facilitate this approach, a stable structure should be established to assist the Social Affairs Council on employment matters, in partnership with the Economic Policy Committee.

The analysis of employment-related policies is an essential tool in this process and it is recommended that a series of common indicators, based on harmonized statistical data and on further qualitative criteria, should be developed from 1996 to support this analysis.

This process should be further developed in the coming years, in particular through the national multiannual programmes.

The European Council meeting to be held at the end of 1996 should be an opportunity to review the progress made on the above policy recommendations, on the basis of a joint report from the Ecofin and Social Affairs Council and the Commission, with a view to further enhancing cooperation in this area. Special attention should be given in this respect to young people, the long-term unemployed and equal opportunities.

## **Annex 3 — Terrorism**

### *La Gomera Declaration*

1.55. The text of this Declaration was published in full in Bull. 11-1995, point 1.5.10.

## **Annex 4 — Combating racism and xenophobia**

### **1. Proceedings of the Consultative Commission on Racism and Xenophobia**

1.56. The Consultative Commission was instructed by the European Council to go on from its discussions to study, in close cooperation with the Council of Europe, the feasibility of a European Monitoring Centre on Racism and Xenophobia.

At four meetings over the second half of 1995, the Consultative Commission, chaired by Mr J. Kahn, looked into both the scientific and technical and the legal and institutional aspects of the prospective European Monitoring Centre.

Following its proceedings, the Consultative Commission has submitted an interim report to the European Council meeting in Madrid (12008/95 RAXEN 58). The report outlines the tasks of a Monitoring Centre and the arrangements envisaged as regards the pos-

sible legal basis for it. The Consultative Commission hopes to complete its study for the European Council meeting in June 1996.

### **2. Proceedings in the Justice and Home Affairs Council**

#### *(a) Judicial cooperation*

1.57. Acting on a proposal from the Presidency, the Council considered a draft joint action on the basis of Article K.3 of the Treaty on European Union, concerning action to combat racism and xenophobia. The draft sets out to facilitate international judicial cooperation in combating racism and xenophobia with provision either for certain racist or xenophobic behaviour to be made a criminal offence or, failing that and pending any adoption of the necessary legislation, for the principle of double criminality to be waived. The issue of the form of legal instrument and its binding nature and the other issues still outstanding will be referred to the European Council in Madrid (12089/95 Justpen 163).

#### *(b) Police cooperation*

1.58. On the basis of the conclusions of the Toledo seminar on police training as regards racism and xenophobia (from 6 to 8 November 1995), the JHA Council instructed the appropriate bodies to prepare an instrument, under Title VI of the Treaty on European Union, in order to improve the training of instructors at police training colleges, improve basic police training and make possible a continuing training module aimed at a better understanding and an analysis of racism and xenophobia so as to prepare suitable responses on the ground (11727/95 Enfopol 148).

In early December, a European conference on multicultural society is to be held in Amsterdam.

### **3. Proceedings in the Labour and Social Affairs Council**

1.59. Acting on a proposal from the Presidency, on 5 October 1995, the Council and the Representatives of the Governments of the Member States, meeting within the Council, adopted the resolution on the fight against racism and xenophobia in the fields of employment and social affairs (9935/95 SOC 310 RAXEN 42).

The resolution calls upon Member States to take measures so as better to:

- protect persons against discrimination;
- fight employment discrimination;
- stimulate cooperation and the exchange of experience between Member States on working methods and arrangements to promote social cohesion;

- develop respect for diversity and equality of human beings as well as the spirit of tolerance;
- develop instruments of self-regulation, such as codes of conduct, for media professionals.

#### 4. Proceedings in the Education Council

1.60. Acting on a proposal from the Presidency, on 23 October 1995, the Council and the Representatives of the Governments of the Member States, meeting within the Council, adopted the resolution on the response of educational systems to the problems of racism and xenophobia (10621/95 EDUC 76 RAXEN 49). The resolution highlights the leading role to be played by education in preventing and eliminating prejudice and racist and xenophobic attitudes.

Member States are called upon, *inter alia* to promote educational and curricular innovations which contribute to the development of concepts such as peace, democracy, respect and equality between cultures, tolerance and cooperation.

The Commission, in cooperation with the Member States, is called upon to:

- ensure coherence among all Community programmes which promote education and training aspects of the struggle against racism and xenophobia;
- exploit the parts of the Socrates programme involved with the problems concerned in order to encourage schools partnerships, exchanges of experience on intercultural matters and teacher training;
- ensure that, in the field of education, appropriate cooperation in combating racism and xenophobia is achieved between the Community and international organizations, especially the Council of Europe.

#### Annex 5 — Fraud

##### *Ecofin Council conclusions on the comparative analysis of the reports supplied by the Member States on national measures taken to combat wastefulness and the misuse of Community resources*

1.61. A. On the basis of the reports drawn up by the Member States in accordance with the conclusions of the Essen European Council, and further to the request by the Cannes European Council and to the request made by the Ecofin Council on 11 July 1994, the Commission has taken stock of progress in applying Article 209a of the EC Treaty and made a comparative analysis of national measures taken to combat wastefulness and the misuse of Community resources.

The Council thanks the Commission for the substantial comparative-analysis and summarizing work it has carried out and emphasizes the fact that this constitutes a progress report to be used as a basis for further discussions.

Although the principle of assimilation has been affirmed in most of the Member States' reports, this comparative analysis does indicate lines of study for future discussions in a number of areas where progress still seems to be needed.

1.62. B. To achieve such progress, and in keeping with the Ecofin Council's conclusions of 19 June 1995, the Council considers that the discussion should proceed in 1996 in accordance with the following guidelines, having due regard for the respective powers of the Community and the Member States and for the Member States' constitutional structures:

##### 1. At Member State level

- ensure suitable protection for Community expenditure and revenue, in the context of an overall approach to the fight against the waste and misuse of Community resources (where necessary, strengthening prevention by, among other things, improving the organization of administrative departments, effectively applying administrative penalties, incorporating into national law the Convention on the Protection of the European Communities' financial interests);
- examine the possibility of developing specialized anti-fraud structures that are multidisciplinary and independent of the managers of appropriations;
- assess the reliability of national monitoring systems by means of regular and systematic audits;
- improve the density and homogeneity of information on the results of the anti-fraud campaign, including information on the recovery of Community resources, in order to meet the notification requirements laid down in Community legislation;
- take the necessary measures to ensure that the inspections carried out by the Member States and the penalties they impose make it possible to achieve a level of protection for the Communities' financial interests that is identical throughout the territory of the Community;
- improve administration cooperation, operational links between departments responsible for investigating serious and complex fraud, the resources and powers of inspection of the relevant departments, and mutual assistance in the matter of recovery;
- reinforce the procedures for recovering amounts involved in fraud.

##### 2. At Community level

- ask the Commission to study with the Member States the points on which the analysis of national reports could usefully be supplemented (for example,

the 'prevention' aspect, the question of transactions, the results of inspections and the action taken where fraud is detected, including recovery);

□ encourage the introduction of inspection arrangements that will ensure a level of protection for the Communities' financial interests that is identical throughout the territory of the Community and in all areas covered by the Community budget, in the framework of the Council's common approach concerning protection of the financial interests of the European Communities;

□ improve and augment the arrangements for Community administrative penalties in the context of the aforementioned common approach;

□ study the necessary simplifications and adjustments to the relevant legislation so as to define more precisely the conduct required of economic operators (for example, consolidation of legislation);

### 3. In partnership

□ analyse in more detail the fraud and irregularities that have been detected, in consultation between the Commission and the Member States, so as to give focus to the action and create operational databases;

□ step up the cooperation provided for in the second paragraph of Article 209a by making best use of the evaluative and incentive skills of the Advisory Committee for the Coordination of Fraud Prevention (Cocolaf), *inter alia* by making it responsible for the additional work necessary for the follow-up to the national reports and the comparative analysis with regard to the aspects covered by the EC Treaty;

□ make financial management more rigorous by continuing the work already begun by the Commission under its programme to improve financial management;

□ in the context of greater cooperation between Member States and the Court of Auditors, give an appropriate response to the Court's observations;

□ in the context of cooperation between Member States and the Community institutions, encourage the consistency of inspections and avoid any unjustified duplication of inspections concerning the same facts, in compliance with the principle of 'cost-effectiveness', among other things through the adoption of protocols between the Member States and the Commission.

## Annex 6 — Enlargement

### *Relations with the associated countries of Central and Eastern Europe in the second half of 1995*

I.63. The second half of 1995 saw continuing implementation of the pre-accession strategy for the countries of Central and Eastern Europe defined at the

Essen European Council on 9 and 10 December 1994 and an intensification of the Union's bilateral relations with the partner countries.

Several ministerial meetings, both bilateral (association agreements) and multilateral (structured dialogue) were held, at which important issues were discussed, confirming the soundness of the approach adopted and witnessing to vigorous and flourishing reciprocal relations.

The associated countries' oft-repeated desire to be anchored to the European Union was reflected in the four new membership applications submitted in 1995, adding to those made by Hungary and Poland in 1994.

The Council accordingly decided, on 17 July 1995 for Romania and Slovakia, on 30 October 1995 for Latvia and on 4 December 1995 for Estonia, to put in hand the procedures under Article O of the Treaty on European Union for consulting the Commission and obtaining the assent of the European Parliament.

### I. Bilateral relations

I.64. Following the entry into force of the Europe Association Agreements with Bulgaria, Romania, Slovakia and the Czech Republic, and the first Association Council meetings with these four partners in the first half of 1995, the Association Councils with Hungary and Poland held their second meetings on 17 July 1995. In addition to overall consideration given to the state and prospects of bilateral relations under the Europe Agreements, the Association Councils with Hungary and Poland each devoted a substantial part of its proceedings to two particularly important subjects: the one, progress in the process of integrating the partner country into the European Union under the pre-accession strategy and the other, regional cooperation and the partner's good-neighbourly relations with other countries of the region.

Moreover, within the specific institutional framework of each Association Agreement, the Association Committees with the Czech Republic, Romania and Bulgaria met on 14 and 15 September, 12 and 13 October and 9 and 10 November 1995 respectively, enabling progress to be made in implementing the Europe Agreements.

Lastly, in the period under review Parliamentary Association Committees held meetings with Poland on 5 and 6 September, with Bulgaria from 6 to 8 September, with Romania on 16 and 17 September, with Slovakia on 23 and 24 November and with Hungary on 28 and 29 November; there were also interparliamentary meetings with Lithuania (20 November), Latvia (22 November) and Estonia (24 November). These meetings, marked by frank and open discussion of important issues such as the process of integrating the associated countries with a view to accession, were an opportunity for the European Parliament to strengthen its links with the associated countries' parliaments.



## II. Structured dialogue

1.65. Implementation of the structured dialogue defined in Essen continued apace during the second half of 1995, with the invitation to the Heads of State or Government of the associated countries to meet alongside the Madrid European Council being the high point of the process. Several ministerial meetings were held in the framework of the structured dialogue:

Justice and Home Affairs on 25 September; Agriculture on 26 September; Transport on 28 September; Education on 23 October; Economic and Financial Questions on 23 October; Foreign Affairs on 31 October; Internal Market on 23 November.

□ The subjects discussed at the meeting of Justice and Home Affairs Ministers covered the adaptation of the legal system, police training, questions relating to organized crime (drug trafficking, money laundering, traffic in vehicles) and illegal immigration. In addition, a joint action programme for judicial cooperation to combat international organized crime was outlined.

□ The Agriculture Ministers held a general exchange of views, which established the state of play regarding development of the common agricultural policy and the situation and prospects of the farming sector in the associated countries. After the ministers of the associated countries had set out their ideas and priorities, the Commission commented on the development of agricultural policies in a global perspective and in the perspective of enlargement. The Commission will present a report to the Madrid European Council on the alternative strategies available in the agricultural sector in the context of accession.

□ The meeting of Transport Ministers focused on three questions: the integration process in the transport sector, a process based on a twofold strategy involving opening the market in tandem with legislative alignment; the associated countries' transport infrastructures, for which it was jointly considered that priority projects needed to be defined; integrated transport systems, the development of which required a common approach, involving the participation of the associated countries in Community programmes and activities. On this last point, the Commission was asked for the next meeting to explore – on the basis of the additional protocols to the Europe Agreements – the scope and arrangements for such participation, with particular reference to the funding of infrastructure projects.

□ The Education Ministers examined the question of the associated countries' participation in the Community programmes Socrates, Leonardo and Youth for Europe III, recently adopted by the Council for the period 1995-2000. The European Union noted the interest shown by the associated countries in participating in these programmes, their priorities, and the specific preparatory measures taken by each country. The associated countries' participation in these programmes could serve as an experiment and an example for participation in other Community programmes.

□ The Ministers for Economic Affairs and Finance discussed the reform of the financial sector, focusing on questions linked to reform of the banking sector and more specifically on banking supervision and bank privatization. Another major topic of discussion was the development of capital markets and the liberalization of capital movements. These detailed discussions gave the associated countries an opportunity to describe the progress that had already been made in these areas and to highlight those where closer cooperation was needed to enable them to press ahead with the process of integrating into the Community's internal market.

□ The meeting of Foreign Affairs Ministers, which had been prepared by Coreper and the Ambassadors of the associated countries, dealt first with the PHARE programme and its future role as a financial instrument in the strategy for preparing the associated countries for accession. Topical foreign policy issues, significant for Europe's stability, were also discussed: these included the situation in the former Yugoslavia and the challenges of rebuilding the region; various aspects of the Middle East peace process relating to consolidating peace and assisting the new Palestinian Authorities in the difficult tasks which lie ahead. Other important issues were discussed at a working lunch, namely: relations between the European Union and the United States, preparations for the 1996 Intergovernmental Conference and the conduct of the structured dialogue, a subject on which some associated countries put forward suggestions.

□ Lastly, the Ministers responsible for the internal market examined questions arising from implementation of the White Paper on the preparation of the associated countries for integration into the internal market, which the Commission presented to the Cannes European Council. These discussions, which are one further step in a lengthy and complex process, are designed to guide the technical discussions under way in this area and to maximize their outcome.

## III. CFSP

1.66. The enhanced political dialogue with the associated countries of Central and Eastern Europe, as established by the Council Decision of 7 March 1994, continued unstintingly in the second half of 1995. It is to be noted that Cyprus and Malta joined the process further to a Council Decision of 17 July 1995.

In addition to the meeting of Foreign Affairs Ministers on 31 October, a meeting of political directors was held on 20 October 1995. At that meeting, which was attended for the first time by the Baltic countries, the political directors took stock of the dialogue's operation and considered how it could be further consolidated and strengthened.

Following that meeting, the Political Committee adopted new guidelines for strengthening the political

dialogue with the associated countries of Central and Eastern Europe, Cyprus and Malta.

Troika or plenary meetings of experts were held in the following areas: terrorism, (13 July), the United Nations (7 September), disarmament (12 September), security (19 September), OCSE (22 September), nuclear non-proliferation (26 September), chemical and biological non-proliferation (4 October), drugs (13 October), conventional arms exports (23 October), human rights (24 October), former Yugoslavia (17 November), Central Europe and Central Asia (22 November).

Coordination in third country capitals and within international organizations is developing well, in particular in the United Nations and its First Committee. A similar development was noted at the recent Conference on revision of the 1980 Convention, the 'inhumane weapons' Convention.

The associated countries have moreover endorsed an increasing number of declarations published by the Presidency on behalf of the European Union.

#### IV. Specific aspects

*I.67.* In accordance with the conclusions of the Essen European Council, negotiations are under way on adapting the agricultural sections of the Europe Agreements further to enlargement and to the conclusion of the Uruguay Round, and with a view to developing commercial relations with these countries. On 4 December 1995, the Council adopted additional directives to those already given the Commission in March; these additional directives relate to flexibility in tariff quotas granted by the European Union and an increase in those quotas.

In the same context, on 8 August, with the aim of avoiding any, even temporary, disruption in traditional trade flows, the Council adopted autonomous measures for 1995 concerning certain agricultural concessions under the Europe Agreements, in order to take account of the agreement on agriculture concluded under the Uruguay Round Multilateral Trade Negotiations. These autonomous measures, adopted on a basis of reciprocity and in compliance with the standstill principle, join two earlier series of autonomous measures which the Council adopted to take account of enlargement. In addition, a draft Regulation now under examination in the Council's subordinate bodies is designed to replace the three existing Regulations covering autonomous measures with a consolidated instrument effective from 1 January 1996.

#### Annex 7 — Declaration on former Yugoslavia

*I.68.* The conflict in former Yugoslavia remains the most difficult test for the transition from a divided Europe to a new Europe based on shared values of de-

mocracy, tolerance and respect for human rights. The European Council welcomes with the greatest of satisfaction, as a major step, the signing of the peace agreement for Bosnia and Herzegovina in Paris on 14 December 1995.

The establishment of peace in Bosnia and Herzegovina represents an extremely important step forward, not only for the people of former Yugoslavia but also for the international community as a whole. The European Council pays homage to those who have helped achieve that result through their efforts, their solidarity and their resolve. In this connection it welcomes the adoption by the United Nations Security Council of the Resolution giving its support to the peace agreements signed in Paris and implementing their provisions in both civilian and military respects.

It is now for the parties to shoulder their responsibilities in fully implementing the agreement in order to bring an end to the war once and for all.

The European Council reaffirms the European Union's willingness to make a substantial contribution to the implementation of the peace agreement for Bosnia and Herzegovina on the basis of the positions stated in the Council conclusions of 30 October and 4 December 1995. The European Council endorses the conclusions of the London Conference and considers it necessary for the structures established to be set in place as soon as possible.

For the immediate future, the European Council sets the following priorities:

□ it affirms the importance and the urgency of the successor States to former Yugoslavia recognizing one another;

□ it expresses its concern at the state of uncertainty currently affecting the Serb population of Sarajevo; it reminds the authorities of the Republic of Bosnia and Herzegovina of their responsibility to take the necessary steps so that Sarajevo as a whole can live in safety and restore multi-ethnic co-existence;

□ it repeats that the European Union is ready to make a contribution to the implementation of the civilian aspects of the peace agreement; it appeals to the international community also to contribute to that effort as part of equitable burden-sharing;

□ it reaffirms the EU's willingness to continue its humanitarian effort in former Yugoslavia as long as is necessary; it also reaffirms the right of refugees and displaced persons to return freely and safely to their homes throughout the territory of former Yugoslavia and to obtain fair compensation as a fundamental right;

□ it points to the importance of an urgent solution to the problem in Eastern Slavonia for the entire peace process in the region; it accordingly calls on the parties to continue negotiations in accordance with the basic agreement for the region of Eastern Slavonia,

Baranja and Western Sirmium; it asks the United Nations Security Council to ensure the full implementation of that agreement by adopting a feasible mandate based on the establishment of an effective provisional administration and the deployment of a credible international force equipped with sufficient resources.

While noting the historic importance of the successes achieved in recent weeks, the European Council is fully aware of the magnitude of the task still to be carried out. This is not the time to relax our efforts; on the contrary, it is necessary to show perseverance and courage. The European Council will continue to work in that spirit.

## **Annex 8 — European Union's strategy for future EU/Russia relations**

*I.69.* The text of this document was published in full in Bull. 11-1995, point 2.2.1.

## **Annex 9 — European Council Declaration on Russia**

*I.70.* The European Council considers that the holding of parliamentary elections in Russia on 17 December 1995 marks a major step towards consolidating constitutional institutions and anchoring democratic principles in the country's political life.

It hopes that this process, which is to be continued with the holding of presidential elections in 1996, will strengthen respect for human rights and the consolidation of peace, stability and security in Europe, as well as the further building of good relations with the European Union.

To this end, the European Union fully supports Russia's early membership of the Council of Europe and reiterates its resolve to continue its support for the process of democratic and economic reform.

It looks forward to the entry into force on 1 February 1996 of the interim agreement, which will provide a better basis for mutual relations pending early ratification of the partnership and cooperation agreement as soon as possible.

## **Annex 10 — The new transatlantic agenda**

*I.71.* We, the United States of America and the European Union, affirm our conviction that the ties which bind our people are as strong today as they have been

for the past half century. For over 50 years, the transatlantic partnership has been the leading force for peace and prosperity for ourselves and for the world. Together, we helped transform adversaries into allies and dictatorships into democracies. Together, we built institutions and patterns of cooperation that ensured our security and economic strength. These were epic achievements.

Today we face new challenges at home and abroad. To meet them, we must further strengthen and adapt the partnership that has served us so well. Domestic challenges are not an excuse to turn inward; we can learn from each other's experiences and build new transatlantic bridges. We must first of all seize the opportunity presented by Europe's historic transformation to consolidate democracy and free-market economies throughout the continent.

We share a common strategic vision of Europe's future security. Together, we have charted a course for ensuring continuing peace in Europe into the next century. We are committed to the construction of a new European security architecture in which the North Atlantic Treaty Organization, the European Union, the Western European Union, the Organization for Security and Cooperation in Europe and the Council of Europe have complementary and mutually reinforcing roles to play.

We reaffirm the indivisibility of transatlantic security. NATO remains, for its members, the centrepiece of transatlantic security, providing the indispensable link between North America and Europe. Further adaptation of the Alliance's political and military structures to reflect both the full spectrum of its roles and the development of the emerging European security and defence identity will strengthen the European pillar of the Alliance.

As to the accession of new members to NATO and to the EU, these processes, autonomous but complementary, should contribute significantly to the extension of security, stability and prosperity in the whole of Europe. Furthering the work of Partnership for Peace and the North Atlantic Cooperation Council and establishing a security partnership between NATO and Russia and between NATO and Ukraine will lead to unprecedented cooperation on security issues.

We are strengthening the OSCE so that it can fulfil its potential to prevent destabilizing regional conflicts and advance the prospect of peace, security, prosperity, and democracy for all.

Increasingly, our common security is further enhanced by strengthening and reaffirming the ties between the European Union and the United States within the existing network of relationships which join us together.

Our economic relationship sustains our security and increases our prosperity. We share the largest two-way trade and investment relationship in the world.

We bear a special responsibility to lead multilateral efforts toward a more open world system of trade and investment. Our cooperation has made possible every global trade agreement, from the Kennedy Round to the Uruguay Round. Through the G7, we work to stimulate global growth. And at the Organization for Economic Cooperation and Development, we are developing strategies to overcome structural unemployment and adapt to demographic change.

We are determined to create a new transatlantic marketplace, which will expand trade and investment opportunities and multiply jobs on both sides of the Atlantic. This initiative will also contribute to the dynamism of the global economy.

At the threshold of a new century, there is a new world to shape — full of opportunities but with challenges no less critical than those faced by previous generations. These challenges can be met and opportunities fully realized only by the whole international community working together. We will work with others bilaterally, at the United Nations and in other multilateral fora.

We are determined to reinforce our political and economic partnership as a powerful force for good in the world. To this end, we will build on the extensive consultations established by the 1990 Transatlantic Declaration and the conclusions of our June 1995 Summit and move to common action.

Today we adopt a new transatlantic agenda based on a framework for action with four major goals:

- promoting peace and stability, democracy and development around the world. Together, we will work for an increasingly stable and prosperous Europe; foster democracy and economic reform in Central and Eastern Europe as well as in Russia, Ukraine and other new independent States; secure peace in the Middle East; advance human rights; promote non-proliferation and cooperate on development and humanitarian assistance;
- responding to global challenges. Together, we will fight international crime, drug-trafficking and terrorism; address the needs of refugees and displaced persons; protect the environment and combat disease;
- contributing to the expansion of world trade and closer economic relations. Together, we will strengthen the multilateral trading system and take concrete, practical steps to promote closer economic relations between us;
- building bridges across the Atlantic. Together, we will work with our business people, scientists, educators and others to improve communication and to ensure that future generations remain as committed as we are to developing a full and equal partnership.

Within this framework, we have developed an extensive joint EU/US action plan. We will give special priority between now and our next summit to the following actions:

### *I. Promoting peace and stability, democracy and development around the world*

*I.72.* We pledge to work boldly and rapidly, together and with other partners, to implement the peace, to assist recovery of the war-ravaged regions of the former Yugoslavia and to support economic and political reform and new democratic institutions. We will cooperate to ensure: (1) respect for human rights, for the rights of minorities and the rights of refugees and displaced persons, in particular the right of return; (2) respect for the work of the War Crimes Tribunal, established by the United Nations Security Council, in order to ensure international criminal accountability; (3) the establishment of a framework for free and fair elections in Bosnia-Herzegovina as soon as conditions permit; and (4) the implementation of the agreed process for arms control, disarmament and confidence-building measures. While continuing to provide humanitarian assistance, we will contribute to the task of reconstruction, subject to the implementation of the provisions of the peace settlement plan, in the context of the widest possible burden-sharing with other donors and taking advantage of the experience of international institutions, of the European Commission and of all relevant bilateral donors in the coordination mechanism.

We will support the countries of Central and Eastern Europe in their efforts to restructure their economies and strengthen their democratic and market institutions. Their commitment to democratic systems of government, respect for minorities, human rights, market oriented economies and good relations with neighbours will facilitate their integration into our institutions. We are taking steps to intensify our cooperation aimed at sharing information, coordinating assistance programmes and developing common actions, protecting the environment and securing the safety of their nuclear power stations.

We are determined to reinforce our cooperation to consolidate democracy and stability in Russia, Ukraine and other new independent States. We are committed to working with them in strengthening democratic institutions and market reforms, in protecting the environment, in securing the safety of their nuclear power stations and in promoting their integration into the international economy. An enduring and stable security framework for Europe must include these nations. We intend to continue building a close partnership with a democratic Russia. An independent, democratic, stable and nuclear weapons-free Ukraine will contribute to security and stability in Europe; we will cooperate to support Ukraine's democratic and economic reforms.

We will support the Turkish Government's efforts to strengthen democracy and advance economic reforms in order to promote Turkey's further integration into the transatlantic community.

We will work towards a resolution of the Cyprus question taking into account the prospective accession of Cyprus to the European Union. We will support the UN Secretary General's Mission of Good Offices and encourage dialogue between and with the Cypriot communities.

We reaffirm our commitment to the achievement of a just, lasting and comprehensive peace in the Middle East. We will build on the recent successes in the peace process, including the bold steps taken by Jordan and Israel, through concerted efforts to support agreements already concluded and to expand the circle of peace. Noting the important milestone reached with the signing of the Israeli-Palestinian Interim Agreement, we will play an active role at the Conference for Economic Assistance to the Palestinians, will support the Palestinian elections and will work ambitiously to improve the access we both give to products from the West Bank and the Gaza Strip. We will encourage and support the regional parties in implementing the conclusions of the Amman Summit. We will also continue our efforts to promote peace between Israel, Lebanon and Syria. We will actively seek the dismantling of the Arab boycott of Israel.

We pledge to work together more closely in our preventive and crisis diplomacy; to respond effectively to humanitarian emergencies; to promote sustainable development and the building of democratic societies; and to support human rights.

We have agreed to coordinate, cooperate and act jointly in development and humanitarian assistance activities. To this end, we will establish a high-level consultative group to review progress of existing efforts, to assess policies and priorities and to identify projects and regions for the further strengthening of cooperation.

We will increase cooperation in developing a blueprint for UN economic and social reform. We will cooperate to find urgently needed solutions to the financial crisis of the UN system. We are determined to keep our commitments, including our financial obligations. At the same time, the UN must direct its resources to the highest priorities and must reform in order to meet its fundamental goals.

We will provide support to the Korean Peninsula Energy Development Organization (KEDO), underscoring our shared desire to resolve important proliferation challenges throughout the world.

## *II. Responding to global challenges*

*1.73.* We are determined to take new steps in our common battle against the scourges of international crime, drug trafficking and terrorism. We commit ourselves to active, practical cooperation between the US and the future European Police Office, Europol. We will jointly support and contribute to ongoing training pro-

grammes and institutions for crime-fighting officials in Central and Eastern Europe, Russia, Ukraine, other new independent States and other parts of the globe.

We will work together to strengthen multilateral efforts to protect the global environment and to develop environmental policy strategies for sustainable worldwide growth. We will coordinate our negotiating positions on major global environmental issues, such as climate change, ozone layer depletion, persistent organic pollutants, desertification and erosion and contaminated soils. We are undertaking coordinated initiatives to disseminate environmental technologies and to reduce the public health risks from hazardous substances, in particular from exposure to lead. We will strengthen our bilateral cooperation on chemicals, biotechnology and air pollution issues.

We are committed to develop and implement an effective global early warning system and response network for new and re-emerging communicable diseases such as AIDS and the Ebola virus, and to increase training and professional exchanges in this area. Together, we call on other nations to join us in more effectively combating such diseases.

## *III. Contributing to the expansion of world trade and closer economic relations*

*1.74.* We have a special responsibility to strengthen the multilateral trading system, to support the World Trade Organization, and to lead the way in opening markets to trade and investment.

We will contribute to the expansion of world trade by fully implementing our Uruguay Round commitments, work for the completion of unfinished business by the agreed timetables and encourage a successful and substantive outcome for the Singapore WTO Ministerial Meeting in December 1996. In this context we will explore the possibility of agreeing on a mutually satisfactory package of tariffs reductions on industrial products, and we will consider which, if any, Uruguay Round obligations on tariffs can be implemented on an accelerated basis. In view of the importance of the information society, we are launching a specific exercise in order to attempt to conclude an information technology agreement.

We will work together for the successful conclusion of a Multilateral Agreement on Investment at the OECD that espouses strong principles on international investment liberalization and protection. Meanwhile, we will work to develop discussion of the issue with our partners at the WTO. We will address in appropriate fora problems where trade intersects with concerns for the environment, internationally recognized labour standards and competition policy. We will cooperate in creating additional trading opportunities, bilaterally and throughout the world, in conformity with our WTO commitments.

Without detracting from our cooperation in multilateral fora, we will create a new transatlantic marketplace by progressively reducing or eliminating barriers that hinder the flow of goods, services and capital between us. We will carry out a joint study on ways of facilitating trade in goods and services and further reducing or eliminating tariff and non-tariff barriers.

We will strengthen regulatory cooperation, in particular by encouraging regulatory agencies to give a high priority to cooperation with their respective transatlantic counterparts so as to address technical and non-tariff barriers to trade resulting from divergent regulatory processes. We aim to conclude an agreement on mutual recognition of conformity assessment (which includes certification and testing procedures) for certain sectors as soon as possible. We will continue the ongoing work in several sectors and identify others for further work.

We will endeavour to conclude by the end of 1996 a customs cooperation and mutual assistance agreement between the European Community and the US.

To allow our people to take full advantage of newly developed information technology and services, we will work toward the realization of a transatlantic information society.

Given the overarching importance of job creation, we pledge to cooperate in the follow-up to the Detroit Jobs Conference and the G7 Summit initiative. We look forward to further cooperation in the run up to the G7 Jobs Conference in France, at the next G7 Summit in the summer of 1996 and in other fora such as the OECD. We will establish a joint working group on employment and labour-related issues.

#### *IV. Building bridges across the Atlantic*

1.75. We recognize the need to strengthen and broaden public support for our partnership. To that end, we will seek to deepen the commercial, social, cultural, scientific and educational ties among our people. We pledge to nurture in present and future generations the mutual understanding and sense of shared purpose that has been the hallmark of the post-war period.

We will not be able to achieve these ambitious goals without the backing of our respective business communities. We will support, and encourage the development of, the transatlantic business relationship, as an integral part of our wider efforts to strengthen our bilateral dialogue. The successful conference of EU and US business leaders which took place in Seville on 10 and 11 November 1995 was an important step in this direction. A number of its recommendations have already been incorporated into our action plan and we will consider concrete follow-up to others.

We will actively work to reach a new comprehensive EC-US science and technology cooperation agreement by 1997.

We believe that the recent EU/US Agreement on cooperation in education and vocational training can act as a catalyst for a broad spectrum of innovative cooperative activities of direct benefit to students and teachers. We will examine ways to increase private support for educational exchanges, including scholarship and internship programmes. We will work to introduce new technologies into classrooms, linking educational establishments in the EU with those in the US and will encourage teaching of each other's languages, history and culture.

#### **Parliamentary links**

We attach great importance to enhanced parliamentary links. We will consult parliamentary leaders on both sides of the Atlantic regarding new consultative mechanisms, including those building on existing institutions, to discuss matters related to our transatlantic partnership.

#### **Implementing our agenda**

The new transatlantic agenda is a comprehensive statement of the many areas for our common action and cooperation. We have entrusted the senior level group to oversee work on this agenda and particularly the priority actions we have identified. We will use our regular summits to measure progress and to update and revise our priorities.

For the last 50 years, the transatlantic relationship has been central to the security and prosperity of our people. Our aspirations for the future must surpass our achievements in the past.

#### **Annex 11 — Mediterranean**

##### *Barcelona Declaration adopted at the Euro-Mediterranean Conference (27 and 28 November 1995)*

1.76. The text of this declaration was published in full in Bull. 11-1995, point 2.3.1.

#### **Annex 12 — Latin America**

##### *Council conclusions on the general guidelines for cooperation between the Community and Latin America 1996-2000*

1.77. The Council:

having examined the Commission communication entitled 'The European Union and Latin America: the

present situation and prospects for closer partnership (1996–2000)', whose assessment it in the main approves, and having regard to the conclusions of the European Council meetings in Corfu, Essen and Cannes and to the basic document approved by the General Affairs Council on 31 October 1994, emphasizes its wish to build closer political ties with Latin American partners, support democracy, make progress in trade liberalization fields, assist regional integration processes and target its cooperation more effectively. With that end in view, the institutionalized dialogues with Latin American partners will be stepped up.

The Council agrees to establish the following priorities for future cooperation with Latin American countries and regions:

(a) The Community will pay particular attention to institutional support and consolidation of the democratic process by means of cooperation activities:

- aimed at consolidating the institutions, at various levels, of the rule of law, at protecting human rights and at good governance;
- contributing to government reform and decentralization, in particular through the modernization of public administration;
- supporting the framing of sectoral policies such as those on education, health and rural development, with priority going to institution building and to harnessing the know-how of civil society.

(b) The Community will attach particular importance as a matter of priority to combating poverty and social exclusion in its cooperation. The challenges faced here will be to help ensure participation by marginalized population groups in the market economy, as well as more equitable income distribution, in order to ensure sustainable development.

Programmes will be prepared not only for the rural world but also for greater integration of people living in marginalized urban areas.

Cooperation programmes should also continue for the poorest sectors of the population and for the poorest countries, chiefly in the areas of policies on population, health, education or housing. Such schemes should be targeted at particular groups such as young people, women and indigenous communities.

The aim should be to couple economic development with social progress. To that end, cooperation programmes will take into account the operational conclusions of the Copenhagen Social Summit in March 1995.

(c) The Community will place particular emphasis in its cooperation activities on its support for economic reform and for improved international competitiveness, particularly in the following areas:

- support for the development of the private sector, especially for SMEs;

- stepping-up of industrial promotion and investment;
- achievement of greater synergy between industrial cooperation and scientific and technological cooperation;
- technical assistance for foreign trade promotion;
- confirmation of the importance of the EIB's role as an instrument of cooperation between the EU and Latin America.

In implementing these cooperation priorities, particular importance should be attached to the following topics:

- The Community will place special emphasis on programmes and activities in support of basic education and training, which are key areas for sustainable economic and social development. Such cooperation will be carried out both in the field of democratization and in higher education, science and technology, and vocational training.
- The Community will support regional cooperation and integration, in particular the idea of 'open regionalism', with the aim of greater opening-up of regional and subregional markets and greater integration into international markets in accordance with WTO rules.
- The Community will attach particular importance to gender issues in all cooperation areas and programmes with Latin America, in accordance with the recommendations of the Fourth World Conference on Women.

In view of the challenges and interdependence on a worldwide scale in these areas, it will be necessary to:

- see to it that cooperation activities take into consideration their environmental impact; the Community will contribute, through technology transfer, to more rational use of energy and to the promotion of renewable energy sources;
- continue and step up, by means of specific measures and projects or through cooperation in the appropriate fora, joint action to combat the production and social effects of drugs and drug-related crime; and
- work for the modernization of transport systems and for free access to transport markets, especially in shipping.

In response to manifold needs stemming from the diversity of countries and regions in Latin America and so as to ensure the best possible combination of available resources and instruments according to such needs, the Community will seek to achieve the following in order to make its action more effective:

- the active participation, at all stages of cooperation programmes, of beneficiaries and civil society by means of decentralized cooperation activities and programmes;
- better coordination with Member States, particularly on the ground, as regards cooperation and in

financial respects, with European businessmen and consortia being attracted, in order for the quality of programmes to be improved and more effective and more visible use to be made of the available resources;

□ co-financing with Latin American countries and Union Member States, as well as with other international sources of funding;

□ these general guidelines may be regularly monitored, assessed and built upon by the various Community bodies; in this connection the Council will attach particular importance to the periodic preparation and revision by the Commission, in close cooperation with the Member States, of country strategy papers specifying the major areas of Community activities in each country;

□ the activities engaged in should also be given a higher profile.

## Annex 13 — Africa

### *Council conclusions on preventive diplomacy, conflict resolution and peacekeeping in Africa*

1.78. 1. The Council recalls that, at its meeting in Essen, the European Council declared itself in favour of a political dialogue between the European Union and the Organization of African Unity (OAU), particularly with regard to conflict prevention in Africa. Preventive diplomacy, peacekeeping and the strengthening of international security are priority aims of the CFSP. The European Union is ready to support African efforts in the field of preventive diplomacy and peacekeeping, where necessary via the WEU.

2. The Council takes note of the declaration of the OAU Assembly of Heads of State or Government, held in Cairo from 28 to 30 June 1993, establishing the mechanism for conflict prevention and resolution, and the Assembly's conclusions at Addis Ababa in June 1995.

3. The European Union's contribution in this field must be one of support for action taken by African bodies, in particular the OAU, which will be the main players at all stages of the process, and it must be based on the following principles:

□ increasing African involvement in the prevention and resolution of their crises;

□ improving the interlocking between the efforts of the European Union and those of the African countries and other members of the international community;

□ harmonizing in particular the efforts of the European Union, including bilateral efforts by its Member States, in the light of the above;

□ coordinating endeavours in this field with the development-aid policy of the Community and its Member States and support for the democratization process;

□ facilitating the mobilization of African capacities and means of action; it is essential for there to be an African lead in preventive diplomacy and conflict resolution in Africa; through the OAU and without prejudice to the important role that sub-regional organizations might play, the African countries must take the initiative in tackling and resolving all stages of the problems threatening peace.

4. In order to attain these objectives, the European Union will first and foremost encourage cooperation between the United Nations and the OAU, and this will include strengthening the OAU's existing capabilities in this domain.

5. The following elements also need to be taken into consideration:

□ the European Union's contribution must be appropriate, on the one hand, to the political and legal framework within which the envisaged action is taken (UN, OAU, sub-regional framework) and, on the other hand, to the different stages of the process leading from early warning to implementation of conflict resolving measures; the European Union might have a part to play and so, if necessary, might the WEU;

□ African pre-eminence in taking the political lead in conflict management must be recognized;

□ both preventive diplomacy and conflict resolution and peacekeeping in Africa must adhere strictly to the principles and aims set out in the United Nations Charter;

□ any operations must be based on the principles of consent by the parties to the conflict, neutrality and impartiality of any force employed and a single command structure;

□ the Member States of the European Union and the Community will institute within the Council a procedure for exchanging information on their bilateral aid in this field with the aim of improving the coordination of that aid.

6. The European Union's contribution could take the following forms:

(a) Early warning:

□ exchange of information or communications covering aspects of specific crises or countries where tensions are in evidence;

□ training of analysts for the OAU General Secretariat;

□ organization of seminars;

□ financial support for technical and material assistance.



**(b) Preventive diplomacy:**

- encouraging the setting-up of crisis-tracking groups by offering good offices and possibly one-off financial support;
- organization of seminars and fora for the discussion of preventive diplomacy;
- assistance with staff for the organization of missions.

**(c) Peacekeeping:** in so far as a role is envisaged for the OAU, at its own request, pursuant to a decision of the UN Security Council, the EU will examine any support it could provide, in particular via the WEU where appropriate.

7. The EU, aware of the fact that the WEU has already begun discussing the possibility of supporting the European Union's contribution, invites it to inform the EU of the outcome. The EU requests the WEU to draw up and implement specific measures that could help mobilize African capabilities in UN forces. It may also ask the WEU to help in carrying out Union actions.

8. These conclusions should serve as a basis for the subsequent adoption of a common position.

## Annex 14 — Asia

### *Asia-Europe Meeting (ASEM): Union position*

#### **Section I: General aspects**

1.79. The Asia-Europe Meeting will constitute one of the most important initiatives undertaken by the European Union and its Member States and 10 of the most dynamic countries in Asia.

In an historical event, the Heads of State or Government of the participating countries, and the President of the Commission, will meet jointly, accompanied by their Ministers of Foreign Affairs, in an exercise aimed at establishing a new partnership between Europe and Asia that will contribute to the global development of societies in both regions.

This new partnership should be based on the promotion of political dialogue, the deepening of economic relations and the reinforcement of cooperation in various fields.

The Union considers ASEM as an open, transparent and evolutive process, of informal nature, that should pursue, nevertheless, concrete and substantial results. It should, therefore, not affect the participants special relations with other areas of the world.

This first ASEM should be made so mutually worthwhile as to give impetus to the political will to inten-

sify dialogue and relations between the two regions and lay a firm foundation for a new era in Euro-Asian relations. This exercise is one that looks into the future and aims at setting up a constructive climate of mutual understanding and cooperation in all political and economic areas of common interest.

It is desirable that participants should depart from the inaugural meeting with the agreement of both sides for the convening of a second ASEM in Europe at a date to be mutually agreed. The Union should also propose that a flexible follow-up be considered to review the implementation of the decisions taken in ASEM. The Union wishes that a final statement reflects the substantive agreements reached in ASEM.

The Union has listed a range of specific issues that can be discussed (see Sections II and III) and has prepared detailed proposals. The overall approach to these issues should be comprehensive and balanced. The dialogue can also cover economic questions of a general character.

#### **Section II: Promotion of political dialogue between Europe and Asia**

##### *(a) Enhancement of a broad Euro-Asia political dialogue*

1.80. The promotion of political dialogue between both continents should aim at the advancement and consolidation of political stability and international security and at the deepening of mutual understanding in all areas.

This will require an intensification of contacts with a view to improving political cooperation between Europe and Asia in international organizations and in tackling international issues.

As one of the main objectives of the meeting, participants should make a clear commitment in this direction and should explore the possibilities for cooperation by identifying common ground on the different issues discussed. Senior officials may in this respect single out specific issues and areas of particular relevance for such cooperation.

##### *(b) Dialogue on values and codes that govern societies on both continents*

1.81. Although a new partnership between Europe and Asia does not require identical values, ideas and social codes, there remains a need for greater understanding of differences in values and customs among participating countries.

The ASEM should encourage an open and wide-ranging dialogue between cultures and civilizations on both continents to facilitate the rapprochement of their

societies. In this connection, the promotion of cultural, scientific and academic exchanges and informal dialogue between intellectuals, those who form public opinion, politicians and businessmen will contribute greatly to broaden the basis of mutual understanding and to discern more clearly the productive power of cultural diversity.

Human rights, the rule of law and good governance play a key role in furthering harmonious social development. In this respect, the ASEM participants should reflect on the close links between the political and economic aspects involved in building a secure, stable and democratic society.

ASEM should focus on promoting specific collaboration between participating nations, reaffirming at the same time the participants' commitments to the UN declarations and conventions on these matters.

At the same time participants should emphasize their common commitment to the promotion of and respect for human rights and fundamental freedoms on the basis of the Charter of the United Nations, the Universal Declaration of Human Rights, and the Vienna Declaration and Programme of Action. They should also express their strong support for the successful implementation of the Vienna Declaration and Programme of Action.

*(c) United Nations*

*I.82.* ASEM participants could produce an exchange of views on the reform and funding of the organization, as well as on their experiences and possible collaboration in the fields of peacekeeping and the use of preventive diplomacy.

*(d) Processes of regional integration*

*I.83.* This is a field of undoubted value in forging common interests and fostering intra-regional stability. An exchange of information on the political aspects of these processes and a discussion on where current processes on both continents might lead to will be mutually beneficial.

*(e) Cooperation in security matters*

*I.84.* The European Union should underline its readiness to contribute actively to peace and stability worldwide and in the Asia-Pacific, sharing its experiences in this field. In this respect, the ASEAN regional forum is a suitable framework for intensifying cooperation between the Union and Asia.

In a two-way exchange of information, ASEM participants could focus on such items as CBM, conflict-resolution mechanisms, and new security architectures in Europe and Asia.

*(f) Non-proliferation*

*I.85.* This should be considered a broad issue involving all non-proliferation concerns. ASEM should concentrate on a follow-up to the NPT extension decisions, including a common approach to such issues as CTBT, fissile material cut-off convention, strengthening of IAEA safeguards. Discussion should also cover prohibition and non-proliferation of chemical and biological weapons, reinforcement of export controls on conventional weapons, the UN conventional arms register and controls on the use and transfer of anti-personnel mines.

**Section III: Reinforcement of economic cooperation; trade, investment, transfer of technology and participation of private sectors**

*(a) Strengthening economic ties*

*I.86.* Participating countries represent two of the most dynamic regions in the world. The current trade and investment flows between these regions do not, however, reflect their true economic potential. It should be noted that ASEM offers an exceptional opportunity for participating leaders to assess this potential and to take steps to exploit it more effectively. To this end senior officials should consider ways which would aim at liberalization and a strengthened multilateral discipline within the WTO. It would also identify specific measures which could be undertaken in participating countries in order to facilitate trade and investment.

*(b) Reinforcing the open trading system*

*I.87.* All efforts in ASEM should be guided by the principles of the WTO and the concept of open regionalism. Participants should strongly condemn all forms of unilateralism and reaffirm their commitment to the MFN principle. They should also resolve to work closely together in preparing for the Singapore WTO ministerial meeting. Emphasis should be placed on the completion and full implementation of the Uruguay Round.

In particular, ASEM should stress the need for a successful conclusion of the negotiation on liberalization of telecommunications and maritime transport sectors and agree to join efforts to ensure that the interim Agreement on financial services is succeeded by a more substantial package of permanent liberalization commitments.

The meeting should also express the wish that the participating countries not yet parties to the WTO would be able to join soon.

The meeting should agree to support moves towards further liberalization, in particular through promoting

wider participation and extended coverage in the existing government procurement Agreement as well as through improving the level of intellectual property rights protection.

Senior officials could be asked to cooperate on this issue as well as for an ambitious agenda for future work in the WTO at the Singapore ministerial meeting, to be held in December 1996.

Important issues could be all questions of interest to any of the parties resulting from the Marrakesh Conference as established in doc. MTN.TNC/45(MIN) as well as the new issues.

In addition the dialogue should be encouraged in order to exchange experiences in the area of regional integration and to highlight the conditions in which liberalism in regional contexts is compatible with an open multilateral system.

### *(c) Facilitating trade and investment*

1.88. The meeting should provide an opportunity to improve bilateral trade relations. To this end, senior officials should be instructed to identify measures that could facilitate trade between both regions. The business community will be consulted.

The meeting should allow for highlighting the need to increase investment in the two regions and to explore how best to establish favourable conditions to facilitate investment. The parties could note the ongoing negotiations taking place among industrialized countries in the OECD to devise a comprehensive multilateral agreement on investment and could recognize the desirability of extending the disciplines beyond the OECD members. In this context, senior officials could be invited to hold discussions aiming at giving investment a high priority in the WTO with a view to preparing the way for negotiations on a global framework of rules for investment. A dialogue should be pursued with a view to establishing strong international disciplines in this area covering non-discrimination, investor protection and transparency.

## **Promotion of cooperation in various fields**

### *(a) Human resources*

1.89. Emphasis should be laid on the development of human resources and of the conditions necessary for people to realize their potential. Promoting the mobility of young managers on a reciprocal basis between Europe and Asia is a particular priority as well as strengthening efforts in the area of primary and secondary education and vocational training. Language teaching and university exchanges programme as well as a two-way youth and student exchange should be envisaged.

### *(b) Development cooperation*

1.90. Taking into account environmental aspects, development cooperation should be reinforced. Priority objectives should be improving the living conditions of the most disadvantaged groups, alleviating poverty and promoting the role of women.

1.91. (c) The importance of addressing environmental issues such as global warming, protection of water resources, deforestation and desertification, bio-diversity of species and recognition of the potential for mutually beneficial cooperation in this field should particularly be stressed.

### *(d) Cultural contacts and information*

1.92. Priority should be given to developing mutual understanding between Europe and Asia through enhanced cultural contacts and information about each other's cultures, taking into account the role of the media.

### *(e) Promoting business cooperation*

1.93. The meeting could stress the importance of promoting mutual beneficial cooperation, including encouragement of frameworks for dialogue at the initiative of the private sector to enable European and Asian business leaders to identify new fields for industrial cooperation. Cooperation should address areas such as energy, transport, information and environmental technology, telecommunications and tourism. The particular needs of small and medium-sized enterprises will be a priority.

### *(f) Technology cross-flows*

1.94. The meeting should express support for intensified technology cross-flows between Asia and Europe through tighter cooperation in the field of research, greater networking between universities and facilitation of know-how transfers in high-technology sectors. Priority driving sectors could be the environment, information and communication technology and transport sectors. The importance of an adequate protection of intellectual property and an open climate for investment in this context should be recognized.

In this context, the Member States of the European Union are particularly interested in sharing the expertise and know-how of Asian countries in the rapid transformation of technological breakthrough into industrial production processes.

### *(g) Combating drugs and illegal activities*

1.95. Cooperation should be stepped up in the fields of drug trafficking and particular efforts devoted to reach an agreement on drug precursors and in the frame-

work of fighting against money laundering. The meeting should also foster the dialogue on international crime. Cooperation should be encouraged to fight against illegal immigration networks with special attention to the question of readmission of illegal immigrants.

### **Follow-up**

*I.96.* An agreement should be reached for follow-up of progress in the above fields on the basis of a progress report by their senior officials on substantive action to be drawn up in 1997.

## **Annex 15 — The Intergovernmental Conference**

### *A strategy for Europe*

*I.97.* For six months, the members of the Reflection Group have been working on the European Council mandate to pave the way for the revision of the Treaty at the 1996 Conference and any other improvements in the Union's operation, in a spirit of openness and democracy.

We feel it has been our task not only to establish an annotated agenda for the Conference but also to set in motion a process of public discussion and explanation regarding the thrust of the changes to be made.

### **The challenge**

*I.98.* Men and women of Europe today, more than ever, feel the need for a common project. And yet, for a growing number of Europeans, the rationale for Community integration is not self-evident. This paradox is a first challenge.

When the European Communities were established some 40 years ago, the need for a common design was clear because of the awareness of Europe's failure over the first half of this century.

Now, almost half a century later, the successive enlargements of the Union, the expansion of its tasks, the very complexity of its nature and the magnitude of the problems of our times, make it very difficult to grasp the true significance of, and the continuing need for, European integration.

Let us accept that complexity is the price that Europe pays to protect our plural identity. But we firmly believe that this creation of Europe's political ingenuity, which cannot take the place of but is now an inseparable counterpart to the Union's Member States, from which its main political legitimacy flows, has been making an invaluable contribution of its own:

peace and prosperity based on a definition of common interests and action that is the result not of power politics but of a common body of law agreed by all.

Today Europe has changed, partly because of the Union's success. All those European nations rediscovering their freedom wish to join, or to cooperate more closely with, the European Union. Yet, in Western Europe there is a growing sense of public disaffection despite the Union's contribution to an unprecedented period of peace and prosperity.

We therefore need to explain clearly to our citizens why the Union, which is so attractive to others in Europe, remains necessary for us too.

One reason is that the world outside Europe has also changed. Goods, capital and services nowadays flow globally in an increasingly competitive market. Prices are set worldwide. The prosperity of the Europe of today and tomorrow depends on its ability to succeed in the global marketplace.

The end of the Cold War may have increased the overall security of Europe. But it has also brought greater instability in Europe.

Furthermore, high levels of unemployment, external migratory pressures, increasing ecological imbalances and the growth of international organized crime have stimulated a public demand for greater security that cannot be satisfied by Member States acting alone.

In an increasingly interdependent world, that reality poses new challenges and opens up new opportunities for the Union.

### **The response**

*I.99.* However, we are not starting from scratch. Over the last five years, Europe has adjusted successfully to changing times. In 1990, the Community welcomed in the 17 million Germans who had been living on the other side of the Berlin Wall.

The Maastricht Treaty succeeds in mapping out the path of adjustment by the Community to changing times: it establishes a European Union closer to its citizens, setting out the principle of subsidiarity; it establishes the path towards a single currency and puts forward a strategy of economic integration based on price stability that strengthens competitiveness and makes for growth in our economy; it reinforces social and economic cohesion and provides for high standards of environmental protection; it opens the way for a common foreign and security policy and attempts to bring about an area of freedom and of public security.

Since then, in very difficult economic circumstances, the European Union has been able to take timely decisions on progress in line with its new needs: it has agreed to the outcome of the Uruguay Round, it has

managed to reach agreement on the Union's finances up to 1999 and it has been enlarged to bring in three new members.

Yet that is not enough. European Heads of State or Government have already identified the steps necessary to develop Europe's strategy for these changing times: the 1996 Conference, the transition to a single currency, the negotiation of a new financial agreement, the possible revision or extension of the Brussels Treaty setting up the WEU and, lastly, the most ambitious target, enlarging the Union to bring in associated countries of Central and Eastern Europe, including the Baltic States, Cyprus and Malta.

That next enlargement provides a great opportunity for the political reunification of Europe. Not only is it a political imperative for us, but it represents the best option for the stability of the continent and for the economic advancement not just of the applicant countries but for this Europe of ours as a whole. That enlargement is not an easy exercise. Its impact upon the development of the Union's policies will have to be assessed. It will require efforts both by applicants and present Union members that will have to be equitably shared. It is therefore not only a great chance for Europe but also a challenge. We must do it, but we have to do it well.

The Union cannot tackle all the steps in that European strategy at once, but it does not have any time to waste. The Heads of State or Government have personally taken responsibility for agreeing on a European agenda for carrying out this plan, which will only become a reality if it finds democratic backing from Europe's citizens.

## The 1996 Conference

*1.100.* The 1996 Conference is an important, but just one step in this process.

The Maastricht Treaty already foresees that a Conference should be convened in 1996 with a limited scope. This scope has subsequently been enlarged at various European Councils.

The Heads of State or Government have identified the need to make institutional reforms as a central issue of the Conference in order to improve the efficiency, democracy and transparency of the Union.

In that spirit, we have tried to identify the improvements needed to bring the Union up to date and to prepare it for the next enlargement.

We consider that the Conference should focus on necessary changes, without embarking on a complete revision of the Treaty.

Against this background, results should be achieved in three main areas:

- making Europe more relevant to its citizens;

- enabling the Union to work better and preparing it for enlargement;

- giving the Union greater capacity for external action.

## *1. The citizen and the Union*

*1.101.* The Union is not and does not want to be a super-State. Yet it is far more than a market. It is a unique design based on common values. We should strengthen these values, which all applicants for membership also wish to share.

The Conference must make the Union more relevant to its citizens. The right way for the Union to regain the commitment of its citizens is to focus on what needs to be done at European level to address the issues that matter to most of them such as greater security, solidarity, employment and the environment.

The Conference must also make the Union more transparent and closer to the citizens.

## Promoting European values

*1.102.* Europe's internal security rests on its democratic values. As Europeans we are all citizens of democratic States which guarantee respect for human rights. Many of us think that the Treaty must clearly proclaim these common values.

Human rights already form part of the Union's general principles. For many of us they should, however, be more clearly guaranteed by the Union, through its accession to the European Convention on Human Rights and Fundamental Freedoms. The idea of a catalogue of rights has also been suggested, and a provision allowing for the possibility of sanctions or even suspending Union membership in the case of any State seriously violating human rights and democracy. Some of us take the view that national governments already provide adequate safeguards for these rights.

Many of us think it important that the Treaty should clearly proclaim such European values as equality between men and women, non-discrimination on grounds of race, religion, sexual orientation, age or disability and that it should include an express condemnation of racism and xenophobia and a procedure for its enforcement.

One of us believes that the rights and responsibilities we have as citizens are a matter for our nation States: reaching beyond that could have the opposite effect to that intended.

Some of us also thought it worthwhile to examine the idea of establishing a Community service or European 'peace corps' for humanitarian action, as an expression of Union solidarity; such a service could also be used in the event of natural disasters in the Union.

Furthermore, some of us recommend that the Conference should examine how to better recognize in the Treaty the importance of access to public service utilities ('services publics d'intérêt général').

We believe that Europe also shares certain social values which are the foundation of our coexistence in peace and progress. Many of us take the view that the social agreement must become part of Union law. One of us believes that this would only serve to reduce competitiveness.

### **Freedom and internal security**

*I.103.* The Union is an area of free movement for people, goods, capital and services. Yet people's security is not sufficiently protected on a European scale: while protection remains essentially a national matter, crime is effectively organized on an international scale. Experience of the implementation of the Maastricht Treaty over the last few years shows that opportunities for effective European action are still very limited. Hence, the urgency for a common response at European level, following a pragmatic approach.

We all agree that the Conference should strengthen the Union's capacity to protect its citizens against terrorism, drug trafficking, money laundering, exploitation of illegal immigration and other forms of internationally organized crime. This protection of citizens' security at European level must not diminish individual safeguards. For many of us, this requires further use of common institutions and procedures, as well as common criteria. It is also for national parliaments to exercise political scrutiny over those who administer such common action.

Many of us take the view that, in order to act more efficiently, we need to put fully under Community competence matters concerning third country nationals, such as immigration, asylum and visa policy, as well as common rules for external border controls. Some would also like to extend Community competence to combating drug addiction and fraud on an international scale, and to customs cooperation.

For some of us, however, the key to success has to be found in a combination of political will and more effective use of existing intergovernmental arrangements.

### **Employment**

*I.104.* We know that job creation in an open society is based on sound economic growth and on business competitiveness, which must be fostered by initiatives at local, regional and national levels. We believe that, in the European Union, the main responsibility of ensuring the economic and social well being of citizens lies within the Member States. In an integrated economic area such as ours, however, the Union also has a responsibility for setting the right conditions for job creation. It is already doing so by the completion

of the internal market and the development of other common policies, with a joint growth, competitiveness and employment strategy which is achieving positive results, and with its plan for economic and monetary union.

We all agree that the provisions on the single currency which were agreed at Maastricht and ratified by our parliaments must remain unchanged.

While we are all aware that jobs will not be created simply by amendments to the Treaty, many of us want the Treaty to contain a clearer commitment on the part of the Union to achieving greater economic and social integration and cohesion geared to promote employment, as well as provisions enabling the Union to take coordinated action on job creation. Some of us advised against writing into the Treaty provisions which arouse expectations, but whose delivery depends primarily on decisions taken at business and State-level. In any case, most of us stress the need for stronger coordination of economic policies in the Union.

### **Environment**

*I.105.* In essence, the environment has crossborder effects. Protection of the environment is an objective involving our survival not only as Europeans but also as inhabitants of the planet. Therefore the Conference should examine how to improve the capacity of the Union to act more efficiently and to identify whenever that action should remain within the Member State.

### **A more transparent Union**

*I.106.* Citizens are entitled to be better informed about the Union and how it functions.

Many of us propose that the right of access to information be recognized in the Treaty as a right of the citizens of the Union. Suggestions have been made on how to improve the public access to Union's documents which should be examined by the Conference.

Prior to any substantial legislative proposal, information should be duly gathered from the sectors concerned, experts and society in general. The studies leading up to the proposal should be made public.

When such a proposal is made, national parliaments should be duly informed and documents supplied to them in their official languages and in due time to allow proper discussion from the beginning of the legislative process.

We all agree that the Union law should be more accessible. The 1996 Conference should result in a simpler Treaty.

### **Subsidiarity**

*I.107.* The Union will be closer to the citizen if it focuses on what should be its tasks.

This means that it must respect the principle of subsidiarity. This principle must therefore not be construed as justifying the inexorable growth of European powers nor as a pretext for undermining solidarity or the Union's achievements.

We believe it necessary to reinforce its proper application in practice. The Edinburgh Declaration should be the basis for that improvement and some of us believe that its essential provisions should be given Treaty status.

## *II. Enabling the Union to work better and preparing it for enlargement*

*I.108.* The Conference should examine the ways and means to improve the efficiency and democracy of the Union.

The Union must also preserve its decision-making ability after further enlargement. Given the number and variety of the countries involved, this calls for changes to the structure and workings of the institutions. It may also mean that flexible solutions will have to be found, fully respecting the single institutional framework and the *acquis communautaire*.

The European Council, consisting of the Heads of State or Government of the Member States and the President of the Commission, is the highest expression of the Union's political will and defines its general political guidelines. Its importance is bound to increase in view of the Union's political agenda.

Improving democracy in the Union means both fair representation in each of the institutions, and enhancing the European Parliament, within the existing institutional balance, and the role of national parliaments. In this context, it is recalled that, according to the Treaty, a uniform electoral procedure for the European Parliament should be established. Many of us believe that the European Parliament's procedures are too numerous and complex and therefore favour reducing them to three: consultation, assent and codecision.

The current codecision procedure is over-complicated and we propose that the Conference simplify it, without altering the balance between the Council and the European Parliament. Many of us also propose that the Conference should extend the scope of the codecision procedure. One member believes, however, that the European Parliament gained extensive new powers at Maastricht and therefore should grow into these powers before seeking more.

National parliaments should also be adequately involved. This does not imply that they have to be incorporated into the Union's institutions. For many of us its decision-making procedures should be organized in a way which allows national parliaments adequately to scrutinise and influence the positions of

their respective governments in the decision-making of the Union. Some of us suggest a more direct involvement of national parliaments: in this context, the idea of a newly established advisory committee has been suggested by one of us. Cooperation among national parliaments and between them and the European Parliament should also be fostered.

The decision-making processes and working methods of the Council of Ministers will need review. The Union must be able to take timely and effective decisions. But efficient decision-making does not necessarily mean easy decision-making. The Union's decisions must have popular support. Many of us believe greater efficiency would be enhanced by more qualified majority voting in the Council, which, according to many, should become the general procedure in the enlarged Community. Some of us believe that this should only be countenanced, if democratic legitimacy is improved by a reweighting of votes to take due account of population. One of us opposes extension on principle.

We consider the role of the Council Presidency to be crucial for the efficient management of the Union's business and we support the principle of rotation. But the present system applied to an enlarged Union could become increasingly disjointed. Alternative approaches combining continuity and rotation should be examined further.

We agree that the Commission should retain its three fundamental functions: promotion of the common interest, monopoly of legislative initiative and guardianship of Community law. Its legitimacy, underlined by its parliamentary approval, is based on its independence, its credibility, its collegiality and its efficiency. The composition of the Commission was designed for a Community of six. We have identified options for its future composition in order to preserve the Commission's ability to fulfil its functions in view of an enlarged Union that may extend to more than twice the number of Member States having negotiated the Maastricht Treaty.

Broadly, one view within the Group is to retain the present system for the future, reinforcing its collegiality and consistency as required. This option would allow all members to have at least one Commissioner. Another view is to ensure that greater collegiality and consistency be attained by reducing the Commissioners to a lesser number than Member States and enhancing their independence. Procedures should be established to select those members on grounds of qualification, and commitment to the general interest of the Union. When deciding the future composition of the Commission, the Conference may also examine the possibility of establishing senior and junior Commissioners.

Some of us believe that the Committee of the Regions has to play an important role in Community legisla-

tion and that the consultative role of this body should be better used.

Europe's achievements depend on its ability to take decisions together and then to comply with them. An improvement in the clarity and quality of Community legislation would contribute to this, as would better financial management and a more effective fight against fraud. The Conference should also improve the key role of the Court of Justice especially in ensuring uniform interpretation of and compliance with Community law.

### *III. Giving the Union greater capacity for external action*

*1.109.* The Maastricht Treaty has established the Union's common foreign and security policy. In our opinion, this was the right decision at the right time, at a time with the end of the Cold War increasing the burden of responsibility on the European Union to lay the foundations of peace and progress in Europe and elsewhere.

The current possibilities offered by the Treaty have provided some positive results. We believe, however, that the time has come to provide this common policy with the means to function more effectively.

The Union today needs to be able to play its part on the international stage as a factor for peace and stability. Although an economic power today, the Union continues to be weak in political terms, its role accordingly often confined to financing decisions taken by others.

#### **Common foreign policy**

*1.110.* We think that the Conference must find ways and means of providing the Union with a greater capacity for external action, in a spirit of loyalty and mutual solidarity. It must be capable of identifying its interests, deciding on its action and implementing it effectively. Enlargement will make this task more difficult, but also makes it even more imperative.

This means that the Union must be able to analyse and prepare its external action jointly. With that in mind, we propose the establishment of a common foreign policy analysis and planning unit. For most of us, this unit should be answerable to the Council. Many of us also think that it should be recruited from Member States, Council Secretariat and Commission and be established within the institutional framework of the Union. It has been suggested by some that the head of the unit, whose functions could eventually merge with those of the Secretary General of the WEU, should be the Secretary General of the Council.

It also calls for the capacity to take decisions. To that end, we propose that the Conference examines how to review decision-making and financing procedures in

order to adapt them to the nature of foreign policy, which must reconcile respect for the sovereignty of States with the need for diplomatic and financial solidarity. It should be commonly agreed whether and if so how to provide for the possibility of flexible formulae which will not prevent those who feel it necessary for the Union to take joint action from doing so. Some members favour the extension of qualified majority voting to CFSP and some others propose to enhance the consultative role of the European Parliament in this area.

The Union must be able to implement its external actions with a higher profile. We have examined several possible options for ensuring that the Union is able to speak with one voice. Some of us have suggested the idea of a High Representative for the CFSP, so as to give a face and a voice to the external political action of the Union. This person should be appointed by the European Council and would act under precise mandate from the Council. Many of us have stressed the need for a structured cooperation between the Council, its Presidency and the Commission, so that the different elements of the external dimension of the Union they are responsible for function as a coherent whole.

This greater political role for the Union in the world should be consistent with its current external economic influence as the premier trading partner and the premier humanitarian aid donor. The Conference will have to find ways of ensuring that the Union's external policy is visible to its citizens and the world, that it is representative of its Member States and that it is consistent in its continuity and globality.

#### **European security and defence policy**

*1.111.* The multifaceted challenges of the new international security situation underline the need for an effective and consistent European response, based on a comprehensive concept of security.

We therefore believe that the Conference could examine ways to further develop the European identity, including in the security and defence policy field. This development should proceed in conformity with the objectives agreed at Maastricht, taking into consideration the Treaty provisions that the CFSP shall include all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defence.

The Conference will have to take account of the reality that, in the view of NATO members, such a development should also strengthen the European 'pillar' of the Atlantic Alliance and the transatlantic link. The Alliance continues to guarantee the collective defence of its members and plays a fundamental role in the security of Europe as a whole. Equally, the right of



States which are not members of the Alliance to take their own defence decisions must be respected.

Many of us feel that the Conference should consider how to encourage the development of European operational capabilities, how to promote closer European cooperation in the field of armaments and how to ensure greater coherence of action in the military field with the political, economic or humanitarian aspects of European crisis management.

Against this background, many of us want to further strengthen relations between the EU and the Western European Union (WEU), which is an integral part of the development of the Union.

In this regard, several options for the future development of this relationship have already been suggested within the Group. One option advocates a reinforced EU/WEU partnership while maintaining full autonomy of WEU. A second option suggests that a closer link should be established enabling the Union to assume a directing role over WEU for humanitarian, peacekeeping and other crisis management operations (known as Petersberg tasks). A third option would be the incorporation of these Petersberg tasks into the Treaty. As a fourth option, the idea of a gradual integration of WEU into the EU has been supported by many of us: this could be pursued either by promoting EU/WEU convergence through a WEU

commitment to act as implementing body of the Union for operational and military issues, or by agreeing on a series of steps leading to a full EU/WEU merger. In the latter case, the Treaty would incorporate not only the Petersberg tasks but also a collective defence commitment, either in the main body of the Treaty or in a Protocol annexed to it.

In this context, the idea that the IGC examines the possibility of including in the revised Treaty a provision on mutual assistance for the defence of the external borders of the Union has been put forward by some members.

It will be for the Conference to consider these and other possible options.

Europe and democracy are inseparable concepts. To date, all the steps in the construction of Europe have been decided by common accord by the democratic governments of its Member States, have been ratified by the national parliaments and have received popular support in our countries. This is also how we shall construct the future.

We realize that this reflection exercise by the Group is only one step in a public debate initiated and guided by the European Council. We hope that this public and joint exercise between our nations will lead to renewed support for a project which is more than ever necessary for Europe today.

# 1. Union citizenship

*1.1.1.* The European Council welcomed the adoption of the Decisions on consular protection (→ point I.15).

## **Right to diplomatic protection**

*1.1.2.* Decision 95/553/EC of the Representatives of the Governments of the Member States, meeting within the Council, regarding protection

for citizens of the European Union by diplomatic and consular representations; Decision of the Representatives of the Governments of the Member States, meeting within the Council, on measures implementing Decision 95/553/EC.

**Agreement:** Bull. 11-1995, point 1.1.1

*Adopted on 19 December.*

OJ L 314, 28.12.1995

## 2. Human rights

### European Union countries

*1.2.1.* Communication from the Commission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions on the fight against racism, xenophobia and anti-semitism, together with a proposal from the Council declaring 1997 European Year Against Racism.

#### References:

Conclusions of the Corfu European Council: Bull. 6-1994, points I.23 and I.29

Conclusions of the Essen European Council: Bull. 12-1994, point I.33

Council report on the campaign against racism and xenophobia: Bull. 3-1995, point 1.5.9

Parliament resolution on racism, xenophobia and anti-semitism: OJ C 126, 22.5.1995; Bull. 4-1995, point 1.2.1

Commission communication on a medium-term social action programme (1995-1997): COM(95) 134; Bull. 4-1995, point 1.3.126

Conclusions of the Cannes European Council: Bull. 6-1995, point I.23

Council conclusions on an overall strategy to combat racism and xenophobia: Bull. 6-1995, point 1.2.2

Interim report by the Chairman of the Reflection Group on the Intergovernmental Conference: Bull. 9-1995, point 1.9.1

Council resolution on the fight against racism and xenophobia in the fields of employment and social affairs: OJ C 296, 10.11.1995; Bull. 10-1995, point 1.2.1

Council resolution on the response of educational systems to the problems of racism and xenophobia: OJ C 312, 23.11.1995; Bull. 10-1995, point 1.2.2

Parliament resolution on racism, xenophobia and anti-semitism: OJ C 308, 20.11.1995; Bull. 10-1995, point 1.2.3

*Adopted by the Commission on 13 December.* In this communication, the Commission outlined its planned action against racism, xenophobia and anti-semitism under the medium-term social action programme (1995-97). It defined seven areas for action which would be integrated with existing policies: the promotion of integration, the promotion of equal opportunities and the

fight against discrimination, raising public awareness and combating prejudice, preventing racist behaviour and violence, monitoring and sanctioning racist crime, international cooperation and the question of European-level legislation. It also planned to include a clause prohibiting all forms of discrimination in its proposals for legislation covering areas within Community competence, along the lines of Article 14 of the European Convention for the Protection of Human Rights and Fundamental Freedoms. It would also insist that specific powers to help combat racial discrimination be included in the Treaty on European Union after the next review. Finally, it proposed to the Council that 1997 be designated European Year against Racism.

COM(95) 653

### Actions outside the European Union

#### *Burundi*

*1.2.2.* Parliament resolution on the situation in Burundi.

**Reference:** Council conclusions on preventive diplomacy, conflict resolution and peace keeping in Africa: point 1.4.116 of this Bulletin

*Adopted by Parliament on 14 December.* Parliament condemned the continued ethnic killings and all other acts of violence committed by gangs of extremists on both sides and by elements of the army in an ongoing attempt to destabilize the situation and increase ethnic confrontation. It called for the international committee of enquiry to speed up its work and for those responsible for the massacres to be arrested, tried and convicted. It called on the Commission, Council and Member States to formulate and implement without delay a workable prevention strategy according to the guidelines on preventive diplomacy, conflict resolution and peacekeeping in Africa.

OJ C 17, 22.1.1996

## China

1.2.3. Parliament resolution on the persecution of Wei Jingsheng.

*Adopted by Parliament on 14 December.* Parliament condemned the persecution of Mr Wei Jingsheng by the Chinese authorities and called for his immediate release. It also asked the Commission and the Council to consider how best to initiate a joint action to exert long-term pressure on China to respect human rights. It considered that trade and investment policies should be regarded as a means of such pressure.

OJ C 17, 22.1.1996

1.2.4. Parliament resolution on the selection of the Panchen Lama and religious freedom in Tibet.

*Adopted by Parliament on 14 December.* Parliament condemned the Chinese Government's intervention in the nomination of the candidate for the title of Panchen Lama, which is strictly a religious matter, as well as the forced appointment of the candidate imposed by the Chinese authorities. It called on the representatives of the Council and the Commission to exert strong diplomatic or other pressure on the Chinese authorities to put an end to their unacceptable treatment of the Tibetan people.

OJ C 17, 22.1.1996

## Indonesia

1.2.5. Parliament resolution on the situation in East Timor and the 20th anniversary of the Indonesian invasion.

**Reference:** Parliament resolution on human rights violations in East Timor and Indonesia: OJ C 269, 16.10.1995; Bull. 9-1995, point 1.2.4

*Adopted by Parliament on 14 December.* Parliament reaffirmed its solidarity with the people of East Timor in their struggle for self-determination and condemned the attempted colonisation, repressive action and forced Islamization by Indonesia. It called for the release of all political prisoners and held that the negotiations between Indonesia and Portugal should continue under the auspices of the Secretary-General of the United Nations. It called again on the governments of the Member States to cease all military assistance and arms sales to Indonesia and called on the European Union to suspend every form of economic cooperation with the country.

OJ C 17, 22.1.1996

## Nigeria

1.2.6. Parliament resolution on the threatened deportation of Nigerians from the United Kingdom.

*Adopted by Parliament on 14 December.* Parliament drew attention to the plight of Mr Ade Onibiyo who had lived half his life in the United Kingdom and who was now threatened with deportation from the UK to Nigeria by the British Home Secretary. It insisted that, whatever the legal technicalities, it was clearly a grave abuse of human rights to deport people to Nigeria at a time when there were grounds for supposing that such persons could be regarded as opposed to the present regime.

OJ C 17, 22.1.1996

## Pakistan

1.2.7. Parliament resolution on the detention of Dr Munawar A. Halepota.

*Adopted by Parliament on 14 December.* The European Parliament, concerned by the rumours circulating about the arrest of Dr M. Munawar Halepota, an EU citizen with dual British/Pakistani nationality who had long advocated the peaceful settlement of the disputes ravaging the province of Sind, called on the Pakistani authorities to release him immediately and to allow his family and lawyers access to him.

OJ C 17, 22.1.1996

## Russian Federation

1.2.8. Parliament resolution on the situation in the Chechen Republic.

*Adopted by Parliament on 14 December.* Parliament called on the Russian central government to resume the peace negotiations in Chechnya immediately and to defuse the situation by withdrawing its troops from the Republic. It called on the Council of Europe to link the Russian Federation's admission as a Member State to the restoration of human rights. It called on the Council and the Commission to continue and step up the programme of humanitarian aid to the refugees and civilian population of Chechnya and to contribute actively to a programme of economic and civic reconstruction and development and to make clear to the Russian Gov-

ernment that the continuation of its policy of repression could only damage its relations with the European Union and might call into question the operation of the Partnership Agreement.

OJ C 17, 22.1.1996

*1.2.9. Parliament resolution on the detention of the German citizen Georg T. Kunta in Daghestan (Russian Federation).*

*Adopted by Parliament on 14 December.* Indignant that Mr Kunta has been imprisoned for three months for letting his visa expire and collecting information for Western newspapers, Parliament called on the competent authorities to grant the German Embassy immediate permission to talk with him. It called for his immediate release and for the trial to be moved to Moscow or some other place in which international observation would be possible.

OJ C 17, 22.1.1996

## *Rwanda*

*1.2.10. Parliament resolution on the expulsion of 38 NGOs from Rwanda.*

*Adopted by Parliament on 14 December.* Parliament regretted the expulsion of 38 NGOs by the Kigali Government and called on it to review that decision. It called on the Commission and the Council to make representations to the Kigali Government with a view to allowing the NGOs concerned to return.

OJ C 17, 22.1.1996

## *Central and Eastern Europe*

*1.2.11. Parliament resolution on the return of plundered property to Jewish communities.*

*Adopted by Parliament on 14 December.* Parliament welcomed the fact that certain Central and East European countries, notably Hungary and Romania, had accepted the principle of justice and morality by agreeing to return the property of Jewish communities to their rightful owners and that others had recognized their responsibilities in respect of crimes committed against Jews during the Second World War. It called on all countries which had not already done so to take similar steps, also with regard to property confiscated by Communist regimes.

OJ C 17, 22.1.1996

## *Forced labour*

*1.2.12. Parliament resolution on the application of social clauses within the framework of the multiannual programme for generalized tariff preferences, inter alia with regard to Pakistan and Burma.*

**Reference:** Council Regulation (EC) No 3281/94 applying a four-year scheme of generalized tariff preferences (1995-98) in respect of certain industrial products of the developing countries: OJ L 348, 31.12.1994; Bull. 12-1994, point 1.3.149

*Adopted by Parliament on 14 December.* Whereas Articles 8 and 9 of Regulation (EC) No 3281/94 applying a four-year scheme of generalized tariff preferences (1995-98) in respect of certain industrial products of the developing countries provide for a total or partial withdrawal of tariff preferences where trading partners fail to comply with the conventions on the abolition of forced labour, Parliament called on the Commission to clarify the procedures that apply to complaints concerning the violation of ILO conventions. It called on the Commission to proceed immediately to the second stage of the proceedings against Pakistan and Burma by opening a formal inquiry. It also called on the Council and the Commission to do their utmost to ensure that social clauses are included in the framework of the World Trade Organization.

OJ C 17, 22.1.1996

## *Financing*

*1.2.13. Financing of operations promoting human rights and democracy (see Table 1).*

Table 1 — *Financing of operations promoting human rights and democracy*

<i>(ECU)</i>	
Purpose	Amount
Three human rights protection programmes in Hong Kong	100 600
Promotion and defence of human rights in Turkey	413 000
Support for democratization and human rights in Latin America	4 551 788

### 3. The Community economic and social area

#### Implementation of the White Paper on growth, competitiveness and employment

1.3.1. The European Council approved the joint report presented by the Council and the Commission and emphasized that the analyses of what should be done to ensure that economic recovery was accompanied by a more marked improvement in the employment situation had now converged; with this in mind, it identified areas for priority action (→ points I.8 and I.50).

1.3.2. Second report of the Competitiveness Advisory Group.

##### References:

Conclusions of the Essen European Council: Bull. 12-1994, point I.8

First report: Bull. 6-1995, point 1.3.3

*Presented on 12 December.* In this second report, submitted to the Commission President and the Heads of State or Government, the Group, chaired by Mr C.A. Ciampi, points out that the improvement of competitiveness is not an objective in itself but a means of raising the standard of living, creating jobs and eradicating poverty. It thus identifies four priority areas: the reform of infrastructure services, especially energy, telecommunications and the railways; support for innovative small and medium-sized businesses; application of the environment policy to firms; and continuing training. In this connection, it stresses the importance of strengthening the single market and achieving economic and monetary union on time.

1.3.3. Joint report from the Council and the Commission to the European Council on employment (→ point 1.3.198).

1.3.4. Commission Green Paper on innovation (→ point 1.3.75).

1.3.5. Commission White Paper on an energy policy for the European Union (→ point 1.3.101).

1.3.6. Proposal for a Parliament and Council Directive on the legal protection of biotechnological inventions (→ point 1.3.29).

1.3.7. Proposal for a Council Directive amending Directive 90/219/EEC on the contained use of genetically modified micro-organisms (→ point 1.3.131).

#### Economic and monetary policy

1.3.8. The European Council adopted the scenario for the introduction of the single currency and confirmed unequivocally that the third phase of economic and monetary union would begin on 1 January 1999, in accordance with the convergence criteria, timetable, protocols and procedures laid down by the EC Treaty. It decided to call the currency which would be used from that date the 'euro'. It also drew attention to the need to maintain a high degree of convergence between the economies of the Member States on a lasting basis (→ points I.3 and I.7 to I.49).

#### Internal market

1.3.9. Welcoming progress so far, the European Council emphasized that the internal market should benefit citizens. It called for further progress on free movement and consumer protection, and also wanted to see improvements in the social dimension and information for citizens (→ point I.9).

#### General

1.3.10. Report from the Commission to the European Council entitled 'The single market in 1995'.

**Previous report:** COM(94) 553; Bull. 11-1994, point 1.2.13

*Adopted on 6 December.* In the report, the Commission examines the progress made and the work still to be done in the six key areas it highlighted in 1995 in order to lend new impetus to the single market. These were: completing and simplifying the legislative framework; improving operation of the market; defending the single market as the bedrock of economic and monetary union; ensuring that it benefits citizens; adapting it to technological and other change; and preparing for enlargement.

*1.3.11.* Parliament and Council Decision establishing a procedure for the exchange of information on national measures derogating from the principle of the free movement of goods within the Community.

**Commission proposal:** OJ C 18, 21.1.1994; COM(93) 670; Bull. 12-1993, point 1.2.5

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.13

**Economic and Social Committee opinion:** OJ C 195, 18.7.1994; Bull. 4-1994, point 1.2.13

**Amended Commission proposal:** OJ C 200, 22.7.1994; COM(94) 250; Bull. 6-1994, point 1.2.17

**Council agreement on a common position:** Bull. 6-1995, point 1.3.18

**Council common position:** OJ C 216, 21.8.1995; Bull. 6-1995, point 1.3.18

**Parliament approval (second reading):** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.3.24

**Council approval:** Bull. 11-1995, point 1.3.12

*Signed by Parliament and the Council on 13 December.* The Decision establishes a procedure for the exchange of information between the Member States and the Commission, so that the Community can administer in a transparent and practical way the mutual recognition of national legislation which has not been the subject of Community harmonization. It provides in particular for Member States to notify the Commission of any measure obstructing the free movement of a model or type of product that is lawfully manufactured or marketed in another Member State, where such a measure would result directly or indirectly in a general prohibition, a refusal of authorization, or a modification or the withdrawal from the market of the model or type of product in question.

The procedure will facilitate rapid and amicable settlement of the problems resulting from failure

to observe the principle of mutual recognition, either through the adjustment of national provisions or through the adaptation of existing Community law.

## Free movement of goods

### *Technical aspects*

#### Motor vehicles

*1.3.12.* Commission notice on the procedures for the type-approval and registration of vehicles previously registered in another Member State.

*Adopted on 20 December.* Noting that private individuals face numerous administrative obstacles when registering a vehicle purchased in another Member State, the Commission explains and clarifies the law applicable to the type-approval and registration of new or second-hand vehicles which have been previously registered in another Member State of the European Union.

This is an interpretative notice, which replaces that of November 1988; it takes account in particular of the entry into force of the EC type-approval procedure, which becomes mandatory on 1 January 1996, and of the application of the June 1991 Directive on regular roadworthiness tests for vehicles.

*1.3.13.* Proposal for a Parliament and 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 and particulate pollutants from diesel engines for use in vehicles.

**Commission proposal:** OJ C 389, 31.12.1994; COM(94) 559; Bull. 12-1994, point 1.2.13

**Economic and Social Committee opinion:** OJ C 155, 21.6.1995; Bull. 4-1995, point 1.3.8

**Parliament opinion (first reading):** OJ C 269, 16.10.1995; Bull. 9-1995, point 1.3.5

**Amended Commission proposal:** OJ C 309, 21.11.1995; COM(95) 461; Bull. 10-1995, point 1.3.27

**Council agreement on a common position:** Bull. 10-1995, point 1.3.27

**Council common position:** OJ C 320, 30.11.1995; Bull. 11-1995, point 1.3.15

*Endorsed by Parliament on 13 December.*

OJ C 17, 22.1.1996

*Approved by the Council on 22 December.*

**1.3.14.** Proposal for a Parliament and Council Directive amending Directive 70/220/EEC on the approximation of the laws of the Member States relating to the measures to be taken against air pollution from emissions from motor vehicles.

**Commission proposal:** OJ C 390, 31.12.1994; COM(94) 558; Bull. 12-1994, point 1.2.12  
**Economic and Social Committee opinion:** OJ C 155, 21.6.1995; Bull. 4-1995, point 1.3.7  
**Parliament opinion (first reading):** OJ C 269, 16.10.1995; Bull. 9-1995, point 1.3.4  
**Amended Commission proposal:** COM(95) 540; Bull. 11-1995, point 1.3.16

*Common position agreed by the Council on 18 December.*

*Common position formally adopted by the Council on 22 December.* As formulated in the common position, the Directive introduces in particular a new stage in the reduction of pollutants from light commercial vehicles by aligning the limit values for these emissions on those laid down for passenger cars, pending a thorough review by the year 2000 of the Community approach to motor vehicle pollution. It also allows Member States to grant tax incentives for a period which varies according to the mass of the vehicle.

## Foodstuffs

**1.3.15.** Proposal for a Parliament and Council Directive amending Council Directive 89/398/EEC on the approximation of the laws of the Member States relating to foodstuffs intended for particular nutritional uses (the 'innovation' procedure).

**Commission proposal:** OJ C 389, 31.12.1994; COM(94) 600; Bull. 12-1994, point 1.2.20  
**Economic and Social Committee opinion:** OJ C 256, 2.10.1995; Bull. 7/8-1995, point 1.3.16  
**Parliament opinion (first reading):** OJ C 287, 30.10.1995; Bull. 10-1995, point 1.3.35

*Amended proposal adopted by the Commission on 4 December.*

COM(95) 586

**1.3.16.** Proposal for a Parliament and Council Directive amending Directive 79/112/EEC on the approximation of the laws of the Member

States relating to the labelling, presentation and advertising of foodstuffs.

**Commission proposal:** OJ C 122, 14.5.1992; COM(91) 536; Bull. 4-1992, point 1.3.8  
**Economic and Social Committee opinion:** OJ C 332, 16.12.1992; Bull. 10-1992, point 1.3.34  
**Parliament opinion (first reading):** OJ C 315, 22.11.1993; Bull. 10-1993, point 1.2.14  
**Proposal subject to the co-decision procedure since 1 November 1993**  
**Amended Commission proposal:** OJ C 118, 29.4.1994; COM(94) 24; Bull. 4-1994, point 1.2.24  
**Council agreement on a common position:** Bull. 3-1995, point 1.3.10  
**Council common position:** Bull. 6-1995, point 1.3.22  
**Parliament amendments (second reading):** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.3.32

*Opinion and amended proposal adopted by the Commission on 11 December.*

COM(95) 631

**1.3.17.** Proposal for a Parliament and Council Directive amending Council Directive 80/777/EEC on the approximation of the laws of the Member States relating to the exploitation and marketing of natural mineral waters.

**Commission proposal:** OJ C 314, 11.11.1994; COM(94) 423; Bull. 10-1994, point 1.2.10  
**Economic and Social Committee opinion:** OJ C 110, 2.5.1995; Bull. 1/2-1995, point 1.3.9  
**Parliament opinion (first reading):** OJ C 287, 30.10.1995; Bull. 10-1995, point 1.3.33  
**Amended Commission proposal:** COM(95) 563; Bull. 11-1995, point 1.3.21  
**Council agreement on a common position:** Bull. 11-1995, point 1.3.21

*Common position formally adopted by the Council on 22 December.*

**1.3.18.** Proposal for a Parliament and Council Regulation laying down a Community procedure for flavouring substances used in foodstuffs.

**Commission proposal:** OJ C 1, 4.1.1994; COM (93) 609; Bull. 12-1993, point 1.2.11  
**Economic and Social Committee opinion:** OJ C 195, 18.7.1994; Bull. 4-1994, point 1.2.27  
**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.15  
**Amended Commission proposal:** OJ C 171, 24.6.1994; COM(94) 236; Bull. 6-1994, point 1.2.29  
**Council agreement on a common position:** Bull. 11-1995, point 1.3.22



*Common position formally adopted by the Council on 22 December.*

## *Animal and plant health*

### **Animal health**

**1.3.19.** Council Directive introducing minimum Community measures for the control of certain diseases affecting bivalve molluscs.

**Commission proposal:** OJ C 285, 13.10.1994; COM(94) 401; Bull. 9-1994, point 1.2.24

**Parliament opinion:** OJ C 109, 1.5.1995; Bull. 4-1995, point 1.3.13

**Amended Commission proposal:** OJ C 19, 23.1.1996; COM(95) 514

*Adopted by the Council on 22 December.* The Directive aims to prevent the spread of bivalve mollusc diseases by establishing a system for monitoring molluscs in shellfish farms and natural habitats and by harmonizing the methods of diagnosing diseases, in particular designating a Community reference laboratory with responsibility for coordinating the work.

**1.3.20.** Proposal for a Council Directive introducing Community measures for the control of classical swine fever (consolidated version of Directive 80/217/EEC).

**Directive to be consolidated:** Council Directive 80/217/EEC introducing Community measures for the control of classical swine fever (OJ L 47, 21.2.1980), as last amended by the Act of Accession of Austria, Finland and Sweden: OJ C 241, 29.8.1994; Bull. 6-1994, point 1.3.15; OJ L 1, 1.1.1995

*Adopted by the Commission on 6 December.* With a view to clarifying Community law and making it more transparent, the Directive effects a legislative consolidation of Council Directive 80/217/EEC, which has been amended several times. The consolidation faithfully follows the substance of, and combines, the texts concerned, making only those formal amendments required by the consolidating operation itself.

COM(95) 598

**1.3.21.** Commission communication to Parliament and the Council on the welfare of calves.

**Reference:** Council Directive 91/629/EEC laying down minimum standards for the protection of intensively reared calves: OJ L 340, 11.12.1991; Bull. 11-1991, point 1.2.116

*Adopted on 15 December.* The communication, provided for by Council Directive 91/629/EEC, is designed to dispel public concern about the welfare of calves reared intensively, while ensuring that veal production remains profitable for farmers. In the communication, the Commission, on the basis of the Scientific Veterinary Committee's opinion, puts forward guidelines on the shelter for and the watering and feeding of calves.

COM(95) 711

### **Animal feed**

**1.3.22.** Council Directive laying down the conditions and arrangements for approving and registering certain establishments in the animal feed sector and amending Directives 70/524/EEC, 74/63/EEC, 79/373/EEC and 82/471/EEC.

#### **Directives amended:**

Council Directive 70/524/EEC concerning additives in feedingstuffs (OJ L 270, 14.12.1970), as last amended by Directive 94/77/EEC: OJ L 350, 31.12.1994

Council Directive 74/63/EEC on undesirable substances and products in feedingstuffs (OJ L 38, 11.2.1974), as last amended by Directive 94/16/EEC: OJ L 104, 23.4.1994

Council Directive 79/373/EEC on the marketing of compound feedingstuffs (OJ L 86, 6.4.1979) and Council Directive 82/471/EEC concerning certain products used in animal nutrition (OJ L 213, 21.7.1982), as last amended by Directive 93/74/EEC: OJ L 237, 22.9.1993; Bull. 9-1993, point 1.2.14

**Commission proposal:** OJ C 348, 28.12.1993; COM(93) 587; Bull. 11-1993, point 1.2.18

**Parliament opinion:** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.25

**Economic and Social Committee opinion:** OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.25

**Council agreement:** Bull. 9-1995, point 1.3.10

*Formally adopted by the Council on 22 December.*

**1.3.23.** Proposal for a Council Directive on the undesirable substances and products in animal nutrition (consolidated version of Directive 74/63/EEC).

**Directive to be consolidated:** Council Directive 74/63/EEC on undesirable substances and products in feedingstuffs (OJ L 38, 11.2.1974), as last amended by the Act of Accession of Austria, Finland and Sweden: OJ C 241, 29.8.1994; Bull. 6-1994, point 1.3.15; OJ L 1, 1.1.1995

*Adopted by the Commission on 6 December.* With a view to clarifying Community law and making it more transparent, the Directive effects a legislative consolidation of Council Directive 74/63/EEC, which has been amended several times. The consolidation faithfully follows the substance of, and combines, the texts concerned, making only those formal amendments required by the consolidating operation itself.

COM(95) 598

## Plant health

1.3.24. Proposals for Council Directives on: the marketing of seed potatoes (consolidated version of Directive 66/403/EEC); the marketing of beet seed (consolidated version of Directive 66/400/EEC); the marketing of seed of oil and fibre plants (consolidated version of Directive 69/208/EEC); and the marketing of fodder plant seed (consolidated version of Directive 66/401/EEC).

### Directives to be consolidated:

Council Directive 66/403/EEC on the marketing of seed potatoes (OJ L 25, 11.7.1966), as last amended by Decision 95/65/EC: OJ L 56, 14.3.1995

Council Directive 66/400/EEC on the marketing of beet seed (OJ L 25, 11.7.1966), Council Directive 69/208/EEC on the marketing of seed of oil and fibre plants (OJ L 169, 10.7.1969) and Council Directive 66/401/EEC on the marketing of fodder plant seed (OJ L 25, 11.7.1966), as last amended by the Act of Accession of Austria, Finland and Sweden: OJ C 241, 29.8.1994; Bull. 6-1994, point 1.3.15; OJ L 1, 1.1.1995

*Adopted by the Commission on 11 December.* With a view to clarifying Community law and making it more transparent, the Directives effect legislative consolidations of Council Directives 66/403/EEC, 66/400/EEC, 69/208/EEC and 66/401/EEC, which have been amended several times. The consolidations faithfully follow the substance of, and combine, the texts concerned, making only those formal amendments required by the consolidating operation itself.

COM(95) 622

1.3.25. Proposals for Council Directives on: the marketing of vegetable seed (consolidated version of Directive 70/458/EEC); the marketing of cereal seed (consolidated version of Directive 66/402/EEC); and the common catalogue of varieties of agricultural plant species (consolidated version of Directive 70/457/EEC).

### Directives to be consolidated:

Council Directive 70/458/EEC on the marketing of vegetable seed (OJ L 225, 12.10.1970) and Council Directive 70/457/EEC on the common catalogue of varieties of agricultural plant species (OJ L 225, 12.10.1970), as last amended by the Act of Accession of Austria, Finland and Sweden: OJ C 241, 29.8.1994; Bull. 6-1994, point 1.3.15; OJ L 1, 1.1.1995

Council Directive 66/402/EEC on the marketing of cereal seed (OJ L 25, 11.7.1966), as last amended by Directive 95/6/EC: OJ L 67, 25.3.1995

*Adopted by the Commission on 11 December.* With a view to clarifying Community law and making it more transparent, the Directives effect legislative consolidations of Council Directives 70/458/EEC, 66/402/EEC and 70/457/EEC, which have been amended several times. The consolidations faithfully follow the substance of, and combine, the texts concerned, making only those formal amendments required by the consolidating operation itself.

COM(95) 628

1.3.26. Proposal for a Council Directive amending Council Directive 76/895/EEC of 23 November 1976 relating to the fixing of maximum levels for pesticide residues in and on fruit and vegetables; Council Directive 86/362/EEC of 24 July 1986 on the fixing of maximum levels for pesticide residues in and on cereals; Council Directive 86/363/EEC of 24 July 1986 on the fixing of maximum levels for pesticide residues in and on foodstuffs of animal origin; and Council Directive 90/642/EEC of 27 November 1990 on the fixing of maximum levels for pesticide residues in and on certain products of plant origin, including fruit and vegetables.

**Commission proposal:** OJ C 201, 5.8.1995; COM(95) 272; Bull. 6-1995, point 1.3.32

*Economic and Social Committee opinion delivered on 20 December.* The Committee endorses the proposed amendments. It also hopes that research will lead to environmentally more favourable crop-growing methods.

## Freedom to provide services

### Financial services

1.3.27. Proposal for a Parliament and Council Directive amending Directive 89/647/EEC with respect to the supervisory recognition of contracts for novation and netting agreements.

**Commission proposal:** OJ C 142, 25.5.1994; COM(94) 105; Bull. 4-1994, point 1.2.38

**Economic and Social Committee opinion:** OJ C 393, 31.12.1994; Bull. 9-1994, point 1.2.28

**Parliament opinion (first reading):** OJ C 56, 6.3.1995; Bull. 1/2-1995, point 1.3.15

**Amended Commission proposal:** OJ C 165, 1.7.1995; COM(95) 170; Bull. 5-1995, point 1.3.19

**Council common position:** OJ C 288, 30.10.1995; Bull. 9-1995, point 1.3.14

*Amended by Parliament (second reading) on 14 December.* Drafting amendment.

OJ C 17, 22.1.1996

1.3.28. Proposal for a Parliament and Council Directive on cross-border credit transfers.

**Commission proposal:** OJ C 360, 17.12.1994; COM(94) 436; Bull. 11-1994, point 1.2.21

**Parliament opinion:** OJ C 151, 19.6.1995; Bull. 5-1995, point 1.3.17

**Economic and Social Committee opinion:** OJ C 236, 11.9.1995; Bull. 5-1995, point 1.3.17

**Amended Commission proposal:** OJ C 199, 3.8.1995; COM(95) 264; Bull. 6-1995, point 1.3.38

**Additional Economic and Social Committee opinion:** OJ C 301, 13.11.1995; Bull. 9-1995, point 1.3.12

**Council agreement on a common position:** Bull. 9-1995, point 1.3.12

*Common position formally adopted by the Council on 4 December.*

OJ C 353, 30.12.1995

## Intellectual property

1.3.29. Proposal for a Parliament and Council Directive on the legal protection of biotechnological inventions.

**Reference:** Rejection of the proposal by Parliament: OJ C 68, 20.3.1995; Bull. 3-1995, point 1.3.17

*Adopted by the Commission on 13 December.*

The proposal incorporates Parliament's ethical concerns and demands for clarity, which lay behind its rejection in March 1995 of the joint Parliament-Council text drawn up by the Conciliation Committee during the discussion of the proposal on the same subject originally put forward by the Commission in 1988.

The new proposal provides a stable legislative framework, which will make it possible to use

research results and market a new generation of products, and a legal guarantee concerning the ethical aspects of the protection of the human body.

The main points are as follows:

□ the proposal makes a clear distinction between a discovery, which is not patentable, and an invention, and sets out the conditions under which an invention may be patented; since the patentability of elements of human origin is ruled out, the words 'as such', which had caused confusion during the discussions on the initial proposal, have been deleted;

□ the proposal unequivocally rules out germ line gene therapy on humans (alteration of the genetic code of an unborn individual in the context of *in vitro* fertilization) and sets out the criteria for determining whether an animal may be patented;

□ it provides for the direct introduction into patent law of farmer's privilege as regards breeding stock (the possibility for a farmer to use part of his breeding stock to renew his herd). This provision thus enables biotechnology operators to know in which areas of research or development investment may be profitable.

COM(95) 661

1.3.30. Proposal for a Parliament and Council Directive on the legal protection of databases.

**Commission proposal:** OJ C 156, 23.6.1992; COM(92) 24; Bull. 1/2-1992, point 1.3.14

**Economic and Social Committee opinion:** OJ C 19, 25.1.1993; Bull. 11-1992, point 1.3.40

**Parliament opinion (first reading):** OJ C 194, 19.7.1993; Bull. 6-1993, point 1.2.32

**Amended Commission proposal:** OJ C 308, 15.11.1993; COM(93) 464; Bull. 10-1993, point 1.2.26

**Council agreement on a common position:** Bull. 6-1995, point 1.3.42

**Council common position:** OJ C 288, 30.10.1995; Bull. 7/8-1995, point 1.3.25

*Amended by Parliament (second reading) on 14 December.* Drafting amendments.

OJ C 17, 22.1.1996

## Taxation

### *Direct and indirect taxation*

1.3.31. Own-initiative Economic and Social Committee opinion on direct and indirect taxation.

*Adopted on 21 December.* As regards indirect taxation, the Committee takes the view that the degree of harmonization of VAT is sufficiently high, although there are still problems, particularly where services are concerned. It is in favour of a standard rate and a reduced rate and expresses the hope that the harmonization of rates will help to reduce direct taxation on labour. It also supports the general application of the principle of taxation in the country of origin and expresses the hope that the definitive arrangements will be introduced only if clear benefits can be identified which are of sufficient magnitude to warrant the cost of change. In the case of company taxation, the Committee takes the view in particular that a European convention on double taxation is necessary to replace the current bilateral agreements.

### *Indirect taxation*

1.3.32. Proposal for a Council Directive amending Directive 77/388/EEC on the common system of value-added tax (taxation of agricultural outputs).

**Commission proposal:** OJ C 389, 31.12.1994; COM(94) 584; Bull. 12-1994, point 1.2.37

**Economic and Social Committee opinion:** OJ C 236, 11.9.1995; Bull. 5-1995, point 1.3.20

*Endorsed by Parliament on 12 December*, subject to an amendment requiring the Commission to have a study carried out on the potential impact on employment creation of fiscal instruments, and in particular a reduced VAT rate for services entailing a high intensity of low-skilled labour employed in sectors with a social, cultural or ecological dimension.

OJ C 17, 22.1.1996

1.3.33. Proposal for a Council Directive amending Directive 77/388/EEC on the common system of value-added tax (level of the standard rate).

**Directive to be amended:** Sixth Council Directive 77/388/EEC (OJ L 145, 13.6.1977), as last amended by Directive 95/7/EC: OJ L 102, 3.5.1995; Bull. 4-1995, point 1.3.17

*Adopted by the Commission on 20 December.* The proposal seeks to set the minimum and maximum levels of the standard rate of VAT at 15% and 25% respectively during the period from 1 January 1997 to 31 December 1998. The

setting of such a range, already applied *de facto* by the Member States, will make it possible to consolidate the operation of the single market from a tax point of view, both with regard to the transitional arrangements currently applicable and with an eye to the introduction of the definitive VAT arrangements.

COM(95) 731

## Competition

### Rules applying to businesses

#### *General rules*

1.3.34. Draft Commission notice on the non-imposition or the mitigation of fines in cartel cases.

*Adopted on 6 December.* In this draft, which it is submitting to the Member States as part of the normal consultation process, the Commission advocates a system enabling it to put an end to cartels — whether of the price-fixing or market-sharing variety — these being among the most serious breaches of the European competition rules. By artificially pushing up prices, such practices have a negative impact both on consumers and on client companies.

Under the system it is advocating, the Commission intends no longer to fine firms party to an illegal cartel which furnish it with detailed information about the cartel, provided four conditions are met:

- at the time when the firm comes forward, either the Commission has not received any information about the cartel, or, if it has received information, it does not have sufficient proof to impose fines;
- the firm is the first one to cooperate;
- the firm provides the Commission with all the documentation and evidence in its possession concerning the cartel and cooperates fully throughout the investigation;
- the firm has not forced any other firm to take part in the cartel and was neither a ringleader in, nor an originator of, the illegal activity.

The Commission also proposes to grant substantial reductions in fines (of up to 50% of the usual amount) in the case of firms which were not ringleaders and which, once the investigation is completed, are the first to come forward, provide confirmation that the infringement took place, or accept the facts as alleged. The fact that leniency is granted in respect of fines cannot, however, shield a firm from the civil-law consequences of its participation in a cartel.

OJ C 341, 19.12.1995

## Mergers

### Commission decisions under the Merger Control Regulation

**Reference:** Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings: OJ L 395, 30.12.1989 (corrected version: OJ L 257, 21.9.1990); Bull. 12-1989, point 2.1.78; Supplement 2/90 — Bull.

#### *Johnson Controls/Roth Frères*

*1.3.35. Adopted on 5 December.* The decision authorizes Johnson Controls to acquire Roth Frères.

The transaction involves the acquisition by Johnson Controls of Roth Frères and its subsidiary Société Industrielle Roth Frères. The main sector concerned is that of the production of complete seats and seat components for cars. In view of the negotiating strength of car manufacturers and the presence throughout the Community of competitors with significant market shares, the Commission has concluded that the transaction will neither create nor strengthen a dominant position.

#### *RTZ/CRA*

*1.3.36. Adopted on 7 December.* The decision approves the merger between RTZ Corporation plc and CRA Ltd.

RTZ and CRA have entered into agreements aimed at combining their businesses and management in a dual listed company (DLC) structure. DLCs are corporate entities whose shares are traded, not as a single group, but through

two separate publicly quoted companies maintaining separate identities but to all intents and purposes acting as one company.

Until 1978, RTZ controlled CRA. Under the terms of an agreement on naturalization of CRA with the Australian Government, RTZ's shareholding in CRA was gradually reduced from over 70% to its current level of 49%. As a result of the agreement, RTZ has only a minority presence on CRA's board and insignificant voting rights at shareholders' meetings.

The business activities of both undertakings are mining and metal production. After the operation the new entity will be the world's largest mining group. However, the new entity will face competition from other international mining groups with substantial resources. The bulk of its activities will be conducted outside the European Union, and because of the complementary nature of the parties' businesses there are few areas of overlap between them in the European Economic Area. The Commission has accordingly decided not to oppose the merger, declaring it compatible with the common market and with the functioning of the EEA Agreement.

#### *Montedison/Groupe Vernes/SCI*

*1.3.37. Adopted on 8 December.* The decision authorizes Montedison to acquire a stake in SCI.

Montedison has acquired the shares held by the Gardini family in Société Centrale d'Investissements (SCI). SCI, a French holding company with interests in various sectors including the food and drink industry, the media and real estate.

Prior to the transaction, SCI was jointly controlled by Gardini and Groupe Vernes. It will now be jointly controlled by Montedison and Groupe Vernes. The only area of activity in which Montedison and SCI are both active is agri-foodstuffs. There is no overlap, however, because SCI has controlling interests only in chocolate and meat, these being sectors in which Montedison is not present.

*Charterhouse/Porterbrook Leasing Company and Angel Train Contracts/GRS Holding/Nomura*

*1.3.38. Adopted on 11 December.* The decisions authorize, firstly, the acquisition of Porterbrook Leasing by the Charterhouse Group, and secondly, the acquisition of Angel Train Contracts/GRS Holding by Nomura.

These transactions are taking place against the background of the privatization of British Rail. They consist in the acquisition, on the one hand, of Porterbrook Leasing and, on the other, of Angel Train Contracts, two of the three passenger train rolling-stock companies previously owned by British Railways Board.

Each of these three companies has a market share of approximately 33%, each having received an equal share of the existing passenger rolling-stock of the same level of obsolescence. Each of them has leased equipment of equal value for the same length of time to the 25 rail transport companies.

The rolling-stock companies are being sold in order to introduce competition into the market for the supply of passenger rolling-stock. It may appear at first sight from the three companies' market shares that competition might be restricted. It should be borne in mind, however, that, when the leasing agreements come up for renewal, the rail transport companies will be able to choose between the various passenger train rolling-stock suppliers. What is more, there will be no regulatory restrictions or special requirements for the grant of licences (apart from safety-related ones) such as might prevent other operators from entering the market.

*Elsag Bailey/Hartmann & Braun AG*

*1.3.39. Adopted on 20 December.* The decision authorizes the acquisition of all the shares and voting rights in Hartmann & Braun AG by Elsag Bailey Process Automation NV. Elsag Bailey is majority-owned by Finmeccanica SpA, a subsidiary of IRI, the Italian State-owned conglomerate.

Both companies are leading suppliers of industrial process control equipment (used, for example, in the petrochemical, power generation,

chemical, pharmaceutical and food and drink industries). The transaction does not give rise to any objections because (a) the parties' combined market share will not come to more than 10% and (b) a number of other major suppliers such as Siemens, ABB, Honeywell, Foxboro-Eckardt, Fisher-Rosemount, Endress & Hauser and Yokogawa are already active rivals on the market.

*Gencor/Lonrho*

*1.3.40. Adopted on 20 December.* The decision initiates the second stage of investigation.

The Commission has decided to initiate a detailed investigation into the proposed merger of the PGM (platinum group metals) interests of Gencor and Lonrho. Although these interests are located in South Africa, both Gencor and Lonrho have substantial operations in the European Union. At this stage, the Commission considers that the scope of the geographic market for PGMs is worldwide.

The merger involves share exchanges between the two companies with respect to Impala Platinum Holdings Limited ('Implats'), Eastern Platinum Limited ('Eastplats') and Western Platinum Limited ('Westplats').

The operation will result in Lonrho receiving new shares in Implats, to be listed on the Johannesburg and London Stock Exchanges. Following the issue of the new shares Gencor and Lonrho will each hold about 32% of the shares in Implats, the remainder being held by third parties.

The decision to initiate the second stage of investigation was taken in the light of the possible impact of the merger on competition in the PGM market.

*SBG/Rentenanstalt*

*1.3.41. Adopted on 20 December.* The decision finds that the acquisition of UBS Vie by Schweizerische Lebensversicherungs-und Rentenanstalt/Swiss Life (Swiss Life) has no Community dimension.

The Commission has decided that the acquisition of UBS Vie by Swiss Life has no Community dimension because only the latter achieves a

total turnover in the Community in excess of ECU 250 million.

Swiss Life is a Swiss insurance company which sells mainly life assurance. UBS Vie develops and sells integrated banking and insurance services.

The notified transaction consists in the acquisition of 50% of the shares in UBS Vie by Swiss Life. The shares are being sold by Union des Banques Suisses, which is keeping the remaining 50%.

UBS Vie will be controlled by Swiss Life, which will exercise a decisive influence over the board of UBS Vie inasmuch as it will decide matters having a bearing on the latter's business strategy. Consequently, in examining the Community dimension of the transaction, only the turnover of Swiss Life and UBS Vie is to be taken into account. The thresholds laid down in Article 1 of the Merger Control Regulation have not been reached, hence the finding that the transaction is not caught by the Regulation.

#### *Alumix/Alcoa*

*1.3.42. Adopted on 21 December.* The decision authorizes the US company Aluminum Company of America ('Alcoa') to acquire the Italian company Alumix SpA ('Alumix'), which is currently owned by EFIM.

The transaction forms part of the privatization programme for EFIM, a corporation wholly owned by the Italian Government and currently being compulsorily wound up. It consists in the acquisition by Alcoa of all of Alumix's aluminium interests with the exception of a small part of its flat-rolled products business (the manufacture of ingots). Alcoa is also acquiring Alumix's 6% stake in Halco Mining Company, a Delaware company engaged in bauxite mining in Guinea through Compagnie des bauxites de Guinée.

Alcoa is a vertically integrated company with interests throughout the world. It is the world's leading aluminium producer. Alumix is also a vertically integrated company and it carries on essentially the same activities as Alcoa. These are centred on the European, and more especially the Italian, market.

The Commission's assessment covered the following sectors: primary aluminium, flat-rolled

aluminium products (plates, sheets and strips) and extruded aluminium products (soft alloy extrusions and hard alloy extrusions), and took into account the acquisition by Alcoa of Alumix's holding in Halco Mining. The Commission has come to the conclusion that the proposed acquisition will neither create nor strengthen a dominant position on any of the relevant markets inasmuch as Alcoa will face competition on each of them from large companies such as Alcan, Pechiney, Alusuisse, VAW and Hoogovens. Special plates for the aircraft industry have been excluded from the enquiry as Alumix does not currently produce any.

The decision adopted under the Merger Control Regulation does not, however, cover the proceedings in respect of Alumix under the State aid rules.

#### *Bayerische Landesbank/Bank für Arbeit und Wirtschaft*

*1.3.43. Adopted on 21 December.* The decision authorizes the formation of a joint venture between Bayerische Landesbank and the Austrian Trade Union Federation.

The Commission has approved plans by Bayerische Landesbank (BLB) to acquire 30.66% of the shares in Bank für Arbeit und Wirtschaft (BAWAG) from Konsum Österreich and 15% of these same shares from the Austrian Trade Union Federation (ÖGB).

Henceforth, BLB and the majority shareholder ÖGB will exercise joint control over BAWAG since important decisions concerning the strategy of the joint venture must be taken with the agreement of both parties.

The joint venture as notified will result in only a marginal addition of market shares, and then only on a few of the relevant markets. This is because BLB and BAWAG carry on their activities on different geographic markets and their respective customer structures are dissimilar.

The Commission has accordingly decided not to oppose the joint venture.

#### *Channel Five*

*1.3.44. Adopted on 22 December.* The decision finds that the Channel Five transaction is not a 'concentration'.

The Commission has decided that the formation of the company which is to operate the Channel Five television franchise in the United Kingdom

is not caught by the Merger Control Regulation. The case will therefore be examined under Article 85 of the EC Treaty.

Channel Five has four parent companies: MAI, a British producer and distributor of television programmes; Pearson Television, a major programme producer which includes Thames Television, Grundy and ACI; CLT, a Luxembourg-based broadcaster with interests in several European countries; and Warburg Pincus, an investment company based in the United States.

Under the terms of an agreement between the four parent companies, some matters will require the consent of each of them. The matters covered by the agreement are not sufficiently important to warrant a finding of joint control within the meaning of the Merger Control Regulation. There are also insufficient grounds for concluding that there is *de facto* joint control. The Commission has accordingly decided that the transaction does not fall within the Regulation's scope.

#### *Demag/Komatsu*

*1.3.45. Adopted on 21 December.* The decision authorizes the formation of a joint venture between Mannesmann Demag AG and Komatsu Ltd in the hydraulic excavator sector.

Mannesmann Demag and Komatsu will each hold 50% of the joint venture, which is to be called Demag Komatsu GmbH. Based in Germany, it will develop, manufacture and distribute large hydraulic excavators intended primarily for use in the mining and quarrying industry.

Within the Community, the transaction will result in only a slight increase in market shares owing to Komatsu's small share of the Community market for large hydraulic excavators. Mannesmann Demag, on the other hand, is one of the three leading European producers in this sector. American and Japanese manufacturers are active in the Community. The transaction will strengthen the parties' position outside the Community, especially in relation to large mining companies in North and South America, Australia, South Africa and Asia. It will neither create nor strengthen a dominant position in the Community market.

#### *Philips/Origin*

*1.3.46. Adopted on 22 December.* The decision authorizes Philips to acquire sole control of the Dutch company Origin.

The transaction concerns mainly the markets for information technology software and the provision of information technology services.

Philips is a company active in the electronics sector. Through its Communication & Processing ('C & P') group, Philips is also present in the market for the provision of information technology services. The bulk of the activities of Philips' C & P group involves the supply of processing services.

Origin is a group of companies controlled by the holding company BSO, which is active in the IT services supply sector. Origin provides mainly systems management, systems integration and consultancy services. Only a small part of its business involves the provision of processing services.

In the light of the various possible market definitions (consultancy services, operational support services, applications development services and processing services), and bearing in mind the parties' small combined market share and the presence of major competitors such as EDS, IBM, CSC and ICL, the Commission has concluded that the transaction does not create or strengthen a dominant position.

#### *Leisureplan*

*1.3.47. Adopted on 22 December.* The decision authorizes the formation of a joint venture between Leisureplan, Thomas Cook and Philips Media Services.

Through this transaction, Leisureplan (Pty) Ltd, Thomas Cook Group Ltd and Philips Media Services BV acquire joint control of LPI Limited by purchasing shares in a newly created company constituting a joint venture.

Leisureplan (Pty) Ltd is a South African company active in the development of multimedia software for travel planning. Thomas Cook Group Ltd is a British firm active in the travel services sector. Philips Media Services BV is a



Dutch company active in the development of software for applications in the publishing and media sectors. LPI Ltd is a British company active in the development of a multimedia travel services information system intended for professional travel agents.

There will be vertical links between Thomas Cook, Philips Media and LPI Ltd, but they will not be exclusive. LPI Ltd will be creating a new market inasmuch as it is the first to introduce this type of product in Europe.

#### *Lyonnaise des eaux/Northumbrian Water*

*1.3.48. Adopted on 21 December.* The decision authorizes the takeover of Northumbrian Water by Lyonnaise des eaux.

The Commission has approved the takeover bid by Lyonnaise des eaux (Lyonnaise) for Northumbrian Water Group plc (Northumbrian).

Lyonnaise is a multinational French group active mainly in water distribution, sewage treatment, waste collection and disposal, energy, building and other public works. Northumbrian is active mainly in water distribution and sewage treatment in north-east England.

The water and sewage industries in England and Wales were privatized in 1989, when licences were granted. Ten licence holders are responsible for both water supply and sewage treatment and 21 for water supply alone. Each licence holder is entrusted with a certain geographic area and has a near monopoly in that area.

The Commission considers, in line with its previous practice, that in such a case companies compete in two different ways. Firstly, at the time when the licence is granted. And secondly, at the level of the geographic areas in which they enjoy a monopoly in so far as UK legislation authorizes, under certain conditions, the practice of 'inset appointments' whereby a company may supply water outside its area to a large customer who so requests.

With regard to the first aspect, after the takeover, Lyonnaise will hold two out of about 30 licences in England and Wales. This represents a supply of water to about 8% of customers by area. There will be other comparable

companies, whether currently present in the water distribution market or not, capable of obtaining a licence. As for the second aspect, in the Commission's opinion it is irrelevant here as neither Northumbrian nor the neighbouring Lyonnaise-controlled company has ever received a request concerning inset appointments. The takeover accordingly does not pose any problems from a competition angle.

#### *Ericsson/Ascom II*

*1.3.49. Adopted on 22 December.* The decision authorizes the formation of a joint venture between Ericsson et Ascom.

The joint venture will be active in the wireless business telecommunications sector, and in particular in the development, manufacture, sale and installation of on-site paging systems and equipment, a market in which both parent companies have hitherto operated.

An enquiry conducted among the parties' customers and among competitors in the on-site paging market has shown that the joint venture will face significant competition from existing players, whether they be powerful multinationals such as Philips, Bosch or Motorola, or companies specializing in paging systems such as Multitone.

The market is characterized, especially in the public sector, by the presence of sophisticated customers who are in a strong bargaining position and frequently employ tendering procedures when awarding contracts. The Commission has also taken account of the competitive pressure from other wireless telecommunications technologies such as cordless telephony.

The Commission has concluded in the light of all these factors that the transaction neither creates nor strengthens a dominant position and has accordingly given it the go-ahead.

#### *Minorco/Tilcon*

*1.3.50. Adopted on 22 December.* The decision authorizes the acquisition of sole control of Tilcon Holdings Limited by Minorco.

Minorco is an international group active in the natural resources sector whose main areas of activity are: gold, base metals, industrial minerals, paper and packaging, and agri-foodstuffs.

Tilcon is a UK-based company active in the market for the supply of quarry products, concrete, mortar and industrial minerals.

The transaction concerns *inter alia* the quicklime, aggregates and coated materials businesses of Minorco and Tilcon in the United Kingdom. The relevant geographic market for quicklime is the United Kingdom, where Minorco is currently market leader with a share of about 30%. This market share will increase only marginally as a result of the transaction as Tilcon is only a minor player. The parties will face competition from a number of large companies. The markets for aggregates and coated materials are local, and in none of them does the combined market share exceed 25%. A large number of quarries and coating plants could supply these local markets. The Commission has accordingly decided not to oppose the transaction.

#### *British Telecom/VIAG*

*1.3.51. Adopted on 22 December.* The decision authorizes the formation between British Telecom and VIAG of a joint venture known as VIAG Interkom.

The 50:50 joint venture will be based in Germany and will manage the telecommunications activities of BT and VIAG in that country. The idea is that it will act as an alternative supplier on the German telecommunications market.

VIAG Interkom will compete with Deutsche Telekom. Given the market strength of Deutsche Telekom and the existence of other groups which are trying to penetrate the German market, there is no likelihood of a dominant position being created.

#### *Röhm/Ciba-Geigy — TFL Ledertechnik*

*1.3.52. Adopted on 22 December.* The decision authorizes the formation of a joint venture between Veba AG and Ciba-Geigy AG in the area of chemicals for leathers and skins.

Control over the joint venture will be exercised, on the one hand, by Röhm GmbH and Chemische Fabrik Stockhausen, both of which are owned by Veba, and, on the other, by Ciba-Geigy. The parties will merge in the joint ven-

ture, TFL Ledertechnik, all their world businesses in the field of chemicals and special dyes used in the manufacture and processing of leathers and skins. The transaction is a follow-up to the cooperation agreement concluded in 1994, which was scrutinized by the Commission under Article 85.

The transaction will result in an overlap of activities only in the dressing agents sector in Italy, although the combined market share will still be less than 15%. Major competitors with bigger market shares are BASF, Bayer, Biochimica and Clariant. In view of the large number of competitors and the parties' small market shares, the transaction will have only a minor impact on the market. The Commission has accordingly given it the go-ahead.

#### **Decisions under Article 66(2) of the ECSC Treaty**

**Reference:** Commission Decision 94/257/ECSC concerning aid to be granted by Portugal to the steel company Siderurgia Nacional: OJ L 112, 3.5.1994; Bull. 4-1994, point 1.2.62

#### *Usinor Sacilor/Hoogovens/SN-Planos*

*1.3.53. Adopted on 20 December.* The decision authorizes the Usinor Sacilor and Hoogovens groups to acquire 90% of the shares in Siderurgia Nacional — Empresa de Produtos Planos, SA.

Against the background of the restructuring of the Portuguese State-owned steel industry, Siderurgia Nacional Empresa de Produtos Planos, SA (SN-Planos) was set up at the end of March 1994 following the division of Siderurgia Nacional (SN) into three separate companies (SN-Serviços, SN-Longos and SN-Planos) in accordance with the restructuring plan adopted by the Commission.

Under Law 278/94 of 4 November 1994, the Portuguese Government decided to open a procedure for the privatization of the above three companies. After a call for tenders the Portuguese authorities chose, for the sale of SN-Planos, the bid submitted by the Usinor Sacilor and Hoogovens groups.

SN-Planos specializes in the production and marketing of coated, cold-rolled flat products

(cold-rolled sheet, galvanized sheet and tinplate).

To effect the purchase of SN-Planos, the Usinor Sacilor group, through Sollac and its subsidiary SNPPP (Société Nouvelle de Participation dans les Produits Plats), and the Hoogovens group, both directly and through its subsidiaries Belfin and Mercial, formed a 50:50 joint venture called Lusosider-Projectos Siderurgicos, SA (Lusosider), which, when the transaction is completed, will hold 90% of the shares in SN-Planos. The remaining 10% will be held initially by the Portuguese State holding company Siderurgia Nacional SGPS SA, with a view to its subsequent sale to the workforce.

In the products affected by the transaction (cold-rolled sheet, galvanized sheet and tinplate), the position of SN-Planos will not, following its affiliation to Hoogovens and Usinor Sacilor, be significantly strengthened compared with what it was prior to the transaction.

In the light of the above, the proposed transaction will not give the new group the power to evade the rules of competition instituted under the ECSC Treaty, in particular by establishing an artificially privileged position. The acquisition therefore fulfils the conditions for authorization laid down in Article 66(2) of the ECSC Treaty and the Commission has accordingly granted it clearance.

#### *Riva/Freire/SN-Longos*

*1.3.54. Adopted on 7 December.* The decision authorizes the Riva and Freire groups to acquire 80% of the shares in Siderurgia Nacional — Empresa de Produtos Longos, SA.

Against the background of the restructuring of the Portuguese State-owned steel industry, Siderurgia Nacional — Empresa de Produtos Longos, SA (SN-Longos) was set up at the end of March 1994 following the division of Siderurgia Nacional (SN) into three separate companies (SN-Serviços, SN-Longos et SN-Planos) in accordance with the restructuring plan adopted by the Commission.

Under Law 278/94 of 4 November 1994, the Portuguese Government decided to open a procedure for the privatization of the above three

companies. After a call for tenders the Portuguese authorities chose, for the sale of SN-Longos, the bid submitted by the Riva and Freire (Megasa) groups.

SN-Longos specializes in the production and marketing of hot-rolled long products (wire rod and concrete reinforcing bars).

To effect the purchase of SN-Longos, the Riva group, through its subsidiary Erisider Holland BV, and the Freire group, through its subsidiary Metalurgica Galaica SA (Megasa), formed a 50:50 joint venture called Atlansider which, when the transaction is completed, will hold 80% of the shares in SN-Longos. Half of the remaining 20% will be held by SN-Serviços, the other half being held by minor shareholders.

Market shares in respect of the relevant products (wire rod and concrete reinforcing bars) will not be altered significantly by the transaction.

In the light of the above, the proposed transaction will not give the new group the power to evade the rules of competition instituted under the ECSC Treaty, in particular by establishing an artificially privileged position. The acquisition therefore fulfils the conditions for authorization laid down in Article 66(2) of the ECSC Treaty and the Commission has accordingly granted it clearance.

#### **Decisions under Council Regulation (EEC) No 3975/87**

**Reference:** Council Regulation (EEC) No 3975/87 laying down the procedure for the application of the rules on competition to undertakings in the air transport sector: OJ L 374, 31.12.1987

#### *Premiair*

*1.3.55. Adopted on 18 December.* This case concerns an agreement providing for the establishment of a new airline, Premiair, headquartered in Denmark and jointly owned on a 50/50 basis by Scandinavian Leisure Group AB (SLG) and Simon Spies Holding A/S (Spies). Its main activity is to provide air transport services for four operators owned by SLG and Spies. Such services used to be supplied by two separate airlines belonging to the two groups, Scanair in the case of SLG and Conair in that of Spies, these airlines having now ceased trading.

The Commission has concluded that there are no serious doubts as to the exemptability of the agreement within the meaning of Article 5(3) of

Council Regulation (EEC) No 3975/87, and the agreement has accordingly been granted exemption for six years starting on 7 October 1995, the date of publication of the relevant Commission notice in the Official Journal.

## State aid

### General rules

*1.3.56.* Commission decisions and other measures in respect of State aid in agriculture are dealt with under the relevant subject heading (→ points 1.3.161 to 1.3.164).

*1.3.57.* Draft Community framework for State aid for research and development.

**Previous framework:** OJ C 83, 11.4.1986; Bull. 3-1986, points 1.1.1 to 1.1.6

**Reference:** Parliament and Council Decision No 1110/94/EC concerning the fourth framework programme of European Community activities in the field of research and technological development and demonstration (1994-1998): OJ L 126, 18.5.1994; Bull. 4-1994, point 1.2.69

*Adopted on 20 December.* Under the future rules governing the monitoring of State aid for research and development in the European Union, preference will be given to projects of benefit to SMEs in general and to businesses investing in the less developed regions of the Union or which fit into the 1994-98 framework programme for research and technological development with its specific priorities.

While, as a rule, the allowable level of aid is 25% of total eligible costs in the case of applied research projects and 50% in the case of fundamental research projects, bonuses may also be available for projects involving SMEs (an extra 10%), less favoured regions (an extra 10% or more) and projects undertaken as part of the priorities of the R&TD framework programme (an extra 15%). The allowable aid intensity may also be increased for projects which provide spin-off for the Community economy as a whole, such as cross-border cooperation, cooperation between universities and industry, and wide dissemination of research results. If it is established that a competitor in a non-Community country has received more aid, the new rules will enable that amount to be taken into account.

They will make it possible, where justified by the general interest and where the Commission's authorization has been secured, to reach the aid ceilings for R&D laid down in the final act of the Uruguay Round, i.e. 50% for applied research and 75% for fundamental research.

The new framework will significantly reduce red tape inasmuch as Member States will need to notify far fewer aid cases of secondary importance to the Commission. Prior notification will be required only for individual research projects costing more than ECU 25 million in receipt of more than ECU 5 million in aid.

*1.3.58.* Council Regulation on aid to shipbuilding.

**Directive replaced:** Seventh Council Directive 90/684/EEC on aid to shipbuilding (OJ L 380, 30.12.1990; Bull. 12-1990, point 1.3.64), as last amended by Council Directive 94/73/EC: OJ L 351, 31.12.1994; Bull. 12-1994, point 1.2.64

**Commission proposal:** OJ C 304, 15.11.1995; COM(95) 410; Bull. 7/8-1995, point 1.3.54

**Economic and Social Committee opinion:** Bull. 11-1995, point 1.3.44

**European Parliament opinion:** OJ C 339, 18.12.1995; Bull. 11-1995, point 1.3.44

*Amended proposal adopted by the Commission on 14 December.*

COM(95) 701

*Adopted by the Council on 21 December.* The Regulation provides that the OECD Agreement, which has been ratified by the Community, will be implemented by the latter once it has been ratified by all the parties concerned, and by 1 October 1996 at the latest. Meanwhile, the rules of the seventh Directive will continue to apply.

*1.3.59.* Commission decision revising the shipbuilding production aid ceiling.

**Reference:** Seventh Council Directive 90/684/EEC on aid to shipbuilding (OJ L 380, 30.12.1990; Bull. 12-1990, point 1.3.64), as last amended by Council Directive 94/73/CE: OJ L 351, 31.12.1994; Bull. 12-1994, point 1.2.64

*Adopted on 20 December.* The Commission has decided to maintain the shipbuilding aid ceiling at 9% pending the entry into force of the OECD Agreement, or until 1 October 1996, whichever is the earlier. The rate is reduced to 4.5% for ships with a contract value of less than

ECU 10 million and for conversions, although this reduction does not apply to ships built for domestic use in Greece.

### *Decisions to raise no objection*

#### **Motor vehicles**

**Reference:** Community framework on State aid to the motor vehicle industry: OJ C 123, 18.5.1989; OJ C 81, 26.3.1991; OJ C 36, 10.2.1993

#### *Spain*

1.3.60. Commission decision on aid for Ford España.

*Adopted on 20 December.* The Commission has decided not to object to the grant of PTA 5 717.83 million (ECU 35.86 million) of aid to Ford España SA to finance certain aspects of a development and production project at a plant in Almusafes, Valencia, involving an entirely new petrol engine for small and medium-sized cars. The total investment will come to PTA 104.6 billion (ECU 645.6 billion). The aid will benefit a set of individual projects in the areas of research and development, innovation, environmental protection, energy efficiency and training, in relation to which its intensity will be 14.2%. In relation to the total cost of the project, the aid intensity is 5.8%.

The Commission takes the view that the aid can be authorized as it satisfies the criteria for such projects set out in the framework on State aid to the motor vehicle industry.

#### **Environment**

**Reference:** Community guidelines on State aid for environmental protection: OJ C 72, 10.3.1994; Bull. 12-1993, point 1.2.73

#### *Netherlands*

1.3.61. Commission decision on aid measures contained in the legislation introducing an energy tax.

*Adopted on 20 December.* The Commission has decided to approve the aid measures contained in Dutch legislation introducing an energy tax

after finding that the legislation is in keeping with its guidelines on taxation and State aid in environmental matters.

The Commission's approval does not apply, however, to firms in the steel industry, for which a separate decision will be taken. The Dutch Government will, if necessary, amend its legislation when a CO<sub>2</sub>/energy tax is introduced at Community level and will renotify the measures to the Commission after three years.

### *Decision partially to raise no objection and partially to initiate proceedings under Article 93(2) of the EC Treaty*

#### **Austria**

1.3.62. Commission decision on aid to sports equipment manufacturer Head Tyrolia Mares.

**Reference:** Community guidelines on State aid for rescuing and restructuring firms in difficulty: OJ C 368, 23.12.1994; Bull. 7/8-1994, point 1.2.42

*Adopted on 20 December.* Head Tyrolia Mares (HTM), which manufactures and markets sports equipment, is active both in Europe and worldwide. Having incurred heavy losses for a number of years, it has received several capital injections from the State-owned company Austria Tabakwerke (AT) with a view to preventing it from going bankrupt. The first such capital injection, of OS 400 million, was made in April 1995. In order to enable it to be taken over by a group of international investors for a symbolic price of OS 10 million, HTM then received from AT a capital grant of OS 1 190 million (ECU 90 million).

The Commission considers that, given the firm's precarious position, AT's assistance constitutes State aid. It has decided to initiate Article 93(2) proceedings to see whether HTM's restructuring plan is acceptable and whether the aid is in keeping with the Community guidelines on State aid to firms in difficulty.

With a view to covering the firm's liquidity requirements while the proceedings are under way, the Commission has decided to authorize the grant, for the period from April 1995 to June 1996, of rescue aid totalling OS 1 273 million in the form of commercial interest bearing loans.

## Spain

1.3.63. Commission decision on aid to various shipyards.

### References:

Seventh Council Directive 90/684/EEC on aid to shipbuilding (OJ L 380, 31.12.1990; Bull. 12-1990, point 1.3.64), as last amended by Council Directive 94/73/EC: OJ L 351, 31.12.1994; Bull. 12-1994, point 1.2.64

Agreement respecting normal competitive conditions in the commercial shipbuilding and repair industry: Bull. 12-1994, point 1.2.82

*Adopted on 20 December.* The Commission has decided to authorize aid totalling PTA 89 104 million (ECU 557 million) in the form of loss compensation for the AESA, Barreras, Astano, Juliana and Astander shipyards belonging to the State holding company Agencia industrial del Estado (AIE). It takes the view that the aid, which is intended to support the programme for the restructuring of State-owned shipyards during the period 1995-98, complies both with the terms of the derogation granted to Spain under the OECD Agreement on normal competitive conditions and with Article 5a of the shipbuilding aid Directive.

On the other hand, the Commission has decided to initiate Article 93(2) proceedings in respect of PTA 48 billion of aid in the form of tax credits. This aid is unjustified inasmuch as the loss-making situation of the shipyards and of AIE implies the non-existence of profits, and it is therefore incompatible both with the Community Directive and with the OECD Agreement.

### *Decisions to initiate proceedings under Article 93(2) of the EC Treaty*

## Germany

1.3.64. Commission decision on aid to the machine tool manufacturer Gildemeister, located in Bielefeld, North Rhine-Westphalia.

**Reference:** Community guidelines on State aid for rescuing and restructuring firms in difficulty: OJ C 368, 23.12.1994; Bull. 7/8-1994, point 1.2.42

*Adopted on 13 December.* The decision initiates proceedings in respect of a number of financial measures which have benefited Gildemeister

AG, a manufacturer of machine tools: Westdeutsche Landesbank Girozentrale has waived outstanding claims on the company amounting to DM 47 million; interest relief has been granted on a loan of DM 15 million in connection with the takeover by Gildemeister of the Bavarian company Deckel/Maho, which likewise makes machine tools; and guarantees have been given on a loan of DM 20 million and an increase in capital of DM 34 million.

On the information currently available to the Commission it would appear that these measures are linked to the restructuring of Gildemeister and do not comply with the Community guidelines on State aid for rescuing and restructuring firms in difficulty. Nor has it been clearly shown that the takeover of Deckel-Maho led to a reduction in production capacity.

1.3.65. Commission decision on aid to Bestwood E. F. Kynder, located in Mecklenburg-Western Pomerania.

**Reference:** Community guidelines on State aid for rescuing and restructuring firms in difficulty: OJ C 368, 23.12.1994; Bull. 7/8-1994, point 1.2.42

*Adopted on 20 December.* The decision initiates proceedings in respect of measures to assist Bestwood E. F. Kynder GmbH, which makes particle and fibre board in Mecklenburg-Western Pomerania; Bestwood is currently in serious difficulty, after being privatized by the Treuhandanstalt privatization agency in 1991. The aid takes the form of a long-term low-interest loan of DM 5 million, and a guarantee of DM 25 million given to the Nord LB bank to cover the risk associated with its holding in Bestwood's capital. The proceedings also query the German authorities' intention of waiving claims on the company amounting to DM 100 million. The measures do not appear to comply with the Community guidelines on State aid for rescuing and restructuring firms in difficulty.

1.3.66. Commission decision on aid to Gemeinnützige Abfallverwertung, operating in North Rhine-Westphalia.

*Adopted on 20 December.* Gemeinnützige Abfallverwertung GmbH is a non-profit-making organization which employs a large number of people who have had difficulty finding work (of 58 employees, 14 are disabled and 29 have suf-

ferred long-term unemployment); it collects and recycles industrial and commercial waste, mainly paper and packaging. In 1992, it received an investment grant of DM 2.7 million towards the construction of a shed for storing recyclable waste, and every year it receives subsidies towards staff training, which have totalled DM 483 832 since 1992.

The Commission has now initiated proceedings in respect of all of these measures. Although GAV does not seek to make a profit, it nevertheless carries on a business in which it competes with a large number of commercial firms and in which there is competition across borders. The aid is consequently caught by the ban in Article 92(1) of the EC Treaty. As far as the Commission can tell, at present it does not qualify for any of the exemptions from the ban which are set out in the Treaty. The German authorities have not shown that the annual subsidies merely offset extra social costs. The investment grant of DM 2.7 million does not appear to be justified by extra social costs or on any other grounds.

## Italy

1.3.67. Commission decision on aid to the Enirisorse group.

*Adopted on 20 December.* The Enirisorse group is a subsidiary of the public holding company ENI, and currently operates mainly in the lead and zinc industries; it is in serious difficulty, and is heavily indebted as a result of massive losses over many years. The Commission has decided to initiate proceedings in respect of an injection of LIT 1 800 billion into the group by the parent company ENI, designed to enable it to restructure over the period 1992-96. Out of this sum LIT 500 billion was intended to reduce the group's debts, LIT 800 billion was intended to cover losses arising out of the liquidation of certain companies and the closure of certain establishments, and LIT 500 billion was to cover other costs. The Commission considers that these injections of capital by ENI constitute State aid which does not appear to qualify for any of the exemptions from the ban on State aid which are laid down in the Treaty.

## Decisions to terminate proceedings

### Spain

1.3.68. Commission decision on aid to the motor industry.

**Initiation of proceedings:** Bull. 9-1995, point 1.3.38

*Adopted on 20 December.* The Commission has decided to require Spain, with effect from 1 January 1996, to give it advance notification under Article 93(3) of all cases in which State aid is to be granted to motor manufacturers towards projects costing over ECU 17 million, whether under one-off measures or under existing, authorized or newly-introduced schemes.

The Commission has taken this decision in order to avoid the adverse consequences which would ensue if the Community framework on State aid to the motor vehicle industry, which has recently been reintroduced, were not to be applied in one Member State. The decision finds that the Spanish authorities have not shown that there are exceptional circumstances which stand in the way of the application of the framework.

### *Exemption from Community policy on aid to the steel industry (Article 95 of the ECSC Treaty)*

### Ireland

1.3.69. Draft Commission decision on aid to Irish Steel.

**Commission draft:** Bull. 10-1995, point 1.3.82  
**Consultation of the ECSC Consultative Committee:** Bull. 10-1995, point 1.3.82

*Resolution adopted by Parliament on 15 December.*

OJ C 17, 22.1.1996

*Agreed in principle by the Council on 20 December.*

*Assent No 13/95 given by the Council on 22 December.*

OJ C 13, 18.1.1995

## International cooperation

1.3.70. Agreement respecting normal competitive conditions in the commercial shipbuilding and repair industry.

**Commission proposal:** OJ C 375, 30.12.1994; COM(94) 460; Bull. 11-1994, point 1.2.57

**Council decision concluding the agreement:** Bull. 12-1994, point 1.2.82

**Signing of the Agreement:** Bull. 12-1994, point 1.2.82

*This OECD agreement was ratified by the European Community on 11 December.*

OJ C 355, 30.12.1995

## Industrial policy

### Individual industries

#### *Steel*

1.3.71. Draft forward programme for steel for the first half of 1996 and for 1996 as a whole.

**Previous programme:** Bull. 6-1995, point 1.3.77

*Adopted by the Commission (first reading) on 15 December.* The Commission noted a steep increase in steel consumption in 1994 and during the first half of 1995, brought about by an upturn in the activity of the main consumer industries. However, in view of the marked slowdown in growth after mid-1995, coupled with a tendency to reduce the stocks accumulated previously, a significant fall in the apparent consumption of steel should be recorded in the Community, followed by a measure of recovery in the second half of the year. Steel prices are expected to be lower at the end of 1995 but should stabilize in 1996, when the balance between supply and demand will be restored.

In view of these trends, actual steel consumption in the European Union is estimated at 74 million tonnes — 1.6% lower than for the same period in 1995. Apparent steel consumption should drop more sharply, by 7.9%, to a level of 72 million tonnes, given that imports are expected to fall by approximately 19% and exports should enjoy a temporary recovery. Equilibrium production is therefore estimated at 78 million tonnes.

For 1996 as a whole, actual steel consumption is estimated at 145 million tonnes, i.e. 1.4% up on 1995.

*ECSC Consultative Committee consulted on 19 December.*

## Enterprise policy

1.3.72. The European Council has asked the Commission to put into practice, as part of the next integrated programme for SMEs, the aims set out in its report on the role of SMEs as a dynamic source of employment, growth and competitiveness in the European Union (→ *point 1.10*).

### Small and medium-sized businesses

1.3.73. Commission report on the future operation of the information and cooperation networks in the framework of enterprise policy.

**Reference:** Commission communication on the implementation of an integrated programme in support of small and medium-sized businesses (SMEs) and the craft sector: COM(94) 207; Bull. 6-1994, point 1.2.79

*Adopted by the Commission on 5 December.* In its report, issued in connection with the integrated programme for SMEs, the Commission assesses the various existing information networks (Euro-Info Centres) and cooperation networks (the Business Cooperation Network and the Business Cooperation Centre). It then analyses the prospects for future operations and for inter-network synergy, either between the existing networks or with other information networks developed by the Commission.

COM(95) 435

1.3.74. Economic and Social Committee opinions on the Commission communication to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on the Third Annual Report (1995) of the European Observatory for SMEs.

**Commission communication:** COM(95) 526; Bull. 11-1995, point 1.3.70

*Adopted by the Economic and Social Committee on 20 December.*



The Committee called for a more precise definition of SMEs, better homogeneity in the data available and more rapid updating of the report.

## Research and technology

### General

1.3.75. Commission Green Paper on innovation.

#### References:

Commission White Paper on growth, competitiveness and employment: COM(93) 700, Bull. 12-1993, point 1.2.44; Supplement No 6/93 — Bull.

Commission communication to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions entitled 'An industrial competitiveness policy for the European Union': COM(94) 319, Bull. 9-1994, point 1.2.67; Supplement No 3/94 — Bull.

*Adopted by the Commission on 20 December.* In this Green Paper, the Commission takes stock of the many obstacles to innovation which represent a serious handicap for European businesses and employment. Among the most significant obstacles, it identifies in particular inadequate and disperse research and development input, and the difficulty of translating the results of this input into new products and services. It also stresses the existence of an unfavourable legal and regulatory environment, in particular with regard to the protection of intellectual property rights, problems with financing (lack of investment devoted to high technology and absence of a stock market specializing in high-growth and/or high-technology enterprise securities) and an unfavourable tax environment. As a result of these obstacles to the competitiveness and employment objectives set in its White Paper on growth, competitiveness and employment and in its communication on an industrial competitiveness policy, the Commission wishes, with this Green Paper to pave the way for a genuine European strategy to promote innovation. It therefore invites all the players concerned to take part in a wide-ranging debate on the priorities and lines of action needed to remove the obstacles to innovation in Europe.

The Commission identifies 13 lines of action:

- developing technology watch and prospective studies;
- better directing research efforts towards innovation;
- developing initial and further training, in particular by creating a European system of certification for technical and vocational skills;
- furthering the mobility of students and researchers, in particular by awarding the title 'European research worker' to those who have been significantly involved in Community programmes and to increase the involvement of nationals from other Member States in the management of research and technology centres;
- promoting the recognition of the benefits of innovation;
- improving the financing of innovation, in particular by gearing the European Investment Fund more to the funding of innovation (venture capital);
- setting up a fiscal regime beneficial to innovation;
- promoting the protection of intellectual and industrial property rights;
- simplifying administrative procedures;
- creating a favourable legal and regulatory framework;
- developing 'economic intelligence', i.e. coordinated research, processing and distribution of information useful to economic operators;
- encouraging innovation in enterprises, especially SMEs, and strengthening the regional dimension of innovation;
- updating public action for innovation.

COM(95) 688

### Framework programme 1994-98

1.3.76. Proposal for a Council Decision adopting a supplementary research programme to be implemented by the Joint Research Centre for the European Atomic Energy Community.

**Commission proposal:** COM(95) 549; Bull. 11-1995, point 1.3.75

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

## International cooperation

### *Israel*

1.3.77. Draft Agreement on scientific and technical cooperation between the European Community and Israel.

**Negotiating directives:** Bull. 9-1994, point 1.2.99

*Recommendation for a Decision on the signing of the Agreement adopted by the Commission on 14 December.*

COM(95) 664

### *Canada*

1.3.78. Draft Agreement on scientific and technical cooperation between the European Community and Canada.

**Commission recommendation:** Bull. 12-1992, point 1.3.115

**Negotiating directives:** Bull. 4-1993, point 1.2.69

**Commission proposal concerning signature:** COM(94) 551; Bull. 12-1994, point 1.2.103

**Signature:** Bull. 6-1995, point 1.3.86

**Proposal for a Decision concluding the Agreement:** OJ C 317, 28.11.1995; COM(95) 419; Bull. 9-1995, point 1.3.45

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

## Education, vocational training and youth

### Cooperation with non-member countries

#### *Cyprus and Malta*

1.3.79. Council Decisions on cooperation with Cyprus and Malta respectively in the fields of education, training and youth within the framework of the Leonardo, Socrates and Youth for Europe III programmes.

#### **References:**

Council Decision 94/819/EC establishing an action programme for the implementation of a European Community vocational training policy 'Leonardo da Vinci': OJ L 340, 29.12.1994; Bull. 12-1994, point 1.2.227

Parliament and Council Decision 95/818/EC adopting the third phase of the 'Youth for Europe' programme designed to promote the development of exchanges among young people and of youth activities in the Community: OJ L 87, 20.4.1995; Bull. 3-1995, point 1.3.71

Parliament and Council Decision 95/819/EC establishing the Community action programme 'Socrates': OJ L 87, 20.4.1995; Bull. 3-1995, point 1.3.69

**Commission recommendation:** Bull. 7/8-1995, point 1.3.84

*Adopted by the Council on 21 December.*

## Economic and social cohesion

### General

1.3.80. Council conclusions on integrated management of coastal zones.

#### **References:**

Fifth Community programme of policy and action in relation to the environment: OJ C 138, 17.5.1993; COM(92) 23; Bull. 3-1992, point 1.2.115

Commission communication on the integrated management of coastal zones: COM(95) 511; Bull. 10-1995, point 1.3.107

*Adopted on 18 December.* The Council stressed the need for a Community strategy for integrated planning and management of coastal zones as provided for in the fifth Community programme of policy and action in relation to the environment and welcomed the Commission's communication on the matter. It considered that the three-year demonstration programme announced by the Commission could play an important part in establishing a strategy for the integrated management of coastal zones, particularly in terms of consistency between the policies concerned

and coordination between the various levels of responsibility.

## Structural action, regional policies

### Policy aspects

#### General

*1.3.81.* Sixth annual report on the Structural Funds, 1994.

**Basic Regulation:** Council Regulation (EEC) No 2052/88 on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and other existing financial instruments: OJ L 185, 15.7.1988; Bull. 6-1988, point 2.1.159

**Previous report:** COM(95) 30; Bull. 3-1995, point 1.3.74

*Adopted by the Commission on 14 December.* In this report, the Commission takes stock of the implementation of the new programming period of the Structural Funds (1994-99), with a breakdown of structural action by country, objective and fund. It undertakes an evaluation of budget implementation in 1994, taking account of the coordination of the Structural Funds with other Community financial instruments and complementarity with other Community policies. The Commission also deals with the various aspects of the management of the Structural Funds, endeavouring to assess the impact of the accession of the three new Member States, progress in the dialogue with the other institutions and with the social partners and the development of information on the activities of the Structural Funds.

COM(95) 583

#### Structural action under Objective 4 (adaptation of workers to industrial changes and to changes in production systems)

##### Single programming document

#### Sweden

*1.3.82.* Draft Commission Decision approving a single programming document for Community structural funding in Sweden under Objective 4.

Bull. EU 12-1995

*Adopted on 6 December.* The single programming document, drawn up with the national authorities concerned, sets the following priorities:

- anticipation of changes in the labour market and analysis and planning of skills development;
- development of vocational training and guidance through projects in firms;
- promotion of the transfer of best practices and development of cooperation structures by means of networks.

The Community contribution will amount to ECU 173 million for the period 1995 to 1999.

#### Structural action under Objective 5a (adjustment of agricultural structures)

##### Single programming document

#### Austria

*1.3.83.* Commission Decision approving a single programming document for Community structural funding for improving the conditions under which agricultural products are processed and marketed in Austria (with the exception of the region of Burgenland covered by Objective 1) under Objective 5a for the period 1995 to 1999.

**Commission draft:** Bull. 11-1995, point 1.3.88

*Formally adopted on 15 December.*

#### Structural assistance under Objective 5a (adjustment of fisheries structures)

##### Legislative aspects

*1.3.84.* Proposal for a Council Regulation amending Regulation (EC) No 3699/93 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products.

*Adopted by the Commission on 5 December.* Would stabilize the amount of decommissioning aid for vessels more than 30 years old to encourage this operation which has become more difficult as the value of fishing rights associated with these vessels has risen.

COM(95) 627

### Financing

#### Community initiatives

*1.3.85.* Commission Decisions. Purpose: see Table 2.

Table 2 — *Financing of Community initiatives*

<i>(million ECU)</i>				
Initiative	Country/region or area	Fund	Total assistance	
Interreg	<i>Austria/Hungary</i>	ERDF/ESF	11	
	<i>Austria/Slovakia</i>	ERDF/ESF/EAGGF	5.5	
	<i>Austria/Slovenia</i>	ERDF/ESF/EAGGF	8.999	
	<i>Austria/Czech Republic</i>	ERDF/ESF/EAGGF	4.5	
	<i>Gibraltar/Morocco</i>	ERDF/ESF	0.71	
Kover	<i>Germany</i>			
	• Bremen	ERDF	4.470	
	• Bavaria	ERDF/ESF	12.67	
	• Berlin	ERDF/ESF	11.764	
	• Rhineland-Palatinate	ERDF/ESF	13.910	
	• Saarland	ERDF	1.240	
	• Schleswig-Holstein	ERDF/ESF	8.940	
	<i>France</i>			
	• Alsace	ERDF/ESF	4.252	
	• Aquitaine	ERDF/ESF	13.160	
	• Auvergne	ERDF/ESF	1.519	
	• Lower Normandy	ERDF/ESF	2.328	
	• Brittany	ERDF/ESF	5.163	
	• Centre	ERDF/ESF	4.151	
	• Champagne-Ardennes	ERDF/ESF	2.430	
	• Ile-de-France	ERDF/ESF	5.517	
	• Languedoc-Roussillon	ERDF/ESF	3.138	
	• Limousin	ERDF	4.049	
	• Lorraine	ERDF	1.114	
	• Midi-Pyrénées	ERDF/ESF	4.049	
	• Nord-Pas-de-Calais	ERDF	1.114	
	• Picardy	ERDF/ESF	9.415	
	• Poitou-Charentes	ERDF	1.519	
	• Provence-Alpes-Côte d'Azur	ERDF/ESF	5.872	
	• Rhône-Alpes	ERDF	2.227	
	<i>Belgium</i>			
	• Brussels	ERDF	1.727	
	<i>Greece</i>	ERDF/ESF	12.907	
	<i>United Kingdom</i>	ERDF/ESF	101.943	
	Leader II	<i>Austria</i>		
		• Burgenland	ERDF/ESF/EAGGF	2.57
		<i>France</i>		
	• Brittany	ERDF/ESF/EAGGF	14.09	
• Provence-Alpes-Côte d'Azur	ERDF/ESF/EAGGF	12.06		

Initiative	Country/region or area	Fund	Total assistance
SMEs	<i>Italy</i>		
	• Umbria	ERDF/ESF/EAGGF	8.41
	• Tuscany	ERDF/ESF/EAGGF	14.81
	<i>Germany</i>		
	• Thüringen	ERDF/ESF	29
	• Bavaria	ERDF	6.97
Rechar II	<i>France</i>		
	• Corsica	ERDF/ESF	49.165
		ERDF	6.285
		ERDF/ESF	3.04
	<i>Portugal</i>	ERDF/ESF	123.977
REGIS II	<i>Germany</i>		
	• Saarland	ERDF/ESF	6.26
	<i>France</i>		
	• Languedoc-Roussillon	ERDF/ESF	1.012
	• Midi-Pyrénées	ERDF/ESF	1.146
	• Lorraine	ERDF/ESF	10.93
Resider II	<i>Italy</i>		
	• Tuscany	ERDF	0.901
	<i>United Kingdom</i>		
• North West	ERDF/ESF	6.904	
REGIS II	<i>France</i>		
• Réunion	ERDF/ESF/EAGGF/FIFG	115.56	
RETEX	<i>Belgium</i>		
	• Liège	ERDF	12.530
URBAN	<i>France</i>		
	• Lorraine	ERDF/ESF	31.109
	<i>Germany</i>		
• Thüringen	ERDF/ESF	9.56	
• Lower Saxony	ERDF/ESF	1.8	
	<i>United Kingdom</i>	ERDF/ESF	32.4
	<i>Germany</i>		
• Duisburg	ERDF	8.1	

**Other financing**

1.3.86. Commission Decisions. Purpose: see Table 3.

Table 3 — *Other financing*

<i>(million ECU)</i>			
Type	Purpose	Fund	Total assistance
Conference	Europartenariat Northern Scandinavia Lulea 1996 — Sweden	ERDF	1.897
Project	Marketing for the internationalization of SMEs	ERDF	0.600
	Improving the quality of Objective 2 programmes through exchange of experience	ERDF	0.080
Seminar	Exchange of experience project — R&TD, information society and regional development — Germany	ERDF	0.105
	The promotion of new employment initiatives in the context of a regional development strategy: a challenge for industrial conurbations in Germany, France and United Kingdom — United Kingdom	ERDF	0.125
	Improving programme management of Objective 2 — Sweden	ERDF	0.035
Report	Report on Mediterranean economics	ERDF	0.100

**Cohesion Fund***Planning and orientation*

1.3.87. Economic and Social Committee Opinion on the cohesion financial instrument and the annual Commission report.

**References:**

Annual Commission report: COM(95) 1; Bull. 1/2-1995, point 1.3.80

Supplement to the Commission report: COM (95) 22; Bull. 6-1995, point 1.3.105

Parliament resolution: OJ C 183, 17.7.1995; Bull. 6-1995, point 1.3.105

*Adopted on 20 December.* Welcoming the Commission's annual report, the Committee stressed the need to establish a link between transport projects and environment projects as regards the total annual allocations.

*Financing*

1.3.88. Commission Decisions. Purpose: see Table 4.

Table 4 — *Financing under the Cohesion Fund*

<i>(million ECU)</i>	
Country/purpose	Total assistance
<i>Spain</i>	
• Environment	670.556
• Transport	43.123
<i>Greece</i>	
• Environment	110.778
• Transport	80.100
<i>Ireland</i>	
• Environment	83.681
• Transport	10.244
<i>Portugal</i>	
• Environment	207.851

## Outermost regions

### Canary Islands

**Reference:** Council Decision 91/314/EEC setting up a programme of options specific to the remote and insular nature of the Canary Islands (Poseican): OJ L 171, 29.6.1991; Bull. 6-1991, point 1.2.120

1.3.89. Council Regulation (EC) No 3012/95 amending Regulation (EEC) No 1605/92 temporarily suspending the autonomous Common Customs Tariff duties on imports of certain industrial products into the Canary Islands.

**Regulation amended:** Council Regulation (EEC) No 1605/92 temporarily suspending the autonomous Common Customs Tariff duties on imports of certain industrial products into the Canary Islands: OJ L 173, 15.6.1992; Bull. 6-1992, point 1.3.124

*Proposal adopted by the Commission on 7 December.*

COM(95) 698

*Adopted by the Council on 20 December.* Extends the period of application of Regulation (EEC) No 1605/92 until 31 March 1996.

OJ L 314, 28.12.1995

1.3.90. Proposal for a Council Regulation temporarily suspending the autonomous Common Customs Tariff duties on imports of certain industrial products into the Canary Islands.

*Adopted by the Commission on 14 December.* Would lay down detailed rules for the progressive application up to 31 December 2000 at the latest of the Common Customs Tariff duties to the Canary Islands and would maintain the suspension of duties during the same period for imports into the Canary Islands of a number of industrial products.

COM(95) 648

1.3.91. Proposal for a Council Regulation amending Regulation (EEC) No 1602/92 temporarily derogating from implementation of Community anti-dumping measures on imports into the Canary Islands of certain sensitive products.

**Regulation to be amended:** Council Regulation (EEC) No 1602/92 temporarily derogating from implementation of Community anti-dumping measures on imports into the Canary Islands of

certain sensitive products: OJ L 173, 27.6.1992; Bull. 6-1992, point 1.3.122

*Adopted by the Commission on 11 December.* Would give Canary Island importers another year to adjust to the new tariff arrangements being introduced.

COM(95) 649

## Trans-European networks

1.3.92. The European Council confirmed that trans-European networks can make an essential contribution to competitiveness, job creation and the cohesion of the European Union, and called upon the Member States to give top priority to the effective implementation of the projects identified by the Essen European Council as being of special importance, and upon the Council to supplement the financial resources available (→ point I.9).

## Transport

1.3.93. Proposal for a Parliament and Council Decision on Community guidelines for the development of the trans-European transport network.

**Commission proposal:** OJ C 220, 8.8.1994; COM(94) 106; Bull. 4-1994, point 1.2.76

**Committee of the Regions opinion:** OJ C 210, 14.8.1995; Bull. 9-1994, point 1.2.101

**Economic and Social Committee opinion:** OJ C 397, 31.12.1994; Bull. 11-1994, point 1.2.84

**Amended Commission proposal:** OJ C 97, 20.4.1995; COM(95) 48; Bull. 1/2-1995, point 1.3.83

**Parliament opinion (first reading):** OJ C 151, 19.6.1995; Bull. 5-1995, point 1.3.61

**Amended Commission proposal:** COM(95) 298; Bull. 6-1995, point 1.3.110

**Council agreement on a common position:** Bull. 6-1995, point 1.3.110

**Formal adoption by the Council of a common position:** Bull. 9-1995, point 1.3.62

*Amendments adopted by Parliament (second reading) on 13 December.* Parliament put forward many amendments aimed in particular at ensuring that greater account is taken of envi-

ronmental protection requirements at Community and national level and at strengthening inland waterway and maritime transport. In many of its amendments it also proposed amending the list of priority projects.

OJ C 17, 22.1.1996

*1.3.94.* Proposal for a Council Directive on the interoperability of the European high-speed network.

**Commission proposal:** OJ C 134, 17.5.1994; COM(94) 107; Bull. 4-1994, point 1.2.75

**Committee of the Regions opinion:** OJ C 210, 14.8.1995; Bull. 9-1994, point 1.2.100

**Economic and Social Committee opinion:** OJ C 397, 31.12.1994; Bull. 11-1994, point 1.2.83

**Parliament opinion (first reading):** OJ C 43, 20.2.1995; Bull. 1/2-1995, point 1.3.84

**Amended Commission proposal:** OJ C 203, 8.8.1995; COM(95) 271; Bull. 6-1995, point 1.3.111

**Council agreement on a common position:** Bull. 6-1995, point 1.3.111

*Common position formally adopted by the Council on 8 December.*

## Energy

### General

#### *Review and simplification of legislation*

*1.3.95.* Parliament resolution on the Commission report on a review of Community energy legislation and the Commission communication concerning the repeal of several legislative texts.

**References:**

Commission report and communication: COM (95) 391; Bull. 7/8-1995, point 1.3.102

Economic and Social Committee opinion: Bull. 10-1995, point 1.3.126

*Adopted by Parliament on 15 December.* Parliament approved the repeal/maintenance of the legislative texts identified by the Commission, considering that, in the interests of transparency, Community energy law needs to be streamlined.

OJ C 17, 22.1.1996

*1.3.96.* Proposal for a Council Regulation repealing Regulation (EEC) No 388/75 on notifying the Commission of exports of crude oil and natural gas to third countries.

**Commission proposal:** COM(95) 391; Bull. 7/8-1995, point 1.3.102

**Economic and Social Committee opinion:** Bull. 10-1995, point 1.3.126

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

*1.3.97.* Proposal for a Council Regulation repealing Regulation (EEC) No 1055/72 on notifying the Commission of imports of crude oil and natural gas.

**Commission proposal:** COM(95) 391; Bull. 7/8-1995, point 1.3.102

**Economic and Social Committee opinion:** Bull. 10-1995, point 1.3.126

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

*1.3.98.* Proposal for a Council Regulation repealing Regulation (EEC) No 1038/79 on Community support for a hydrocarbon exploration project in Greenland.

**Commission proposal:** COM(95) 391; Bull. 7/8-1995, point 1.3.102

**Economic and Social Committee opinion:** Bull. 10-1995, point 1.3.126

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

*1.3.99.* Proposal for a Council Decision repealing Recommendation 79/167/ECSC, EEC, Euratom on the reduction of energy requirements for buildings in the Community.

**Commission proposal:** COM(95) 391; Bull. 7/8-1995, point 1.3.102

**Economic and Social Committee opinion:** Bull. 10-1995, point 1.3.126

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

*1.3.100.* Proposal for a Council Regulation on notifying the Commission of investment projects of interest to the Community in the petroleum, natural gas and electricity sectors.

**Commission proposal:** COM(95) 118; Bull. 7/8-1995, point 1.3.103



**Economic and Social Committee opinion:** Bull. 10-1995, point 1.3.127

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

## Community energy strategy

### General

1.3.101. Commission White Paper 'An energy policy for the European Union'.

#### References:

Council Decision 94/806/EC adopting a specific programme for research and technological development, including demonstration, in the field of non-nuclear energy: OJ L 334, 22.12.1994; Bull. 11-1994, point 1.2.70

Commission Green Paper 'For a European Union energy policy': COM(94) 659; Bull. 1/2-1995, point 1.3.85

*Adopted by the Commission on 13 December.* Following wide-ranging consultation on the Green Paper of January 1995, the White Paper sets out the Commission's guidelines for energy policy in the years ahead. It takes account of such new factors as the emergence of environmental concerns, technological development, a greater external dimension and the definition of the European Community's institutional responsibilities regarding energy, and puts forward an indicative five-year action programme built around mutually agreed strategic goals towards which Community and national energy policies should converge:

- *market integration:* the central thrust of energy policy is to create a general framework to ensure the internal energy market functions properly and to take account of the diversity of market structures and the supply and demand situation in Member States;
- *management of energy dependency:* security of supply must remain a constant concern given the political situation in certain major supplying countries and the worldwide increase in energy consumption;
- *promotion of sustainable development:* concern for environmental protection and competitiveness calls for a balanced approach based, in the long term, *inter alia*, on the internalization of external costs and on economic instruments, including fiscal measures;
- *development of technology and research:* advanced energy technology may contribute sig-

nificantly to sustainable development, diversification of energy sources and energy production, notably through the specific programme of research and technological development in the field of non-nuclear energy.

Furthermore, referring to the limits of the existing legal framework and without prejudice to the outcome of the intergovernmental conference as regards possible insertion of more specific energy provisions into the EC Treaty, the Commission indicates that it will use all the provisions of that Treaty and all the instruments available to it to attain the strategic objectives and ensure that the national policies contribute effectively towards it.

COM(95) 682

### Promotion of energy efficiency

1.3.102. Proposal for a European Parliament and Council Directive on energy efficiency requirements for household electric refrigerators, freezers and their combinations.

**Reference:** Council Decision 91/565/EEC concerning the promotion of energy efficiency (SAVE I): OJ L 307, 8.11.1991; Bull. 10-1991, point 1.2.62

**Commission proposal:** OJ C 390, 31.12.1994; COM(94) 521; Bull. 12-1994, point 1.2.108

**Economic and Social Committee opinion:** OJ C 155, 21.6.1995; Bull. 4-1995, point 1.3.85

**Parliament opinion (first reading):** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.3.129

*Amended proposal adopted by the Commission on 8 December.*

COM(95) 638

*Agreement with a view to a common position adopted by the Council on 20 December.* This proposal, made under the SAVE programme, sets minimum standards of energy efficiency for household refrigeration appliances, thereby helping to reduce CO<sub>2</sub> emissions. The common position provides that Member States must take all necessary measures to ensure that refrigeration appliances covered by the Directive can be placed on the Community market only if their electricity consumption is less than or equal to the maximum electricity consumption value allowed for the category.

1.3.103. Proposal for a Council Decision concerning the promotion of energy efficiency in the Community (SAVE II).

**Commission proposal:** COM(95) 225; Bull. 5-1995, point 1.3.63

*Endorsed by the Economic and Social Committee on 20 December*, subject to certain observations on the need to encourage information at all levels, provide for integrated operations, take account of the objectives of reducing CO<sub>2</sub> emissions and ensure energy cohesion in the European Union and the participation of the countries of the Mediterranean basin on the same footing as the Central and East European countries.

## Individual sectors

### *Crude oil and petroleum products*

*1.3.104.* Council Regulation (EC) No 2964/95 introducing registration for crude oil imports and deliveries in the Community.

**Reference:** Council Regulation (EEC) No 1893/79, introducing registration for crude oil and/or petroleum product imports in the Community: OJ L 220, 30.8.1979, as last amended by Regulation (EEC) No 1370/90: OJ L 133, 24.5.1990; Bull. 5-1990, point 1.2.228

**Commission proposal:** COM(95) 89; Bull. 9-1995, point 1.3.67

*Adopted by the Council on 20 December.* Purpose: to replace the system for registering imports of crude oil set up by Regulation (EEC) No 1893/79, which expired on 31 December 1991. The new system is adapted to the trading conditions prevailing on international oil markets and follows the objective of improving and protecting the environment.

OJ L 310, 22.12.1995

## International cooperation

### *Argentina*

*1.3.105.* Draft cooperation agreement between the European Atomic Energy Community and Argentina on the peaceful uses of nuclear energy.

**Commission recommendation:** Bull.6-1995, point 1.3.118

*Negotiating directives adopted by the Council on 4 December.* The proposed agreement sets up cooperation between the EAEC and Argentina on the transfer of nuclear and non-nuclear materials, equipment and technology and on nuclear

research and development. The agreement will replace that signed in 1963, which expired on 5 November 1983.

### *European Energy Charter*

*1.3.106.* European Energy Charter Treaty.

**Signature of the Charter:** Bull. 12-1991, point 1.2.114

**Agreement of the contracting parties on the draft Treaty:** Bull. 6-1994, point 1.2.107

**Commission proposal and draft concerning the signing and provisional application of the Treaty:** OJ C 344, 6.12.1994; COM(94) 405; Bull. 9-1994, point 1.2.108

**Consultation of the ECSC Consultative Committee:** Bull. 10-1994, point 1.2.61

**Amended Commission proposals:** OJ C 372, 28.12.1994; COM(94) 557; Bull. 11-1994, point 1.2.93

**Decision concerning signature:** Bull. 11-1994, point 1.2.93

**Parliament opinion:** OJ C 18, 23.1.1995; Bull. 12-1994, point 1.2.110

**Decisions relating to provisional application:** OJ L 380, 31.12.1994; Bull. 12-1994, point 1.2.110

**Signature:** Bull. 12-1994, point 1.2.110

**Commission proposal concerning conclusion:** COM(95) 440; Bull. 9-1995, point 1.3.68

*Endorsed by the ECSC Consultative Committee on 19 December.*

*1.3.107.* European Energy Charter Treaty — Protocol on energy efficiency and related environmental aspects.

**Commission recommendation:** COM(94) 531; Bull. 11-1994, point 1.2.94

**Council Decision on the signing of the Protocol:** Bull. 11-1994, point 1.2.94

**Signature:** Bull. 12-1994, point 1.2.111

**Commission proposal concerning conclusion:** COM(95) 440; Bull. 9-1995, point 1.3.69

*Endorsed by the ECSC Consultative Committee on 19 December.*

## Transport

### Development of the common transport policy

#### *General*

*1.3.108.* Commission Green Paper entitled 'Towards fair and efficient pricing in transport'.

**Reference:** Conclusions of the Cannes European Council: Bull. 6-1995, point I.7

*Adopted by the Commission on 20 December.*  
The Commission, referring in particular to the conclusions of the Cannes European Council and noting the mounting concern about traffic congestion, pollution and accidents, stresses that increasing delays and costs in transport are likely. It therefore suggests introducing a system of fair and efficient pricing that takes account of the development of the real costs with a view to reducing the problems related to the use of road transport. The Commission hopes that this Green Paper will initiate a general debate on the approach to be adopted in this area, with due regard for the respective powers of the European Union and the Member States, in order to ensure the efficient functioning of the internal market and to safeguard the quality of life of Europe's citizens. It therefore identifies a number of steps that could be taken at Community or national level, which include:

- adjusting existing Community legislation on road charges for heavy goods vehicles;
- introducing electronically measured kilometre charges based on infrastructure damage and, possibly, other parameters;
- introducing road tolls in urban, congested or sensitive areas;
- introducing differentiated fuel taxes reflecting differences in fuel quality and differentiated vehicle taxes reflecting the environmental and noise characteristics of the vehicles;
- developing insurance systems covering all the costs of accidents, linking the premiums paid to the risks and the distance travelled;
- providing information on the safety performance of vehicles.

COM(95) 691

## Inland transport

### Rail transport

*1.3.109.* Proposal for a Council Directive on the approximation of the laws of the Member States with regard to the transport of dangerous goods by rail.

**Commission proposal:** OJ C 389, 31.12.1994; COM(94) 573; Bull. 12-1994, point 1.2.118  
**Economic and Social Committee opinion:** OJ C 236, 11.9.1995; Bull. 5-1995, point 1.3.69

**Parliament opinion (first reading):** OJ C 249, 25.9.1995; Bull. 7/8-1995, point 1.3.113

**Amended Commission proposal:** OJ C 313, 24.11.1995; COM(95) 424; Bull. 9-1995, point 1.3.70

**Council agreement on a common position:** Bull. 9-1995, point 1.3.70

*Common position formally adopted by the Council on 7 December.*

### Road transport

*1.3.110.* Proposal for a Council Directive amending Directive 91/439/EEC on driving licences.

**Directive to be amended:** Council Directive 91/439/EEC: OJ L 237, 24.8.1991; Bull. 7/8-1991, point 1.2.287, as last amended by Directive 94/72/EC: OJ L 337, 24.12.1994; Bull. 12-1994, point 1.2.120

**Commission proposal:** COM(95) 166; Bull. 5-1995, point 1.3.70

**Economic and Social Committee opinion:** OJ C 301, 13.11.1995; Bull. 9-1995, point 1.3.72

**Parliament opinion (first reading):** OJ C 323, 4.12.1995; Bull. 11-1995, point 1.3.112

*Common position agreed by the Council on 7 December.* Under the terms of the common position, the proposed Directive provides for the introduction, from 1 July 1996, of a new optional model driving licence in the form of a 'credit card' as an alternative to the paper model provided for by Council Directive 91/439/EEC. It defines, among other things, the information that Member States may show on the licence subject to the explicit agreement of the holder. The common position also provides that the new model will have a space for the possible introduction at a later stage, on the basis of a new Commission proposal, of a microprocessor or an equivalent device.

*Amended proposal adopted by the Commission on 14 December.*

COM(95) 708

*1.3.111.* Proposal for a Council Directive on admission to the occupation of road haulage operator and road passenger transport operator and mutual recognition of diplomas, certificates and other evidence of formal qualifications intended to facilitate for these operators the right to freedom of establishment in national and international transport operations.

**Directives to be consolidated:**

Council Directives 74/561/EEC and 74/562/EEC on admission, respectively, to the occupation of road haulage operator and road passenger transport operator in national and international transport operations: OJ L 308, 19.11.1974; Bull. EC 11-1974, point 2.2.82, as last amended by Regulation (EEC) No 3572/90: OJ L 353, 17.12.1990

Council Directive 77/796/EEC on the mutual recognition of diplomas, certificates and other evidence of formal qualifications for goods haulage operators and road passenger transport operators, including measures intended to encourage these operators effectively to exercise their right to freedom of establishment: OJ L 334, 24.12.1977, as last amended by Directive 89/438/EEC: OJ L 212, 22.7.1989; Bull. EC 6-1989, point 2.1.183

**Commission proposal:** OJ C 286, 14.11.1990; Bull. 10-1990, point 1.3.189

**Amended Commission proposal:** COM(93) 586; Bull. 12-1993, point 1.2.133

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.88

**Economic and Social Committee opinion:** OJ C 295, 22.10.1994; Bull. 6-1994, point 1.2.111

*Common position adopted by the Council on 7 December.* Purpose: to consolidate Council Directives 74/561/EEC, 74/562/EEC and 77/796/EEC in order to bring about greater simplicity and clarity of Community law in the field of admission to the occupation of road haulage operator and road passenger transport operator.

*1.3.112.* Proposal for a Council Directive laying down the maximum authorized weights and dimensions for road vehicles of more than 3.5 tonnes circulating within the Community.

**Commission proposal:** OJ C 38, 8.2.1994; COM(93) 679; Bull. 12-1993, point 1.2.132

**Economic and Social Committee opinion:** OJ C 295, 22.10.1994; Bull. 6-1994, point 1.2.109

**Parliament opinion (first reading):** OJ C 341, 5.12.1994; Bull. 11-1994, point 1.2.101

**Amended Commission proposal:** OJ C 247, 23.9.1995 and COM(95) 193

**Council agreement on a common position:** Bull. 9-1995, point 1.3.71

*Common position formally adopted by the Council on 8 December.*

*Inland waterway transport*

*1.3.113.* Council conclusions on the organization of the inland waterway transport market and supporting measures.

**Reference:** Commission communication on a common policy on the organization of the inland waterway transport market and supporting measures, accompanied by a proposal for a Council Directive on the systems of chartering and pricing in national and international inland waterway transport, a proposal for a Council Regulation amending Regulation (EEC) No 1101/89 on structural improvements in inland waterway transport and a proposal for a Council Regulation amending Regulation (EEC) No 1107/70 on the granting of aids for transport by rail, road and inland waterway: COM(95) 199; Bull. 5-1995, point 1.3.72

*Adopted by the Council on 7 December.* The Council agreed on the principle of liberalization of the inland waterway transport market by gradually limiting the scope of the rotation system in order to achieve freedom of chartering and pricing in inland waterway transport by 1 January 2000. It stressed the need for further substantial structural improvements in order to reduce the capacity of the active fleet by around 15%, while noting that the possibilities for funding such a measure have still to be defined.

*1.3.114.* Proposal for a Council Directive on the harmonization of the conditions for obtaining national boatmasters' certificates for the carriage of goods and passengers by inland waterway in the Community.

**Commission proposal:** OJ C 280, 6.10.1994; COM(94) 359; Bull. 9-1994, point 1.2.117

**Economic and Social Committee opinion:** OJ C 102, 24.4.1995; Bull. 1/2-1995, point 1.3.91

**Parliament opinion (first reading):** OJ C 68, 20.3.1995; Bull. 3-1995, point 1.3.99

**Council agreement on a common position:** Bull. 3-1995, point 1.3.99

*Common position formally adopted by the Council on 7 December.*

*1.3.115.* Council Regulation (EC) No 2819/95 amending Regulation (EEC) No 1101/89 on structural improvements in inland waterway transport.

**Regulation amended:** Regulation (EEC) No 1101/89 on structural improvements in inland waterway transport: OJ L 116, 28.4.1989; Bull. 4-1989, point 2.1.175, as last amended by Regulation (EC) No 3314/94: OJ L 350, 31.12.1994; Bull. 12-1994, point 1.2.121

**Commission proposal:** OJ C 292, 7.11.1995; COM(95) 200; Bull. 5-1995, point 1.3.73

**Economic and Social Committee opinion:** OJ C 301, 13.11.1995; Bull. 9-1995, point 1.3.75

**Parliament opinion (first reading):** OJ C 287, 30.10.1995; Bull. 10-1995, point 1.3.139

**Council common position:** OJ C 325, 6.12.1995; Bull. 11-1995, point 1.3.115

**Parliament opinion (second reading):** OJ C 339, 18.12.1995; Bull. 11-1995, point 1.3.115

*Adopted by the Council on 5 December.* Purpose: to create a legal basis making possible a Community contribution in 1995 to the national scrapping funds of the Member States concerned.

OJ L 292, 7.12.1995

**1.3.116.** Commission Regulation (EC) No 2839/95 allocating for 1995 the Community contribution to the scrapping funds referred to in Council Regulation (EEC) No 1101/89 on structural improvements in inland waterway transport.

**Reference:** Council Regulation (EEC) No 1102/89; OJ L 116, 28.4.1989; Bull. 4-1989, point 2.1.176, as last amended by Regulation (EC) No 3039/94; OJ L 322, 15.12.1994; Bull. 12-1994, point 1.2.122

*Adopted by the Commission on 8 December.* Purpose: to allocate for 1995 a financial contribution of ECU 5 million for the scrapping of dry cargo vessels, pusher craft and tankers on the common waiting list referred to in Council Regulation (EEC) No 1102/89.

OJ L 296, 9.12.1995

## Sea transport

**1.3.117.** Council resolution on short sea shipping: prospects and challenges.

### References:

Commission White Paper on the future development of the common transport policy: COM (92) 494; Bull. 12-1992, point 1.3.119

Commission communication entitled 'The development of short sea shipping in Europe: prospects and challenges': COM(95) 317; Bull. 7/8-1995, point 1.3.117

*Common position agreed by the Council on 8 December.* The Council approved the action programme contained in the Commission communication, stressing the advantages of short sea shipping for the European Union. It noted that the main objectives in this area are to achieve a balanced growth of this mode of transport and

positive and active integration of short sea shipping into the intermodal transport chain. The Council intends to pursue these objectives by encouraging action to promote the environmental benefits of short sea shipping, foster free and fair competition and improve the efficiency of port operations and formalities. It calls on the Commission and the Member States to set up a Community framework for short sea shipping and to promote the launch of initiatives benefiting this mode of transport.

**1.3.118.** Council Regulation (EC) No 3051/95 on the safety management of roll on/roll off passenger ferries.

**Commission proposal:** OJ C 298, 11.11.1995; COM(95) 28; Bull. 1/2-1995, point 1.3.92

**Economic and Social Committee opinion:** OJ C 236, 11.9.1995; Bull. 5-1995, point 1.3.76

**Parliament opinion (first reading):** OJ C 166, 3.7.1995; Bull. 6-1995, point 1.3.130

**Council agreement on a common position:** Bull. 6-1995, point 1.3.130

**Council common position:** OJ C 297, 10.11.1995; Bull. 9-1995, point 1.3.77

**Parliament opinion (second reading):** OJ C 339, 18.12.1995; Bull. 11-1995, point 1.3.118

*Re-examined proposal adopted by the Commission on 8 December.*

COM(95) 667

*Adopted by the Council on 8 December.* This Regulation provides for the mandatory implementation from 1 July 1996 of the International Safety Management Code (ISM code) adopted by the International Maritime Organization (IMO) through Resolution A.741 (18) to vessels and shipping companies operating to or from European Community ports. It also requires the shipping companies to establish a 'safety management system', the proper functioning of which must be verified regularly by the Member States.

OJ L 320, 30.12.1995

## Air transport

**1.3.119.** Proposal for a Council Directive on access to the groundhandling market at Community airports.

### References:

Council Regulations (EEC) No 2407/92, (EEC) No 2408/92 and (EEC) No 2409/92 on the

licensing of air carriers, on access for Community air carriers to intra-Community air routes and on fares and rates for air services respectively (third liberalization package): OJ L 240, 24.9.1992; Bull. 7/8-1992, point 1.3.98

Council Regulation (EEC) No 95/93 on common rules for the allocation of slots at Community airports: OJ C 14, 22.1.1993; Bull. 1/2-1993, point 1.2.108

Council Regulation (EEC) No 3089/93, amending Council Regulation (EEC) No 2299/89, on a code of conduct for computerized reservation systems (CRS): OJ L 278, 11.11.1993; Bull. 10-1993, point 1.2.85

**Commission proposal:** OJ C 142, 8.6.1995; COM(94) 590; Bull. 12-1994, point 1.2.124

**Economic and Social Committee opinion:** OJ C 301, 13.11.1995; Bull. 9-1995, point 1.3.79

**Parliament opinion (first reading):** OJ C 323, 4.12.1995; Bull. 11-1995, point 1.3.122

*Common position agreed by the Council on 7 December.* This proposal, which forms part of the measures accompanying the achievement of the single market in air transport and follows the adoption of Community rules for the allocation of slots and the operation of computerized reservation systems, is designed to enable European airlines to control their operating costs more effectively and to adapt their services more closely to their customers' needs.

Under the common position, the proposed Directive provides, among other things, for liberalization from 1 January 1998 of self-handling services in all airports for 'land-side' services and in airports with a traffic volume not less than 1 million passengers a year for 'air-side' services. In the case of handling for third parties, the agreement provides for the introduction of the measures from 1 January 1999 for airports with annual traffic of not less than 3 million passengers, and from 1 January 2001 for airports with annual traffic of not less than 2 million passengers. In the case of certain categories of services (baggage handling, ramp handling, fuelling, freight and mail handling), the proposed Directive provides for the possibility of limiting the number of authorized suppliers to 2. It also lays down the conditions under which Member States may make exemptions from these arrangements on account of space and capacity constraints.

*1.3.120.* Proposal for a Council Regulation on air carrier liability in case of air accidents.

*Adopted by the Commission on 20 December.* This proposal is designed to update at Commu-

nity level the system of air carrier liability set out in the 1929 Warsaw Convention which laid down several common standards and rules in this area, to strengthen the single market for air transport and to improve consumer protection at least cost to the airlines. It provides for introducing general principles intended in particular to abolish all restrictions on the liability of Community air carriers in the event of death, wounding or any other bodily injury, to introduce strict liability of the carrier of up to ECU 100 000 and to stipulate the obligation on the carrier to pay a lump sum of up to ECU 50 000 not later than 10 days after the accident. The proposal also gives victims the choice of bringing action before the court of the country where they or their next-of-kin have their domicile or permanent residence.

COM(95) 724

## International cooperation

### *Central and Eastern Europe*

*1.3.121.* Draft agreements between the European Community and certain third countries concerning the carriage of passengers and goods by road.

**Commission recommendation:** Bull. 12-1992, point 1.3.137

*Negotiating directives adopted by the Council on 7 December.* Purpose: to conclude two agreements concerning firstly, the carriage of goods in transit, with Hungary, Romania and Bulgaria in order to facilitate transport between Greece and the rest of the Community and, secondly, concerning occasional passenger transport, with practically all the countries of Central and Eastern Europe.

## Information society, telecommunications

### Telecommunications

*1.3.122.* Commission Directive amending Directive 90/388/EEC with regard to mobile and personal communications.

**Directive to be amended:** Commission Directive 90/388/EEC on competition in the markets for telecommunications services: OJ L 192, 24.7.1990; Bull. 6-1990, point 1.3.96, as last amended by Directive 95/51/EC: OJ L 256, 26.10.1995; Bull. 10-1995, point 1.3.143

**Commission draft:** OJ C 197, 1.8.1995; Bull. 6-1995, point 1.3.140

**Economic and Social Committee opinion:** Bull. 11-1995, point 1.3.131

*Resolution adopted by Parliament on 14 December.* Parliament welcomed both the principles and the objectives of the Commission's draft Directive and stressed, *inter alia*, the need for transparency in both the conditions for granting licences and the arrangements for the use by mobile systems operators of their right to interconnection.

OJ C 17, 22.1.1996

*Approved by the Commission on 20 December.* The Directive, based on Article 90 of the EC Treaty, extends the field of application of Directive 90/388/EEC to enable Member States to abolish the exclusive and special rights remaining in this sector and to put into place authorization procedures complying with Community law. It further provides for the removal of restrictions on the installations used for mobile networks and of obstacles to direct interconnection between such networks. The Commission will be called upon formally to adopt this Directive in due course.

**1.3.123.** Proposal for a Parliament and Council Directive relating to telecommunications terminal equipment and satellite earth station equipment, including the mutual recognition of their conformity.

**Directives to be consolidated:**

Council Directive 91/263/EEC on the approximation of the laws of the Member States concerning telecommunications terminal equipment and satellite earth station equipment, including the mutual recognition of their conformity: OJ L 128, 23.5.1991; Bull. 4-1991, point 1.2.49, as last amended by Directive 93/68/EEC: OJ L 220, 30.8.1993; Bull. 7/8-1995, point 1.2.1

Council Directive 93/97/EEC in respect of satellite earth station equipment: OJ L 290, 24.11.1993; Bull. 10-1993, point 1.2.88

*Adopted by the Commission on 6 December.* Purpose: to consolidate Council Directives 91/263/EEC and 93/97/EEC in a single text relating to satellite telecommunications terminal equip-

ment, including the mutual recognition of their conformity.

COM(95) 612

**1.3.124.** Parliament and Council Directive 95/62/EC on the application of open network provision (ONP) to voice telephony.

**Commission proposal:** OJ C 122, 18.5.1995; COM(94) 689; Bull. 1/2-1995, point 1.3.102

**Parliament opinion (first reading):** OJ C 151, 19.6.1995; Bull. 5-1995, point 1.3.83

**Economic and Social Committee opinion:** OJ C 236, 11.9.1995; Bull. 5-1995, point 1.3.83

**Council agreement on a common position:** Bull. 6-1995, point 1.3.142

**Council common position:** OJ C 281, 25.10.1995; Bull. 7/8-1995, point 1.3.129

**Parliament amendments (second reading):** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.3.145

**Commission opinion incorporating an amended proposal:** COM(95) 575; Bull. 11-1995, point 1.3.134

**Council approval:** Bull. 11-1995, point 1.3.134

*Signed by Parliament and the Council on 13 December.* The Directive provides for the harmonization of conditions for access to and use of fixed public telephone networks and public telephony services and for the availability throughout the Community of a harmonized voice telephony service. It lays down various provisions aimed, for example, at defining the rights of users of voice telephony services where relations with telecommunications organizations are concerned and improving their access to the infrastructure of public telephone networks.

OJ L 321, 30.12.1995

## Development of an information services market

**1.3.125.** Commission communication to the European Parliament and the Council concerning a multiannual Community programme to stimulate the development of a European multimedia content industry and to encourage the use of multimedia content in the emerging information society (INFO 2000), accompanied by a proposal for a Council Decision adopting this programme.

**Commission proposal:** COM(95) 149; Bull. 5-1995, point 1.3.84

*Economic and Social Committee opinion delivered on 21 December.* Favourable. The Commit-

tee nevertheless made a number of comments intended in particular to ensure that the socio-economic consequences of excessive mass-media concentration are not underestimated, to alter the distribution of the overall funding between the various action lines of the programme so as to trigger the greatest possible European potential and to reduce the number of possible projects, applying their workability as the criterion and giving priority to those of a social nature.

## Environment

*1.3.126.* The European Council welcomed the decisive role the Union has been playing internationally in defence of the environment, the agreements reached at Community level and the opening of a debate on an integrated approach to water management (→ point I.11).

## Public awareness, information and education

*1.3.127.* Proposal for a Council Decision on a Community action programme promoting non-governmental organizations primarily active in the field of environmental protection.

### References:

Joint declaration by Parliament, the Council and the Commission relating to the budgetary procedure: OJ C 194, 28.7.1982; Bull. 6-1982, point 2.3.1

Commission communication to the budgetary authority concerning legal bases and maximum amounts: Bull. 7/8-1994, point 1.4.1

Fifth Community programme of policy and action in relation to the environment and sustainable development: OJ C 138, 17.5.1993; COM (92) 23; Bull. 3-1992, point 1.2.115

*Adopted by the Commission on 8 December.* The purpose of this proposal is to provide a legal basis for granting subsidies, for the period 1996 to 1999, to European non-governmental organizations working in the environmental protection field on activities meeting the policy objectives set out in the fifth action programme.

COM(95) 573

## Economic, fiscal and legal instruments

*1.3.128.* Proposal for a Council Directive amending Directive 85/337/EEC on the assessment of the impact of certain public and private projects on the environment.

**Reference:** Council Decision concerning the signature of the Convention on Environmental Impact Assessment in a Transboundary Context: Bull. 1/2-1991, point 1.2.238

**Commission proposal:** COM(93) 575; Bull. 3-1994, point 1.2.144

**Economic and Social Committee opinion:** OJ C 393, 31.12.1994; Bull. 9-1994, point 1.2.165

**Committee of the Regions opinion:** OJ C 210, 14.8.1995; Bull. 11-1994, point 1.2.181

**Parliament opinion (first reading):** OJ C 287, 30.10.1995; Bull. 10-1995, point 1.3.152

*Common position agreed by the Council on 18 December.* The purpose of this proposal is to amend the Directive on the assessment of the impact of certain public and private projects on the environment in the light of the experience gained with implementation of the Directive and taking account of the commitments entered into under the Convention on Environmental Impact Assessment in a Transboundary Context. In practical terms, the amendments are intended to clarify and extend the scope of the Directive as regards the types of projects for which an impact assessment is compulsory and the types for which the need for an assessment is decided case by case by the Member State concerned on the basis of the criteria laid down in the Directive. They also aim at strengthening cooperation between the Member States concerned by projects with transboundary effects.

## Financial instruments

**Reference:** Council Regulation (EEC) No 1973/92 establishing a financial instrument for the environment (LIFE): OJ L 206, 22.7.1992; Bull. 5-1992, point 1.1.123

*1.3.129.* Proposal for a Council Regulation amending Council Regulation (EEC) No 1973/92 establishing a financial instrument for the environment (LIFE).

**Regulation to be amended:** Council Regulation (EEC) No 1973/92 OJ L 206, 22.7.1992; Bull. 5-1992, point 1.1.123



**Commission proposal:** OJ C 184, 18.7.1995; COM(95) 135; Bull. 4-1995, point 1.3.98

**Committee of the Regions opinion:** Bull. 9-1995, point 1.3.83

**Economic and Social Committee opinion:** Bull. 10-1995, point 1.3.53

**Parliament opinion (first reading):** OJ C 323, 4.12.1995; Bull. 11-1995, point 1.3.138

*Common position formally adopted by the Council on 18 December.* This common position defines the operational arrangements for the LIFE financial instrument for the period from 1996 to 1999. The changes compared with the first phase of operation consist principally of simplifications of the implementing procedures. In particular, they redefine the eligible activities, define new project selection criteria, divide the decision-making process between nature protection and other projects and extend LIFE to the associated Central and East European countries. The Council earmarked ECU 450 million to the entire programme.

*1.3.130.* Commission Decision granting Community financial support for one technical assistance project in the field of the protection of the environment to third countries in the Mediterranean basin and bordering the Baltic Sea.

*Adopted on 7 December.* Purpose: To grant financial assistance totalling ECU 5 122 577 to one technical assistance project concerning several non-Union Mediterranean and Baltic Sea States.

## Industry and environment

### *Environmental control of products, industrial plants and biotechnology*

*1.3.131.* Proposal for a Council Directive amending Directive 90/219/EEC on the contained use of genetically modified micro-organisms.

**Directive to be amended:** Council Directive 90/219/EEC: OJ L 117, 8.5.1990; COM(88) 160; Bull. 4-1990, point 1.1.78

*Adopted by the Commission on 6 December.* The purpose of the proposal is to amend Directive 90/219/EEC on the use of genetically modified micro-organisms in contained research laboratories and industrial installations, in the light

of the latest scientific knowledge, of the experience gained from implementing the Directive and of international practice. In particular, it provides for closer tailoring of the procedures to the risks and more rational administrative procedures, while maintaining the same level of protection for health and the environment, in order to boost the competitiveness of the undertakings, particularly the small businesses, concerned.

COM(95) 640

*1.3.132.* Proposals for Council Decisions on the recognition of British Standard BS 7750:1994, of Irish Standard IS 310: First Edition and of Spanish standard UNE 77-801(2)-94 establishing specifications for environmental management systems, in accordance with Article 12 of Regulation (EEC) No 1836/93.

**Basic Regulation:** Council Regulation (EEC) No 1836/93, allowing voluntary participation by companies in the industrial sector in a Community eco-management and audit scheme: OJ L 168, 10.7.1993; Bull. 6-1993, point 1.2.157  
**Commission proposals:** COM(95) 422; Bull. 9-1995, point 1.3.86

*Conclusions adopted by the Council on 18 December.* Having noted that it was unable to act on the proposals submitted by the Commission, since they had not been endorsed by the Committee set up by Article 19 of Regulation (EEC) No 1836/93, the Council concluded that there was nothing to prevent the Commission from adopting the proposed measures.

### *Emissions from industrial plants and products*

*1.3.133.* Proposal for a European Parliament and Council Directive amending for the eighth 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.

**Directive to be amended:** Council Directive 67/548/EEC: OJ L 196, 16.8.1967, as last amended by Commission Directive 94/101/EC: OJ L 13, 15.1.1994

*Adopted by the Commission on 8 December.* The purpose of the proposal is to amend the Directive on the packaging and labelling of dangerous substances in order to replace the abbreviations

viation 'EEC' by 'EC', in line with the Treaty on European Union. However, under the proposal substances labelled and/or packaged in accordance with the previous criteria could still be placed on the market until 31 December 2000.

COM(95) 636

## **Environmental quality and natural resources**

### *Protection of water, soil conservation, agriculture*

**1.3.134.** Proposal for a Council Directive concerning the quality of water intended for human consumption.

**Directive to be repealed:** Council Directive 80/778/EEC relating to the quality of water intended for human consumption: OJ L 229, 30.8.1980, as last amended by Directive 91/692/EEC: OJ L 377, 31.12.1991; Bull. 12-1991, point 1.2.312

**Commission proposal:** OJ C 131, 30.5.1995; COM(94) 612; Bull. 1/2-1995, point 1.3.107

**Committee of the Regions opinion:** Bull. 9-1995, point 1.3.89

*Endorsed by the Economic and Social Committee on 21 December*, subject to comments intended, in particular, to make the European Union's water policy more consistent, to improve the information given to consumers on drinking water quality, to introduce programmes to support the replacement of lead piping and to amend certain threshold values in order to provide greater protection for consumer health.

**1.3.135.** Council conclusions on European Community water policy.

*Adopted on 18 December.* The Council concluded that sustainable development should become one of the priority objectives of European Union water policy and restated the principles of preventing damage at source, making the polluter pay and reducing the use of dangerous substances. It also stressed the need for a more consistent body of legislation which, at the same time, is more understandable, simpler and more transparent. The Council called on the Commission to propose a framework Directive establishing the basic principles of sustainable water policy in the Union.

**1.3.136.** Council conclusions on a Community strategy on acidification.

**Reference:** Fifth Community programme of policy and action in relation to the environment: OJ C 138, 17.5.1993; COM(92) 23; Bull. 3-1992, point 1.2.115

*Adopted on 18 December.* The Council recognized that international cooperation is necessary to reach the goal set in the fifth action programme, i.e. that air pollutants causing acidification should never exceed the critical loads and levels. The Council requested the Commission to submit a communication on a Community strategy on this subject proposing the additional measures needed in order to attain the ultimate objective, *inter alia* by setting interim targets.

### *Protection of nature, flora and fauna, and coastal zones*

**1.3.137.** Council Regulation (EC) No 3062/95 on operations to promote tropical forests.

**Commission proposal:** OJ C 78, 19.3.1993; COM(93) 53; Bull. 1/2-1993, point 1.2.157

**Economic and Social Committee opinion:** OJ C 249, 13.9.1993; Bull. 6-1993, point 1.2.166

**Parliament opinion:** OJ C 315, 22.11.1993; Bull. 10-1993, point 1.2.128

**Proposal subject to the cooperation procedure since 1 November 1993**

**Amended Commission proposal:** OJ C 201, 23.7.1994; COM(94) 153; Bull. 6-1994, point 1.2.182

**Council agreement on a common position:** Bull. 11-1994, point 1.2.190

**Council common position:** OJ C 160, 26.6.1995; Bull. 1/2-1995, point 1.3.111

**Parliament opinion (second reading):** OJ C 166, 3.7.1995; Bull. 6-1995, point 1.3.151

**Re-examined Commission proposal:** COM(95) 408; Bull. 9-1995, point 1.3.90

*Adopted on 20 December.* The purpose of this Regulation is to provide financial and technical support for countries and organizations promoting the conservation and sustainable management of tropical forests and their associated biological diversity. Particular consideration will be given to operations in support of the conservation of forests at risk of deforestation, sustainable management of forests designated for the production of timber and other products, the development of certification systems according to sustainable forest management principles and involvement of the local populations in implementing the action or strategic research on these

subjects. The Council has earmarked ECU 200 million for implementation of the programme between 1996 and 1999.

OJ L 327, 30.12.1995

*1.3.138.* Proposal for a Council recommendation relating to the keeping of wild animals in zoos.

*Adopted by the Commission on 12 December.* The proposal recommends the adoption of guidelines by the Member States on the accommodation and care of animals in zoos. It replaces the proposal for a Council Directive (COM(91) 177), which was withdrawn in line with the subsidiarity principle (→ point 1.3.139).

COM(95) 619

*1.3.139.* Proposal for a Council Directive laying down minimum standards for the keeping of animals in zoos.

**References:**

Edinburgh European Council conclusions: Bull. 12-1992, point 1.23

Commission legislative programme for 1993: COM(93) 43; Bull. 1/2-1993, point 1.6.16; Supplement 1/93 — Bull.

**Commission proposal:** OJ C 249, 24.9.1991; COM(91) 177; Bull. 7/8-1991, point 1.2.271

**Economic and Social Committee opinion:** OJ C 40, 17.2.1992; Bull. 11-1991, point 1.2.184

**Parliament opinion:** OJ C 194, 19.7.1993; Bull. 6-1993, point 1.2.169

*Proposal withdrawn by the Commission in line with the subsidiarity principle on 12 December.*

*1.3.140.* Proposal for a Council Regulation laying down provisions with regard to possession of and trade in specimens of species of wild fauna and flora (implementation of the CITES Convention).

**Commission proposal:** OJ C 26, 3.2.1992; COM (91) 448; Bull. 11-1991, point 1.2.179

**Economic and Social Committee opinion:** OJ C 223, 31.8.1992; Bull. 5-1992, point 1.1.134

**Parliament opinion (first reading):** OJ C 194, 19.7.1993; Bull. 6-1993, point 1.2.168

**Proposal subject to the co-decision procedure since 1 November 1993**

**Amended Commission proposal:** COM(93) 599; Bull. 1/2-1994, point 1.2.168

**Council agreement on a common position:** Bull. 6-1995, point 1.3.150

*Parliament opinion on the legal basis of the proposal adopted on 15 December.* Parliament

approved the amended legal basis proposed in the Council's common position (Article 130s(1) of the EC Treaty instead of Article 100a). The proposal therefore comes under the cooperation procedure (and no longer the co-decision procedure).

OJ C 17, 22.1.1996

*1.3.141.* Council conclusions on integrated management of coastal zones (→ point 1.3.80).

*1.3.142.* Proposal for a Council Regulation amending 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.

**Commission approval:** Bull. 11-1995, point 1.3.144

*Formally adopted by the Commission on 18 December.*

COM(95) 737

*1.3.143.* Parliament resolution on leghold traps.

**References:**

Council Regulation (EEC) No 3254/91: OJ L 308, 9.11.1991; Bull. 11-1991, point 1.2.183, as last amended by Regulation (EC) No 1771/94: OJ L 184, 20.7.1994

Proposal for a Council Regulation amending Regulation (EEC) No 3254/91: point 1.3.142 of this Bulletin

*Adopted on 14 December.* Parliament stressed that Regulation (EEC) No 3254/91 banning the use of leghold traps cannot be amended without prior consultation of Parliament and that in the absence of any legal change the Regulation would come into force on 1 January 1996. It deplored the fact that the Commission had not adopted rules for implementing this Regulation by 1 September 1995, as planned, and called on the President of Parliament to evaluate the advisability of taking the Commission to the Court as provided for by Article 175 of the EC Treaty. Parliament also called on the Commission to produce a study assessing the economic damage which this import ban would cause for the native peoples in North America and asked the Commission to draw up, with these native

peoples, projects to provide them with environmentally sustainable alternative economic development schemes.

OJ C 17, 22.1.1996

*Urban environment, air quality, transport and energy, noise*

*1.3.144.* Proposal for a European Parliament and 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 (→ point 1.3.13).

*1.3.145.* Proposal for a European Parliament and 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 gases from positive-ignition engines of motor vehicles (→ point 1.3.14).

*Global environment, climate change, geosphere and biosphere*

**Reference:** First conference of the parties to the UN Framework Convention on Climate Change: Bull. 4-1995, point 1.3.101

*1.3.146.* Communication from the Commission to the Council and Parliament on a Community strategy to reduce CO<sub>2</sub> emissions from passenger cars and improve fuel economy.

**Reference:** Commission working paper on EU climate change strategy: OJ C 68, 20.7.1995; Bull. 3-1995, point 1.3.110

*Adopted on 20 December.* This communication forms part of the EU strategy on climate change and follows on from the first conference of the parties to the UN Framework Convention on Climate Change. It defines a global Community strategy to reduce CO<sub>2</sub> emissions from passenger cars by improving their fuel efficiency. This strategy consists of a package of measures along four complementary lines:

□ an agreement with the European automobile industry and car importers who would give a commitment to reduce CO<sub>2</sub> emissions by new models, principally by reducing their fuel consumption;

□ financial incentives for consumers who choose more fuel-efficient cars;

□ better information for consumers with the aid of a fuel-economy labelling scheme for cars;

□ promotion and coordination of research and development effort to reduce fuel consumption.

COM(95) 689

*1.3.147.* Seventh conference of the parties to the Montreal Protocol on substances that deplete the ozone layer.

**Reference:** Council Decision 94/68/EC concluding the second amendment to the Montreal Protocol: OJ L 33, 7.2.1994; Bull. 12-1993, point 1.2.181

**Commission recommendation:** Bull. 10-1995, point 1.3.159

**Council agreement:** Bull. 10-1995, point 1.3.159

**Negotiating directives:** Bull. 11-1995, point 1.3.147

*Meeting held in Vienna from 28 November to 7 December.*

Agreement was reached on more stringent controls on hydrochlorofluorocarbons and methyl bromide. Also, certain agreements were reached to enable developing countries to keep closer control over substances that deplete the ozone layer.

*1.3.148.* Council conclusions on a Community strategy on climate change.

*Adopted on 18 December.* The Council stressed the urgent need for international action to curb global warming. It wishes the Community to maintain the leading role it has been playing in negotiation of the protocol to the framework convention on this subject and welcomed the progress made at the meeting of the group set up to prepare the protocol. It reiterated that the protocol should contain both commitments regarding policies and measures and quantified objectives for limiting and reducing CO<sub>2</sub> emissions within specified time frames. It considers that the time frames specified in Berlin should be included in the protocol and requested the Member States to report before the next Council meeting on policies and measures which are currently being prepared and on their objectives for 2005 and 2010.

*1.3.149.* Council conclusions on the Convention on Biological Diversity.

**Reference:** Second conference of the parties to the Convention on Biological Diversity: Bull. 11-1995, point 1.3.148

*Adopted on 18 December.* The Council welcomed the progress made at the second conference of the parties to the Convention on Biological Diversity and considered that the Community and its Member States should continue to play a leading role in implementation of the Convention. It called on the Commission to present a strategy to ensure that the objectives of the Convention are fully attained and encouraged Member States to adopt their national strategies on this subject as quickly as possible.

## Agriculture

*1.3.150.* The European Council welcomed the progress on the reforms of the market organizations for agricultural products (→ *point 1.12*).

### Agrimonetary system

*1.3.151.* Council Regulation (EC) No 2990/95 regulating compensation for appreciable reductions in the agricultural conversion rates before 1 July 1996.

**Reference:** Council Regulation (EC) No 1527/95 regulating compensation for reductions in the agricultural conversion rates of certain national currencies: OJ L 148, 30.6.1995; Bull. 6-1995, point 1.3.161

*Proposal adopted by the Commission on 5 December.*

COM(95) 637

*Regulation adopted by the Council on 18 December.* This Regulation extends for six months the provisions laid down by Council Regulation (EC) No 1527/95 applicable in the event of appreciable revaluation of currencies, on account of the risk of such a revaluation in the case of the Swedish krona and the Finnish markka early in 1996.

OJ L 312, 23.12.1995

### Product quality

*1.3.152.* Draft agreement between the Community and New Zealand on trade in wine.

*Recommendation for a Decision adopted by the Commission on 13 December.* Such an agreement would facilitate and promote trade in wine between the Community and New Zealand by removing certain technical barriers and protecting wine designations.

## Market organization

### Arable crops

*1.3.153.* Council Regulation (EC) No 2989/95 amending Council Regulation (EC) No 1765/92 (calculation of the percentage of extraordinary set-aside).

**Regulation amended:** Regulation (EEC) No 1765/92 establishing a support system for producers of certain arable crops (OJ L 81, 1.7.1992; Bull. 6-1992, point 1.3.141), as last amended by Regulation (EC) No 2800/95: OJ L 291, 6.12.1995; Bull. 11-1995, point 1.3.155

**Commission proposal:** OJ C 260, 5.10.1995; COM(95) 401; Bull. 7/8-1995, point 1.3.147

**Parliament opinion:** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.3.174

**Council agreement:** Bull. 11-1995, point 1.3.156

*Formally adopted on 19 December.*

OJ L 312, 23.12.1995

### Rice

*1.3.154.* Council Regulation on the common organization of the market in rice.

**Commission proposal:** COM(95) 331; Bull. 7/8-1995, point 1.3.149

**Economic and Social Committee opinion:** Bull. 11-1995, point 1.3.157

*Endorsed by Parliament on 14 December* subject to certain amendments concerning in particular taking special situations in Spain, Portugal and Guiana into account and reducing the compensatory payment where the maximum guaranteed area is exceeded.

OJ C 17, 22.1.1996

*Agreed by the Council on 19 December.*

*Formally adopted on 22 December.* This Regulation broadly follows the lines of the cereals

market reform of 1992, providing for the following:

- cut in the intervention price, accompanied by compensatory aid per hectare:
  - the actual intervention price for both Japonica and Indica rice will be aligned on that for Indica, and this price will be then be reduced by a total of 15% over three years, starting with the 1997/98 marketing year;
  - an aid per hectare to offset this price cut will be calculated on the basis of the average yields obtained in the producer Member States;
- measures to curb Community production, orient it towards sought-after varieties and optimise quality:
  - a base area is established for each producer Member State as follows: Spain: 104 973 ha; France (Guiana): 5 500 ha; France (metropolitan): 24 500 ha; Greece: 24 891 ha; Italy: 239 259 ha; Portugal: 34 000 ha;
  - penalties are to be applied at national level where a base area in a Member State is exceeded. These penalties will be progressive and depend on the level of overrun;
  - a system of premiums and penalties applied to the intervention price will also play an important role in market regulation, reflecting and accentuating price differences between the various qualities and varieties of rice.
- intervention arrangements: intervention will be restored as a safety net and an exceptional measure by limiting the intervention period to four months (April to July).

In order to ensure continuity of supplies for the Community's processing plants, the Commission will be empowered to take the measures needed to cope with exceptional circumstances.

*1.3.155.* Council Regulation determining the standard quality of rice.

**Commission proposal:** COM(95) 405; Bull. 7/8-1995, point 1.3.150

*Agreed by the Council on 19 December.*

*Formally adopted by the Council on 22 December.* This Regulation, adopted as part of the reform of the common organization of the market in rice (→ point 1.3.154), reinforces quality policy by a stricter definition of standard quality corresponding to the intervention price (alignment on the production standards of suppliers outside the European Union).

## *Bananas*

*1.3.156.* Proposal for a Council Regulation amending Regulations (EEC) Nos 404/93 on bananas and 1035/72 on fruit and vegetables, and Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.

**Commission proposal:** OJ C 136, 3.6.1995; COM(95) 114; Bull. 4-1995, point 1.3.109

**Economic and Social Committee opinion:** OJ C 301, 13.11.1995; Bull. 9-1995, point 1.3.101

*Endorsed by Parliament on 12 December.*

OJ C 17, 22.1.1996

## *Fruit and vegetables*

*1.3.157.* Proposals for Council Regulations on the common organization of the markets in fruit and vegetables and in processed fruit and vegetables.

**Commission proposals:** COM(95) 434; Bull. 10-1995, point 1.3.176

*Economic and Social Committee opinion on the first proposal delivered on 20 December.* The Committee took the view that the proposal took only partial account of the basic principles of the CAP, i.e. market unity, financial solidarity and Community preference, and penalized the economically weakest communities. It was, however, in favour of tightening up national and Community controls.

*Economic and Social Committee opinion on the second proposal delivered on 20 December.* The Committee was in favour of this proposal but regretted that there was no Community proposal dealing specifically with the processing of citrus fruit. It also took the view that the current production quotas should be adjusted to take account of the accession of the three new Member States.

## *Wine*

*1.3.158.* Council Regulation (EC) No 3011/95 amending Regulation (EEC) No 823/87 laying down special provisions relating to quality wines produced in specified regions.

**Reference:** Act of Accession of Spain and Portugal; OJ L 302, 15.11.1985; Bull. 1-1986, point 1.1.1

**Regulation amended:** Council Regulation (EEC) No 823/87 (OJ L 84, 27.3.1987; Bull. 3-1987, point 2.1.168), as last amended by Regulation (EEC) No 3846/91: OJ L 368, 31.12.1991

**Commission proposal:** COM(95) 506; Bull. 10-1995, point 1.3.179

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

*Adopted by the Council on 19 December.* This Regulation formally puts an end to the special arrangements laid down in the Act of Accession of Spain and Portugal for the use until 31 December 1995 of the designations 'British sherry', 'Irish sherry' and 'Cyprus sherry' on the markets of the United Kingdom and Ireland.

OJ L 314, 28.12.1995

### *Milk and milk products*

*1.3.159.* Proposal for a Council Regulation on the common organization of the market in milk and milk products (consolidated version of Regulation (EEC) No 804/68).

**Regulation to be consolidated:** Council Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products (OJ L 148, 28.6.1968), as last amended by the Act of Accession of Austria, Finland and Sweden: OJ C 241, 29.8.1994, Bull. 6-1994, point 1.3.15; OJ L 1, 1.1.1995 and by Regulation (EC) No 3290/94: OJ L 349, 31.12.1994; Bull. 12-1994, point 1.3.99

*Adopted by the Commission on 6 December.* The purpose of the proposed Regulation is, in the interests of clarity and transparency of Community legislation, to consolidate Council Regulation (EEC) No 804/68, which has been amended several times. This consolidation takes full account of the substance of the texts in question and brings them together with only such formal amendments as are required by the consolidation exercise itself.

COM(95) 598

### **International cooperation**

*1.3.160.* International Grains Agreement.

**Reference:** Council Decision 86/304/EEC on the signing of the Wheat Trade Convention, 1986, and the Food Aid Convention, 1986, constituting

the International Wheat Agreement, 1986, and the deposit of a declaration of provisional application of these Conventions: OJ L 195, 17.7.1986; Bull. 6-1986, point 2.2.46

**Recommendation for a Decision approving the Agreement:** OJ C 191, 25.7.1995; COM(95) 183; Bull. 5-1995, point 1.3.113

**Recommendation for a Decision on the signature of the Agreement and the deposit of a declaration of provisional application:** Bull. 6-1995, point 1.3.181

**Signature and deposit of a declaration of provisional application:** Bull. 6-1995, point 1.3.181

**Parliament opinion:** OJ C 287, 30.10.1995; Bull. 10-1995, point 1.3.197

*Decision approving the Agreement adopted by the Council on 19 December.* The International Grains Agreement, which entered into force on 1 July 1995, extends the Wheat Convention to all cereals and provides for the periodic adjustment and revision of the basis for calculating votes and for setting budget contributions, taking account of the structure of trade in cereals, and updates the internal rules of procedure.

### **State aid**

#### *Decisions to raise no objection*

#### **Germany**

*1.3.161.* Commission decision on aid for fruit and vegetables and wine-growing in Baden-Württemberg.

*Adopted on 20 December.* The aid scheme consists of a premium per hectare to offset income losses incurred by producers undertaking to use special production methods to protect the environment.

#### **Austria**

*1.3.162.* Commission decision on aids for extensive farming methods which are compatible with the environment and protect the natural habitat.

*Adopted on 20 December.* This aid scheme consists of a premium per hectare to offset income losses incurred by farmers who undertake to use special environment-friendly production methods.

**Italy**

1.3.163. Commission decision on aid to cushion the effects of the drought in Sardinia.

*Adopted on 20 December.* This aid provides compensation for farmers for losses in production; it is also designed to finance investment in farm water supplies and transport of feed.

*Decision to terminate procedure*

**Italy**

1.3.164. Commission decision on the draft Regional Law of Abruzzi for the development of agriculture for the period 1995 to 1997.

**Reference:** decision to initiate the procedure: Bull. 4-1995, point 1.3.115

*Adopted on 20 December.* This regional bill providing for the aids in question never entered into force. A new bill is to be tabled in the Abruzzi legislative assembly.

over the period 1 January 1995 to 31 December 1996 with a view to achieving a lasting balance between resources and their exploitation.

**Commission proposal:** OJ C 171, 7.7.1995; COM(95) 198; Bull. 5-1995, point 1.3.114

**Parliament opinion:** OJ C 323, 4.12.1995; Bull. 11-1995, point 1.3.171

*Adopted on 22 December.* Applies the general regime to contain fishing effort in the framework of the multiannual guidance programmes to the Swedish and Finnish fleets, subject to the requisite adjustments.

OJ L 326, 30.12.1995

**Conservation and management of resources**

*Internal aspects*

**TACs and quotas**

1.3.167. Regulation fixing, for certain fish stocks and groups of fish stocks, the total allowable catches for 1996 and certain conditions under which they may be fished. *Proposal adopted by the Commission on 5 December.*

COM(95) 615

*Adopted on 22 December.* Details of the total allowable catches for 1996 are given in Table 5.

**Fisheries**

1.3.165. The European Council welcomed the full integration of Spain and Portugal into the common fisheries policy (→ *point 1.13*).

**Orientation of common fisheries policy**

1.3.166. Council Decision 95/577/EC concerning the objectives and detailed rules for restructuring the fisheries sector in Finland and Sweden

Table 5 — 1996 TACs by stock and by zone and Community shares

(tonnes)			
Species	Zone	TAC	EC share in 1996
Herring	IIIa	120 000 <sup>2</sup>	103 500
	IIIb, c, d <sup>1</sup>	307 700	293 700
	III d (IBSFC management unit 3)	110 000	110 000
	IIa, <sup>1</sup> IVa, b	263 000	172 230
	IVc, VII d	50 000 <sup>2</sup>	50 000
	Vb, <sup>1</sup> VIaN, VIb	83 570 <sup>2</sup>	76 710
	VIaS, VIIb, c	28 000 <sup>2</sup>	28 000
	VIa Clyde	1 000 <sup>2</sup>	1 000
	VIIa	7 000 <sup>2</sup>	7 000
	VIIe, f	1 000 <sup>2</sup>	1 000
	VIIg, h, j, k	16 500	16 500



Species	Zone	TAC	EC share in 1996
Sprat	IIIa	43 000 <sup>2</sup>	39 770
	IIIb, c, d <sup>1</sup>	182 900	170 900
	IIa, <sup>1</sup> IV <sup>1</sup>	200 000 <sup>2</sup>	175 000
	VIIId, e	12 000 <sup>2</sup>	12 000
Anchovy	VIII	33 000 <sup>2</sup>	33 000
	IX, X, Copace 34.1.1 <sup>1</sup>	12 000 <sup>2</sup>	12 000
Atlantic salmon	IIIb, c, d <sup>1</sup> Subdivision 32 IBSFC	339 377 97 680 <sup>3</sup>	337 877 <sup>3</sup> 97 680 <sup>3</sup>
Capelin	IIb	0	0
Cod	I, IIb	24 220	24 220
	IIIa Skagerrak	23 000 <sup>2</sup>	22 250
	IIIa Kattegat	7 700 <sup>2</sup>	7 700
	IIIb, c, d <sup>1</sup>	103 915	102 265
	IIa, <sup>1</sup> IV	130 000	116 900
	Vb, <sup>1</sup> VI, XII, XIV	13 000 <sup>2</sup>	13 000
	VIIa	6 200	6 200
	VIIb to k, VIII, IX, X, Copace 34.1.1 <sup>1</sup>	20 000 <sup>2</sup>	20 000
Haddock	IIIa, IIIb, c, d <sup>1</sup>	10 000 <sup>2</sup>	7 580
	IIa, <sup>1</sup> IV	120 000	87 400
	Vb, <sup>1</sup> VI, XII, XIV	22 900 <sup>2</sup>	22 900
	VII, VIII, IX, X, Copace 34.1.1 <sup>1</sup>	7 000 <sup>2</sup>	7 000
Saithe	IIa, <sup>1</sup> IIIa, IIIb, c, d, <sup>1</sup> IV	111 000	53 280
	Vb, <sup>1</sup> VI, XII, XIV	13 000	13 000
	VII, VIII, IX, X, Copace 34.1.1 <sup>1</sup>	14 000 <sup>2</sup>	14 000
Pollack	Vb, <sup>1</sup> VI, XII, XIV	1 100 <sup>2</sup>	1 100
	VII	15 000 <sup>2</sup>	15 000
	VIIIa, b	2 600 <sup>2</sup>	2 600
	VIIIc	800 <sup>2</sup>	800
	VIIIId	50 <sup>2</sup>	50
	VIIIe	100 <sup>2</sup>	100
	IX, X, Copace 34.1.1 <sup>1</sup>	450 <sup>2</sup>	450
	Norway pout	IIa, <sup>1</sup> IIIa, IV <sup>1</sup>	220 000 <sup>2</sup>
Blue whiting	IIa, <sup>1</sup> IV <sup>1</sup>	90 000 <sup>2</sup>	50 000
	Vb, <sup>1</sup> VI, VII	340 000 <sup>2</sup>	69 000
	VIIIa, b, d	26 500 <sup>2</sup>	26 500
	VIIIe	1 000 <sup>2</sup>	1 000
	VIIIc, IX, X, Copace 34.1.1 <sup>1</sup>	55 000 <sup>2</sup>	55 000

Fisheries

Species	Zone	TAC	EC share in 1996
Whiting	IIIa	15 200 <sup>2</sup>	4 420
	IIa, <sup>1</sup> IV	67 000	55 100
	Vb, <sup>1</sup> VI, XII, XIV	10 000 <sup>2</sup>	10 000
	VIIa	9 000	9 000
	VIIb to k	28 000 <sup>2</sup>	28 000
	VIII	7 000 <sup>2</sup>	7 000
	IX, X, Copace 34.1.1 <sup>1</sup>	2 640 <sup>2</sup>	2 640
Hake	IIIa, IIIb, c, d <sup>1</sup>	1 540	1 540
	IIa, <sup>1</sup> IV	1 790	1 790
	Vb, <sup>1</sup> VI, VII, XII, XIV	28 660	28 660
	VIIIa, b, d, e	19 120	19 120
	VIIIc, IX, X, Copace 34.1.1 <sup>1</sup>	9 000	9 000
Horse mackerel	IIa, <sup>1</sup> IV <sup>1</sup>	60 000 <sup>2</sup>	55 000
	Vb, <sup>1</sup> VI, VII, VIIIa, b, d, e, XII, XIV	300 000 <sup>2</sup>	293 000
	VIIIc, IX	73 000	73 000
	X, Copace (Azores)	5 000 <sup>2</sup>	5 000
	Copace (Madeira) Copace (Canaries)	2 000 <sup>2</sup> 2 000	2 000 2 000
Mackerel	IIa, <sup>1</sup> IIIa, IIIb, c, d, <sup>1</sup> IV	52 755	18 815
	IIa, Vb, <sup>1</sup> VI, VII, VIIIa, b, d, e, XII, XIV	261 100	247 070
	VIIIc, IX, X, Copace 34.1.1 <sup>1</sup>	30 000 <sup>2</sup>	30 000
Plaice	IIIa Skagerrak	11 200 <sup>2</sup>	10 980
	IIIa Kattegat	2 800 <sup>2</sup>	2 800
	IIIb, c, d <sup>1</sup>	3 200 <sup>2</sup>	3 200
	IIa, <sup>1</sup> IV	81 100	78 330
	Vb, <sup>1</sup> VI, XII, XIV	2 400 <sup>2</sup>	2 400
	VIIa	2 450	2 450
	VIIb, c	300 <sup>2</sup>	300
	VIIId, e	7 350	7 350
	VIII f, g	1 100	1 100
	VIII h, j, k	1 350 <sup>2</sup>	1 350
	VIII, IX, X, Copace 34.1.1 <sup>1</sup>	700 <sup>2</sup>	700
Sole	IIIa, IIIb, c, d <sup>1</sup>	2 250 <sup>2</sup>	2 250
	II, IV	23 000	23 000
	Vb, <sup>1</sup> VI, VII, XII, XIV	155 <sup>2</sup>	155
	VIIa	1 000	1 000
	VIIb, c	75 <sup>2</sup>	75
	VIIId	4 660	4 660
	VIIe	700	700
	VIII f, g	1 000	1 000
	VIII h, j, k	720 <sup>2</sup>	720
	VIII a, b	6 100	6 100
	VIII c, d, e, IX, X, Copace 34.1.1 <sup>1</sup>	2 000 <sup>2</sup>	2 000

Species	Zone	TAC	EC share in 1996
Megrin	Vb, <sup>1</sup> VI, XII, XIV	4840 <sup>2</sup>	4840
	VII	19000	19000
	VIIIa, b, d, e	2200	2200
	VIIIc, IX, X, Copace 34.1.1 <sup>1</sup>	6000 <sup>2</sup>	6000
Anglerfish	Vb, <sup>1</sup> VI, XII, XIV	8600 <sup>2</sup>	8600
	VII	23560	23560
	VIIIa, b, d	6740	6740
	VIIIe	100 <sup>2</sup>	100
	VIIIc, IX, X, Copace <sup>1</sup>	13000 <sup>2</sup>	13000
Deepwater prawns 'Panaeus' prawn	IIIa	10500	5610
	French Guiana	4108 <sup>2</sup>	4000
Norway lobster	IIIa, <sup>1</sup> IIIb, c, d <sup>1</sup>	4830 <sup>2</sup>	4830
	IIa, <sup>1</sup> IV <sup>1</sup>	15200 <sup>2</sup>	15200
	Vb, <sup>1</sup> VI	12600 <sup>2</sup>	12600
	VII	23000 <sup>2</sup>	23000
	VIIIa, b	6800 <sup>2</sup>	6800
	VIIIc	1000 <sup>2</sup>	1000
	VIII d, e	50 <sup>2</sup>	50
	IX, X, Copace 34.1.1 <sup>1</sup>	2500 <sup>2</sup>	2500
Other species	IIa, <sup>1</sup> IV <sup>1</sup>	unlimited	unlimited

<sup>1</sup> EC area.<sup>2</sup> Precautionary TAC.<sup>3</sup> Number of individuals.

1.3.168. Council Regulation laying down for 1996 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of certain non-member countries in the 200-nautical-mile zone off the coast of the French department of Guiana.

**Commission proposal:** COM(95) 555; Bull. 11-1995, point 1.3.174

*Adopted on 21 December.* Lays down the conditions under which vessels flying the flag of certain non-member countries will be authorized to fish in the 200-nautical-mile zone off the coast of the French department of Guiana.

1.3.169. Council Decision 95/578/EC fixing the amount of the Community financial contribution for 1995 to expenditure incurred by the Swedish authorities for the release of smolt.

**Commission proposal:** COM(95) 569; Bull. 11-1995, point 1.3.175

*Adopted on 22 December.* Sets the amount of the Community financial contribution for 1995 to expenditure by Sweden on releasing salmon smolt.

OJ L 326, 30.12.1995

### Technical measures

**Reference:** Council Regulation (EEC) No 3094/86 laying down certain technical measures for the conservation of fishery resources (OJ L 288, 11.10.1986; Bull. 10-1986, point 2.1.174), as last amended by Regulation (EC) No 2251/95; OJ L 230, 27.9.1995; Bull. 9-1995, point 1.3.107

1.3.170. Council Regulation (EC) No 3071/95 amending for the 19th time Regulation (EEC) No 3094/86 laying down certain technical measures for the conservation of fishery resources.

**Commission proposal:** OJ C 348, 9.12.1994; COM(94) 481; Bull. 11-1994, point 1.2.164

**Parliament opinion:** OJ C 56, 6.3.1995; Bull. 1/2-1995, point 1.3.145

*Adopted on 22 December.* Introduces technical measures for passive gear.

OJ L 329, 30.12.1995

*1.3.171.* Proposal for a Council Regulation laying down certain technical measures for the conservation of fishery resources.

**Commission proposal:** Bull. 6-1991, point 1.2.189

*Amended proposal adopted by the Commission on 6 December.* As a number of amendments had been made to Regulation (EEC) No 3094/86 since the proposal for its consolidation was put forward on 21 June 1991, the Commission updated its proposal accordingly.

COM(95) 613

*1.3.172.* Proposal for a Regulation amending Council Regulation (EC) No 1626/94 laying down certain technical measures for the conservation of fishery resources in the Mediterranean.

**Regulation to be amended:** Council Regulation (EC) No 1626/94 laying down certain technical measures for the conservation of fishery resources in the Mediterranean: OJ L 171, 6.7.1994; Bull. 6-1994, point 1.2.157

*Adopted by the Commission on 6 December.* Would incorporate into Community legislation the recommendation adopted at the last meeting of the General Fisheries Council for the Mediterranean concerning the management of bluefin tuna.

COM(95) 635

*1.3.173.* Commission communication on the implementation of technical measures in the common fisheries policy.

**References:**

Council 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 (OJ L 162, 18.6.1986), as last amended by Council Regulation (EC) No 2250/95: OJ L 230, 27.9.1995; Bull. 9-1995, point 1.3.112

Council Regulation (EC) No 1626/94 laying down certain technical measures for the conservation of fishery resources in the Mediterranean: OJ L 171, 6.7.1994; Bull. 6-1994, point 1.2.157

*Adopted on 15 December.* The Commission looks into the implementation of technical fish-

eries measures, indicates the problems associated with them and outlines the action to be taken. It notes that the measures have been less effective than anticipated, particularly as regards the protection of juveniles and of the species constituting by-catches, on account of overcapacity leading to intensive exploitation, combined with inadequate monitoring. The Commission stresses that, to make the technical measures more effective in future they must be accompanied by adjustment of capacity and fishing effort and improved control measures.

COM(95) 669

**Monitoring of fishing activities**

*1.3.174.* Council Regulation (EC) No 2870/95 amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy.

**Regulation amended:** Council Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy: OJ L 261, 20.10.1993; Bull. 10-1993, point 1.2.153

**Commission proposal:** OJ C 188, 22.7.1995; COM(95) 256; Bull. 6-1995, point 1.3.183

**Parliament opinion:** OJ C 269, 16.10.1995; Bull. 9-1995, point 1.3.106

**Economic and Social Committee opinion:** Bull. 10-1995, point 1.3.198

**Amended Commission proposal:** COM(95) 476; Bull. 10-1995, point 1.3.198

**Council agreement:** Bull. 10-1995, point 1.3.198

*Formally adopted on 8 December.*

OJ L 301, 14.12.1995

*1.3.175.* Council Decision 95/523/EC on a Community financial contribution towards certain expenditure incurred by the Member States implementing the monitoring and control systems applicable to the common fisheries policy.

**Commission proposal:** OJ C 186, 20.7.1995; COM(95) 243; Bull. 6-1995, point 1.3.184

**Economic and Social Committee opinion:** Bull. 10-1995, point 1.3.199

**Parliament opinion:** OJ C 287, 30.10.1995; Bull. 10-1995, point 1.3.199

**Amended Commission proposal:** COM(95) 515; Bull. 10-1995, point 1.3.199

**Council agreement:** Bull. 10-1995, point 1.3.199

*Formally adopted by the Council on 8 December.*

OJ L 301, 14.12.1995

1.3.176. Council Decision 95/524/EC amending Regulation (EEC) No 2487/93 and Decision 89/631/EEC as regards the time limit for implementing certain pilot projects on continuous position monitoring of Community fishing vessels and the Community contribution to the expenditure incurred in their implementation.

**Commission proposal:** OJ C 313, 24.11.1995; COM(95) 323; Bull. 7/8-1995, point 1.3.166

**Parliament opinion:** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.3.200

*Adopted on 5 December.*

OJ L 301, 14.12.1995

### *External aspects*

#### **South Africa**

1.3.177. Council Decisions 95/587/EC and 95/588/EC authorizing Spain and Portugal respectively to extend until 7 March 1996 their Agreements on mutual fishery relations with South Africa.

**Reference:** previous authorizations to extend the Agreements: OJ L 142, 2.6.1994; Bull. 6-1994, point 1.2.161

*Adopted by the Commission on 13 December.*

674; COM(95) 677

*Adopted by the Council on 22 December.* The Decisions authorize Spain and Portugal to extend their bilateral fisheries Agreements with South Africa for one year.

OJ L 329, 30.12.1995

#### **Greenland**

1.3.178. Council Regulation allocating, for 1996, Community catch quotas in Greenland waters.

*Proposal adopted by the Commission on 15 December.*

COM(95) 714

*Adopted by the Council on 22 December.* Allocates between Member States the quotas available for 1996 to Community vessels fishing in Greenland waters.

#### **Guinea-Bissau**

1.3.179. Protocol establishing the fishing possibilities and the financial compensation provided for in the Agreement between the Com-

munity and Guinea-Bissau on fishing off the coast of Guinea-Bissau for the period 16 June 1995 to 15 June 1997.

**Reference:** EEC-Guinea-Bissau fisheries Agreement: OJ L 226, 29.8.1980; Bull. 2-1980, point 2.1.75

**Commission proposal:** OJ C 327, 7.12.1995; COM(95) 427; Bull. 9-1995, point 1.3.109

**Decision on the provisional application of the Protocol:** Bull. 11-1995, point 1.3.176

*Endorsed by Parliament on 15 December* subject to amendments concerning the procedure for the renewal of the Protocol.

OJ C 17, 22.1.1996

#### **Faeroes**

1.3.180. Council Regulation allocating, for 1996, certain catch quotas between Member States for vessels fishing in Faroese waters; Council Regulation laying down, for 1996, certain measures for the conservation and management of fishery resources applicable to vessels registered in the Faeroes.

*Proposals adopted by the Commission on 13 December.*

COM(95) 684; COM(95) 685

*Adopted by the Council on 22 December.* The first Regulation allocates between Member States the quotas available in 1996 for Community vessels fishing in Faroese waters and the second lays down the conditions under which Faroese vessels will be authorized to fish in Community waters in 1996.

#### **Iceland**

1.3.181. Council Regulation allocating, for 1996, catch quotas between Member States for vessels fishing in Icelandic waters.

*Proposal adopted by the Commission on 13 December.*

COM(95) 671

*Adopted by the Council on 22 December.* Allocates between the Member States the quotas available in 1996 for Community vessels fishing in Icelandic waters.

#### **Morocco**

1.3.182. Draft new EC-Morocco fisheries Agreement.

**Reference:** draft Agreement in the form of an exchange of letters terminating the Agreement on sea fisheries relations between the Community and Morocco: Bull. 10-1995, point 1.3.203

**Commission recommendation:** Bull. 10-1994, point 1.2.96

**Negotiating directives:** Bull. 11-1994, point 1.2.171

**Initialled:** Bull. 11-1995, point 1.3.178

**Commission proposal on conclusion and provisional application:** Bull. 11-1995, point 1.3.178

*Decision on the provisional application of the Agreement adopted by the Council on 7 December.*

## Norway

1.3.183. Council Regulation laying down, for 1996, certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway; Council Regulation allocating, for 1996, certain catch quotas between Member States for vessels fishing in the Norwegian exclusive economic zone and the fishing zone around Jan Mayen.

*Proposals adopted by the Commission on 15 December.*

COM(95) 715; COM(95) 716

*Adopted by the Council on 22 December.* The first of these Regulations lays down the conditions under which Norwegian vessels are authorized to fish in Community waters in 1996 and the second allocates between the Member States the quotas available in 1996 for Community fishing vessels fishing in Norwegian waters.

## Poland

1.3.184. Council Regulation allocating, for 1996, certain catch quotas between Member States for vessels fishing in Polish waters; Council Regulation laying down, for 1996, certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Poland.

*Proposals adopted by the Commission on 15 December.*

COM(95) 705; COM(95) 703

*Adopted by the Council on 22 December.* The first of these Regulations allocates between the Member States the quotas available in 1996 for Community vessels fishing in Polish waters and the second lays down the conditions under which Polish vessels will be authorized to fish in Community waters in 1996.

## Baltic States

### Estonia

1.3.185. Council Regulation allocating, for 1996, certain catch quotas between Member States for vessels fishing in Estonian waters; Council Regulation laying down, for 1996, certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Estonia.

*Proposals adopted by the Commission on 13 December.*

COM(95) 676; COM(95) 680

*Adopted by the Council on 22 December.* The first of these Regulations allocates between the Member States the quotas available in 1996 for Community fishing vessels fishing in Estonian waters and the second lays down the conditions under which Estonian vessels will be authorized to fish in Community waters in 1996.

### Latvia

1.3.186. Regulation allocating, for 1996, certain catch quotas between Member States for vessels fishing in Latvian waters; Council Regulation laying down, for 1996, certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Latvia.

*Proposals adopted by the Commission on 13 December.*

675; COM(95) 681

*Adopted by the Council on 22 December.* The first of these Regulations allocates between the Member States the quotas available in 1996 for Community vessels fishing in Latvian waters and the second lays down the conditions under which Latvian vessels will be authorized to fish in Community waters in 1996.

*Lithuania*

*1.3.187.* Council Regulation amending Regulation (EC) No 3372/94 allocating, for 1995, catch quotas between Member States for vessels fishing in Lithuanian waters.

**Regulation amended:** Council Regulation (EC) No 3372/94: OJ L 363, 31.12.1994; Bull. 12-1994, point 1.2.186

*Adopted by the Commission on 7 December.*

COM(95) 639

*Adopted by the Council on 22 December.* Allocates to Finland the supplementary quota of 130 tonnes of cod in Lithuanian waters granted by Lithuania to the Community (for Finland).

*1.3.188.* Council Regulation allocating, for 1996, certain catch quotas between Member States for vessels fishing in Lithuanian waters; Council Regulation laying down, for 1996, certain technical measures for the conservation and management of fishery resources applicable to vessels flying the flag of Lithuania.

*Proposals adopted by the Commission on 13 December.*

COM(95) 678; COM(95) 679

*Adopted by the Council on 22 December.* The first of these Regulations allocates between the Member States the quotas available in 1996 for Community vessels fishing in Lithuanian waters and the second lays down the conditions under which Lithuanian vessels will be authorized to fish in Community waters in 1996.

**Non-member Baltic countries**

*1.3.189.* Draft fisheries agreements between the Community and Estonia, Latvia, Lithuania, Poland and the Russian Federation.

*Negotiating directives adopted by the Council on the basis of a Commission recommendation on 22 December.* The Council authorized the Commission to negotiate agreements on fishing in the Baltic Sea with Estonia, Latvia, Lithuania, Poland and the Russian Federation to replace the agreements previously concluded by Sweden and Finland with these countries.

**International Baltic Sea Fisheries Commission**

*1.3.190.* Proposal for a Council Decision amending Article VII of the Gdansk Convention.

**Commission proposal:** OJ C 252, 28.9.1995; COM(95) 345; Bull. 7/8-1995, point 1.3.172

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

*1.3.191.* Proposal for a Council Regulation amending for the sixth 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.

**Regulation to be amended:** Council Regulation (EEC) No 1866/86 (OJ L 162, 18.6.1986), as last amended by Council Regulation (EC) No 2250/95: OJ L 230, 27.9.1995; Bull. 9-1995, point 1.3.112

*Adopted by the Commission on 13 December.*

The purpose of the proposed Regulation is to incorporate into Community legislation the recommendations adopted at the last meeting of the International Baltic Sea Fisheries Commission on certain technical measures concerning the closed seasons for cod, salmon and sea trout fisheries applicable from 1996.

COM(95) 670

**North-west Atlantic Fisheries Organization (NAFO)**

*1.3.192.* Council Regulation laying down certain conservation and management measures for fishery resources in the regulatory area as defined in the Convention on Future Multilateral Cooperation in the North-west Atlantic Fisheries.

*Proposal adopted by the Commission on 15 December.*

COM(95) 717

*Adopted by the Council on 21 December.* This Regulation sets the total Community catches in the NAFO regulatory area for 1996 (see Table 6).

Table 6 — Total Community catches in the NAFO area (1996)

Species	Zone	(tonnes)
		Total
Cod	NAFO 2J + 3KL + 3NO	0
	NAFO 3M	5 485
Redfish	NAFO 3M	4 030
	NAFO 3LN	374
American plaice	NAFO 3M + 3LNO	0
Yellowtail flounder	NAFO 3LNO	0
Witch flounder	NAFO 3NO	0
Capelin	NAFO 3NO	0
Squid	NAFO subzones 3 + 4	p.m
Greenland halibut	NAFO 3LMNO	11 070 <sup>2</sup>
Shrimp	NAFO 3LNO	0

<sup>1</sup> Germany: 550 t; Spain: 7 398 t; Portugal: 3 122 t.

1.3.193. Agreement between the Community and Canada on fisheries in the context of the NAFO Convention.

**Initialled:** Bull. 4-1995, point 1.3.121

**Commission proposal on signature and provisional application:** COM(95) 400; Bull. 4-1995, point 1.3.121

**Council Decision on signature and provisional application of the Agreement:** Bull. 4-1995, point 1.3.121

**Signature:** Bull. 4-1995, point 1.3.121

**Commission proposal concerning conclusion:** OJ C 239, 14.9.1995; COM(95) 251; Bull. 6-1995, point 1.3.191

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

*Decision 95/586/EC on the conclusion of the Agreement adopted by the Council on 22 December.* The Agreement was given a multilateral dimension at the annual NAFO meeting in September. It establishes two management units for Greenland halibut: southern zone (2LMNO) and northern zone (2 + 3K) and allocates the TACs for this species between the

Community and Canada for 1996 and following years. It also lays down provisions on monitoring and inspection of fishing activities in the NAFO regulatory Area.

OJ L 317, 30.12.1995

1.3.194. Council Regulations (EC) Nos 3067/95 to 3069/95:

□ amending Regulation (EEC) No 1956/88 adopting provisions for the application of the Scheme of Joint International Inspection adopted by the North-west Atlantic Fisheries Organization;

□ amending Regulation (EEC) No 189/92 adopting provisions for the application of certain control measures adopted by the North-west Atlantic Fisheries Organization;

□ establishing a European Community observer scheme applicable to Community fishing vessels operating in the regulatory area of the North-west Atlantic Fisheries Organization.

**Commission proposals:** OJ C 200, 4.8.1995; OJ C 211, 15.8.1995; COM(95) 266; Bull. 6-1995, point 1.3.192

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

*Adopted on 21 December.* These Regulations:

□ introduce new Community inspection procedures under the programme for monitoring and inspection of vessels operating in the NAFO regulatory area;

□ establish new control measures for checking the composition and volume of quotas making it compulsory for vessels entering or leaving the NAFO regulatory area to declare the catches they have on board and transshipments;

□ extend the tasks and powers of European Union observers, laying down that all Community vessels engaged in fishing activities in the NAFO regulatory area must have a Community observer on board.

OJ L 329, 30.12.1995

1.3.195. Council Regulation (EC) No 3070/95 on the establishment of a pilot project on satellite tracking in the NAFO regulatory area.

**References:**

NAFO annual meeting: Bull. 9-1995, point 1.3.114

Agreement between the Community and Canada on fisheries in the context of the NAFO Convention: point 1.3.193 of this Bulletin



*Proposal adopted by the Commission on 6 December.*

COM(95) 620

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

*Adopted by the Council on 21 December.* In connection with the last NAFO meeting, which put the fisheries agreement between the European Union and Canada on a multilateral footing, this Regulation implements a system of satellite tracking of at least 35% of Community vessels fishing in the NAFO regulatory area.

OJ L 329, 30.12.1995

## Market organization

*1.3.196.* Parliament resolution on the crisis in the salmon sector.

*Adopted on 15 December.* Having regard to the dumping of Norwegian salmon on the European market and the resulting price instability and to the fact that salmon production is a vital source of employment in many rural areas of Scotland and Ireland, Parliament called on the Commission to take urgent action to impose new minimum import prices for salmon and to explore a longer-term solution within the context of the EEA Agreement.

OJ C 17, 22.1.1996

## Employment and social policy

*1.3.197.* Mindful of the fact that job creation is the principal social, economic and political objective of the European Union and its Member States, the European Council was pleased with the way in which all those involved were working together to implement the medium-term strategy and the procedure for monitoring employment advocated by earlier European Councils. It noted that the Member States had implemented multiannual employment programmes incorporating innovative measures which had started to bear fruit. Approving the joint report

submitted by the Council and the Commission, it pointed out that a convergence of views had been achieved on an approach which would ensure that economic recovery is accompanied by a more thoroughgoing improvement in the employment situation, and identified suitable priority spheres of action. The European Council also welcomed the agreement reached between the social partners on the issue of reconciling work and family life, and urged that continued efforts be made to combat social exclusion (→ points I.8 and I.50).

## Employment

*1.3.198.* Joint Council and Commission report to the European Council on employment.

### References:

Conclusions of the Essen European Council: Bull. 12-1994, point I.3

Commission report on employment in Europe (1995): COM(95) 396; Bull. 7/8-1995, point 1.3.177

European employment strategy: Commission communication on trends and developments in employment systems in the European Union: COM(95) 465; Bull. 10-1995, point 1.3.211

*Forwarded to the European Council on 11 December.* The report, presented jointly by the Council and the Commission to the Madrid European Council, takes stock of the employment situation and progress made by the Member States in applying the guidelines laid down at the Essen European Council. The Council and the Commission confirm the need to pursue the employment strategy outlined at the Essen European Council, with efforts being concentrated on integrating young people into working life, preventing long-term unemployment and achieving equal opportunities for women and men. Priority measures are: improved investment in training, reorganization of work and working time, encouragement for local development and employment initiatives, maintenance of wage moderation, reduction in the taxation of labour and strengthening of active labour market policies such as better provision of information to the unemployed. The Council and the Commission also advocate the development of an integrated approach to employment, based on closer coordination of macroeconomic and structural policies. The full text of the report is contained in

Annex 2 to the conclusions of the Madrid European Council (→ points I.50 to I.54).

## Social security

*1.3.199.* The Council adopted two Regulations adapting the Community legislation on social security in the light of experience gained and to take account of changes made by the Member States to their own laws (→ points 1.3.200 and 1.3.201).

*1.3.200.* Council Regulation 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.

**Commission proposal:** OJ C 260, 5.10.1995; COM(95) 352; Bull. 7/8-1995, point 1.3.184

**Economic and Social Committee opinion:** Bull. 11-1995, point 1.3.186

**Parliament opinion:** OJ C 339, 19.12.1995; Bull. 11-1995, point 1.3.186

*Adopted by the Council on 22 December.*

*1.3.201.* Council Regulation 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, Regulation (EEC) No 574/72 laying down the procedure for implementing Regulation (EEC) No 1408/71, Regulation (EEC) No 1247/92 amending Regulation (EEC) No 1408/71, and Regulation (EEC) No 1945/93 amending Regulation (EEC) No 1247/92.

**Commission proposal:** OJ C 143, 26.5.1994; COM(94) 135; Bull. 4-1994, point 1.2.157

**Economic and Social Committee opinion:** OJ C 393, 31.12.1994; Bull. 9-1994, point 1.2.184

**Parliament opinion:** OJ C 166, 3.7.1995; Bull. 6-1995, point 1.3.202

**Amended Commission proposal:** COM(95) 284; Bull. 6-1995, point 1.3.202

*Adopted by the Council on 21 December.*

## Health and safety at work

*1.3.202.* Council Directive amending Directive 89/655/EEC concerning the minimum safety and health requirements for the use of work equipment by workers at work.

**Directive amended:** Council Directive 89/655/EEC: OJ L 393, 31.12.1989; Bull. 11-1989, point 2.1.102

**Commission proposal:** OJ C 104, 12.4.1994; COM(94) 56; Bull. 3-1994, point 1.2.166

**Economic and Social Committee opinion:** OJ C 397, 31.12.1994; Bull. 11-1994, point 1.2.201

**Parliament opinion (first reading):** OJ C 56, 6.3.1995; Bull. 1/2-1995, point 1.3.158

**Amended Commission proposal:** OJ C 246, 22.9.1995; COM(95) 311; Bull. 6-1995, point 1.3.203

**Council agreement on a common position:** Bull. 6-1995, point 1.3.203

**Council common position:** OJ C 281, 25.10.1995; Bull. 7/8-1995, point 1.3.183

**Parliament opinion (second reading):** OJ C 323, 4.12.1995; Bull. 11-1995, point 1.3.187

*Re-examined proposal adopted by the Commission on 4 December.*

COM(95) 642

*Adopted by the Council on 5 December.* The Directive requires employers to ensure that, where the safety of work equipment depends on the installation conditions, it is subject to inspection at the time of installation and after each assembly, and also to periodic inspections. It supplements the Annex to Directive 89/655/EEC by introducing minimum requirements for specific types of work equipment, including mobile equipment, whether self-propelled or not, and equipment for lifting loads.

## Implementation of the Protocol on social policy

*1.3.203.* Consultation of the social partners on the issue of reconciling work and family life.

### References:

Proposal for a Council Directive on parental leave and leave for family reasons: OJ C 316, 27.11.1984; COM(84) 631; Bull. 11-1984, point 2.1.62

Council recommendation 92/241/EEC on child care: OJ L 123, 8.5.1992; Bull. 3-1992, point 1.2.98

Commission communication concerning the application of the Agreement on social policy: COM(93) 600; Bull. 12-1993, point 1.2.63

Decision to initiate the consultation procedure provided for in Article 3(2) of the Agreement on social policy: Bull. 1/2-1995, point 1.3.159

Decision to initiate the procedure involving the social partners provided for in Article 3(3) of the

Agreement on social policy: Bull. 6-1995, point 1.3.205

Decision by the social partners to initiate the process provided for in Article 4 of the Agreement on social policy: Bull. 7/8-1995, point 1.3.185

*Agreement signed by the social partners on 14 December.* This first collective agreement signed by the social partners at European level guarantees in particular that workers of all the Member States (except the United Kingdom), both male and female, are entitled to unpaid parental leave of at least three months' duration. In accordance with the provisions of Article 4(2) of the Agreement on social policy, the social partners asked the Commission to submit the agreement to the Council, in the form of a proposal for a Decision, so as to make it legally binding on all the Member States except the United Kingdom.

## Equal opportunities

*1.3.204.* The European Council wished to see continuing action to assist women with a view to achieving full equality, and called for steps to be taken to monitor annually the platform for action resulting from the Beijing Conference (→ point I.15).

## Fourth Community action programme

*1.3.205.* Council Decision on the fourth medium-term Community action programme on equal opportunities for women and men (1996-2000).

### References:

Commission communication on the third action programme on equal opportunities for women and men: COM (90) 449; Bull. 10-1990, point 1.3.46

Mid-term report on equal opportunities for women and men: third Community action programme (1991-95): COM(95) 246; Bull. 6-1995, point 1.3.206

**Commission proposal:** OJ C 306, 17.11.1995; COM(95) 381; Bull. 7/8-1995, point 1.3.187

**Parliament opinion:** OJ C 323, 4.12.1995; Bull. 11-1995, point 1.3.190

**Economic and Social Committee opinion:** Bull. 11-1995, point 1.3.190

**Amended Commission proposal:** COM(95) 602

*Agreed by the Council on 5 December.*

*Formally adopted by the Council on 22 December.* This fourth action programme, covering the period 1996-2000, sets out a number of objectives to be attained in the field of equal opportunities and the measures to be taken. It provides for the funding of measures to promote equal opportunities for women and men through the incorporation of the equality dimension into all policies; the equal opportunities aspect is to be taken into account in different spheres of employment and working life (education, continuing training, access to employment, promotion of economic independence, equal pay, dignity of women and men at work, reconciling professional and parental responsibilities, etc.) and in terms of balanced participation in decision-making. The programme is designed also to provide support for information and research projects in the fields of education, culture and the media aimed at raising awareness and fostering attitudes conducive to equal opportunities; other activities will pave the way for and facilitate exchanges of information and experience in respect of recognized 'good practice', with the additional aim of promoting better use of statistics broken down by sex. The overall amount earmarked by the Council for implementation of the programme is ECU 30 million.

## Women in the development process

*1.3.206.* Council resolution on gender issues in development cooperation (→ point 1.4.46).

## Solidarity

### Measures to help the disabled

*1.3.207.* Draft Council recommendation on a parking card for disabled persons.

**Reference:** Commission communication on a

medium-term social action programme (1995-97): COM(95) 134; Bull. 4-1995, point 1.3.126

*Adopted by the Commission on 15 December.* The aim of the draft recommendation, which is part of the medium-term social action programme (1995-97), is to standardize the format of national parking cards for the disabled and to encourage reciprocal recognition by the Member States in order to facilitate free movement for disabled people using their own cars. The conditions of issue and the facilities to which holders are entitled are not covered.

COM(95) 696

*1.3.208.* Parliament resolution on the human rights of disabled people.

*Adopted on 14 December.* Deploring discrimination against the disabled, Parliament called on the Commission and the Member States to use the revision of the Treaties to build in a clause forbidding discrimination on the grounds of disability. It also called on the Commission to submit proposals aimed at preventing all forms of discrimination in work and social situations and to ensure that the rights, interests and concerns of disabled people are considered in all legislation. Finally, it called on the Commission and the Member States to draw up proposals aimed at enabling the disabled to enjoy the right to freedom of movement in the same way as non-disabled people and to support European action directly involving disabled people and non-governmental organizations, in particular those run by the disabled.

OJ C 17, 22.1.1996

## Public health

### General

*1.3.209.* Proposal for a Parliament and Council Decision adopting a programme of Community action on health promotion, information, education and training within the framework for action in the field of public health.

**Commission proposal:** OJ C 252, 9.9.1994; COM(94) 202; Bull. 6-1994, point 1.2.201

**Committee of the Regions opinion:** OJ C 210, 14.8.1995; Bull. 11-1994, point 1.2.212

**Economic and Social Committee opinion:** OJ C 102, 24.4.1995; Bull. 1/2-1995, point 1.3.165

**Parliament opinion (first reading):** OJ C 89, 10.4.1995; Bull. 3-1995, point 1.3.152

**Amended Commission proposal:** OJ C 135, 2.6.1995; COM(95) 138; Bull. 4-1995, point 1.3.128

**Council common position:** OJ C 216, 21.8.1995; Bull. 6-1995, point 1.3.212

**Parliament amendments (second reading):** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.3.227

**Commission opinion incorporating an amended proposal:** COM(95) 633; Bull. 11-1995, point 1.3.193

*Joint text adopted by the Conciliation Committee on 19 December.*

### Cancer

*1.3.210.* Proposal for a Parliament and Council Decision adopting an action plan to combat cancer within the framework for action in the field of public health.

**Commission proposal:** OJ C 139, 21.5.1994; COM(94) 83; Bull. 3-1994, point 1.2.171

**Economic and Social Committee opinion:** OJ C 393, 31.12.1994; Bull. 9-1994, point 1.2.189

**Committee of the Regions opinion:** OJ C 210, 14.8.1995; Bull. 9-1994, point 1.2.189

**Parliament opinion (first reading):** OJ C 68, 20.3.1995; Bull. 3-1995, point 1.3.153

**Amended Commission proposal:** OJ C 143, 9.6.1995; COM(95) 131; Bull. 4-1995, point 1.3.129

**Council common position:** OJ C 216, 21.8.1995; Bull. 6-1995, point 1.3.213

**Parliament amendments (second reading):** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.3.229

**Commission opinion incorporating an amended proposal:** COM(95) 634; Bull. 11-1995, point 1.3.97

*Joint text adopted by the Conciliation Committee on 19 December.*

### AIDS

*1.3.211.* Proposal for a Parliament and Council Decision adopting a programme of Community action on the prevention of AIDS and certain other communicable diseases within the framework for action in the field of public health.

**Commission proposal:** OJ C 333, 29.11.1994; COM(94) 413; Bull. 10-1994, point 1.2.117; Bull. 11-1994, point 1.2.213

**Economic and Social Committee opinion:** OJ C 133, 31.5.1995; Bull. 3-1995, point 1.3.154

**Committee of the Regions opinion:** Bull. 4-1995, point 1.3.130

**Parliament opinion (first reading):** OJ C 126, 22.5.1995; Bull. 4-1995, point 1.3.130

**Amended Commission proposal:** COM(95) 209; Bull. 5-1995, point 1.3.133

**Council common position:** OJ C 216, 21.8.1995; Bull. 6-1995, point 1.3.215

**Parliament amendments (second reading):** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.3.230

**Commission opinion incorporating an amended proposal:** COM(95) 632; Bull. 11-1995, point 1.3.198

*Joint text adopted by the Conciliation Committee on 19 December.*

## Drugs

*1.3.212.* Proposal for a Parliament and Council Decision adopting a programme of Community action on the prevention of drug dependence.

**Commission proposal:** OJ C 257, 14.9.1994; COM(94) 223; Bull. 6-1994, point 1.2.206

**Committee of the Regions opinion:** OJ C 210, 14.8.1995; Bull. 11-1994, point 1.2.216

**Economic and Social Committee opinion:** OJ C 110, 2.5.1995; Bull. 1/2-1995, point 1.3.166

**Parliament opinion (first reading):** OJ C 269, 16.10.1995; Bull. 9-1995, point 1.3.133

**Amended Commission proposal:** COM(95) 579; Bull. 11-1995, point 1.3.200

**Council agreement on a common position:** Bull. 11-1995, point 1.3.200

*Common position formally adopted by the Council on 20 December.*

*1.3.213.* Council resolution on the integration of health protection requirements in Community policies.

**Council agreement:** OJ C 350, 30.12.1995; Bull. 11-1995, point 1.3.194

*Formally adopted by the Council on 20 December.*

*1.3.214.* Council resolution on medicinal products for human use.

**Council agreement:** OJ C 350, 30.12.1995; Bull. 11-1995, point 1.3.195

*Formally adopted by the Council on 20 December.*

## Consumer policy

### Consumer information and education

*1.3.215.* Proposal for a Parliament and Council Directive on consumer protection in the indication of the prices of products offered to consumers.

**Commission proposal:** OJ C 260, 5.10.1995; COM(95) 276; Bull. 7/8-1995, point 1.3.196

*Endorsed by the Economic and Social Committee on 20 December.*

The Committee nevertheless made a number of suggestions, the main points being as follows: during the transitional period leading up to the introduction of the single currency, three prices should be indicated on products; a list of products for which there is an obligation to indicate the unit price should be established; a two-year period should be allowed for conforming to the new Directive, and reports on its implementation should be drawn up.

### Protection of consumers' economic and legal interests

*1.3.216.* Proposal for a Parliament and Council Directive on the protection of consumers in respect of contracts negotiated at a distance (distance selling).

**Commission proposal:** OJ C 156, 23.6.1992; COM(92) 11; Bull. 4-1992, point 1.3.179

**Economic and Social Committee opinion:** OJ C 19, 25.1.1993; Bull. 11-1992, point 1.3.234

**Parliament opinion:** OJ C 176, 28.6.1993; Bull. 5-1993, point 1.2.81

**Proposal subject to the co-decision procedure since 1 November 1993**

**Amended Commission proposal:** OJ C 308, 15.11.1993; COM(93) 396; Bull. 10-1993, point 1.2.94

**Council agreement on a common position:**

Bull. 3-1995, point 1.3.155

**Council common position:** OJ C 288, 30.10.1995; Bull. 6-1995, point 1.3.222

*Amendments adopted by Parliament (second reading) on 13 December.* The amendments are designed mainly to clarify the definition of 'distance contract', to expand on the arrangements for cancellation, reimbursement and consumer protection, particularly in the case of canvassing by telephone, and to make consumers aware of the existence of the Directive.

OJ C 17, 22.1.1996

*Conciliation Committee meeting held on 4 December.* The Committee was unable to reach agreement on all Parliament's amendments.

*Opinion incorporating an amended proposal adopted by the Commission on 14 December.*

COM(95) 659

## Culture

1.3.217. The European Council reaffirmed the importance of cultural action as a way of fostering a Community dimension in the cultures of all the Member States (→ point I.15).

### Kaleidoscope 2000 programme

1.3.218. Proposal for a Parliament and Council Decision establishing a programme to support artistic and cultural activities having a European dimension (Kaleidoscope 2000).

**Commission proposal:** OJ C 324, 22.11.1994;

COM(94) 356; Bull. 7/8-1994, point 1.2.178

**Parliament opinion (first reading):** OJ C 109,

1.5.1995; Bull. 4-1995, point 1.3.133

**Committee of the Regions opinion:** Bull.

4-1995, point 1.3.133

**Council agreement on a common position:**

Bull. 6-1995, point 1.3.224

**Council common position:** OJ C 281,

25.10.1995; Bull. 7/8-1995, point 1.3.199

**Amended Commission proposal:** OJ C 287,

24.10.1995; COM(95) 373; Bull. 7/8-1995, point

1.3.199

**Parliament amendments (second reading):**

Bull. 11-1995, point 1.3.208

**Conciliation Committee:** Bull. 11-1995, point

1.3.208

## Information, communication and audiovisual media

### Audiovisual policy

#### MEDIA II

1.3.219. Council Decision 95/564/EC on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA II — Training) (1996-2000).

**Commission proposal:** OJ C 108, 29.4.1995;

COM(94) 523; Bull. 1/2-1995, point 1.3.170

**Parliament opinion (first reading):** OJ C 166,

3.7.1995; Bull. 6-1995, point 1.3.227

**Council agreement on a common position:**

Bull. 6-1995, point 1.3.227

**Economic and Social Committee opinion:** OJ

C 256, 2.10.1995

**Council common position:** OJ C 281,

25.10.1995; Bull. 7/8-1995, point 1.3.207

**Parliament opinion (second reading):** OJ

C 323, 4.12.1995; Bull. 11-1995, point 1.3.210

**Council agreement:** Bull. 11-1995, point

1.3.210

*Re-examined proposal adopted by the Commission on 15 December.*

COM(95) 725

*Adopted by the Council on 22 December.*

OJ L 321, 30.12.1995

## 4. Role of the Union in the world

### Common foreign and security policy

1.4.1. The European Council, welcoming the progress made within the European Union on developing a new European security architecture, stressed the need to continue encouraging disarmament and non-proliferation within the framework of the common foreign and security policy (→ point I.35).

### Common foreign policy

1.4.2. Common position 95/544/CFSP defined by the Council on the basis of Article J.2 of the Treaty on European Union, on Nigeria (→ point 1.4.119).

1.4.3. Council Decision 95/517/CFSP concerning the joint action, adopted by the Council on the basis of Article J.3 of the Treaty on European Union, on continued support for European Union administration of the town of Mostar (→ point 1.4.76).

1.4.4. Council Decision 95/552/CFSP supplementing Decision 95/517/CFSP concerning the joint action, adopted by the Council on the basis of Article J.3 of the Treaty on European Union, on continued support for European Union administration of the town of Mostar (→ point 1.4.77).

1.4.5. Joint action 95/545/CFSP adopted by the Council on the basis of Article J.3 of the Treaty on European Union with regard to the participation of the Union in the implementing structures of the peace plan for Bosnia-Herzegovina (→ point 1.4.80).

1.4.6. Council Decision 95/516/CFSP adapting and extending the application of Decision 93/603/CFSP concerning the joint action decided on by the Council on the basis of Article J.3 of the Treaty on European Union on support for the conveying of humanitarian aid in Bosnia and Herzegovina (→ point 1.4.82).

1.4.7. Common position 95/511/CFSP defined by the Council on the basis of Article J.2 of the Treaty on European Union with regard to the suspension of the restrictions on trade with the Federal Republic of Yugoslavia (Serbia and Montenegro) and with the Bosnian Serbs (→ point 1.4.86).

### Common security policy

#### *Dual-use goods*

1.4.8. Council agreement in principle on amending Decision 94/942/CFSP on the joint action concerning the control of exports of dual-use goods.

**Decision to be amended:** Council Decision 94/942/CFSP on the joint action adopted on the basis of Article J.3 of the Treaty on European Union concerning the control of exports of dual-use goods (OJ L 367, 31.12.1994; Bull. 12-1994, point 1.3.2), as amended by Decision 95/127/CFSP: OJ L 90, 21.4.1995; Bull. 4-1995, point 1.4.2

*Agreed by the Council on 4 December.* The aim is to update the system for control of exports of dual-use goods.

### European Union statements and presidency statements on behalf of the European Union

#### *Azerbaijan*

1.4.9. The following presidency statement on behalf of the European Union concerning the elections in Azerbaijan was published in Brussels and Madrid on 21 December:

‘The European Union welcomes the elections held on 12 and 26 November in Azerbaijan as a step forward on the path to democracy, despite certain irregularities pointed out by international observers and acknowl-

edged by the Azerbaijani authorities. The European Union hopes that Azerbaijan will continue with the democratic reforms it has begun in accordance with the constitution adopted by the people.'

### *Burma (Myanmar)*

1.4.10. The following presidency statement on behalf of the European Union was published in Brussels and Madrid on 15 December:

'The European Union expresses its concern about the absence of open and meaningful dialogue on constitutional reform involving all sectors of opinion in Burma including the NLD, recently being forced to abandon the National Convention.

The European Union firmly believes that dialogue will help prevent confrontation and offers the best hope of national reconciliation. We therefore call upon the State Law and Order Restoration Council to engage in dialogue with all of Burma's political and ethnic groups and to increase their efforts to achieve national reconciliation and multiparty democracy. At the same time, we urge all parties concerned to proceed with caution and to take all possible steps to avoid a return to violence.

Norway, Bulgaria, the Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia associate themselves with this declaration.'

### *China*

1.4.11. The following presidency statement on behalf of the European Union in support of the dissident Wei Jing Xeng was published in Brussels and Madrid on 14 December:

**Reference:** Presidency statement on human rights in China: Bull. 6-1995, point 1.4.11

'The European Union deeply deplores the extremely long period of time during which Mr Wei Jing Xeng has been under arrest without a formal accusation, as well as the sentence pronounced against him today. His defence of human rights in general and of freedom of expression in particular, makes him worthy of the international community's most sincere and firm respect.

The European Union regrets that, in spite of the *démarche* carried out to the Chinese authorities on 6 December, Mr Wei Jing Xeng has been sentenced and therefore demands that this emblematic champion of human rights is promptly freed without conditions.

Norway, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland and Slovakia associate themselves with this declaration.'

### *Russian Federation*

1.4.12. The following European Union statement concerning the parliamentary elections in Russia was published in Brussels and Madrid on 17 December:

#### **References:**

Council conclusions on a strategy for EU-Russia relations: Bull. 11-1995, point 1.4.81

Madrid European Council conclusions: points I.30 and I.70 of this Bulletin

'The European Union welcomes the fact that legislative elections have been held in Russia on 17 December 1995 in accordance with the terms of the constitution. Those elections represent a step forward by Russia in the process of consolidating shared democratic values, respect for human rights and compliance with the rule of law.

The European Union is pleased to note that the many international observers present during the elections, including those from the EU, have confirmed that the electoral process was in general conducted freely and fairly. The high level of participation is significant. The Central Electoral Committee cooperated wholeheartedly with the observers and functioned with a great degree of democratic transparency.

In agreement with the conclusions of the EU General Affairs Council of 20 November 1995 on future relations between the European Union and Russia, and with the statement on Russia by the Madrid European Council (15 December 1995), the EU hopes that free expression of the will of the Russian people will encourage consolidation of the reform process. The fully normal nature of these legislative elections has strengthened the EU's will to continue to work towards the success of the transition to democracy in Russia and the reforms aimed at producing a market economy.

The Central and Eastern European countries associated with the European Union and the associated countries Cyprus and Malta align themselves with this declaration.'

### *Tanzania*

1.4.13. The following presidency statement on behalf of the European Union concerning the elections in Tanzania was published in Brussels and Madrid on 21 December:

'The EU would like to express its satisfaction at the holding of the first multiparty presidential and parliamentary elections in Tanzania. They constitute an important step forward to the consolidation of the democratic system in the country.

The EU notes in particular that, despite difficulties in ensuring that the electorate had the opportunity to



express their choice, which required re-run in Dar Es Salaam constituencies, the final outcome of the Union elections fairly reflects the will of the Tanzanian people.

However, the EU remains concerned about the disputed results of the Zanzibar presidential elections and hopes that the authorities concerned will draw appropriate conclusions to ensure a transparent democratic solution. The EU appeals to all parties to sustain their commitment to avoiding any recourse to violence.

Finally, the EU looks forward to working with the new Union government on the political and economic reform process and calls on all parties to work together constructively to promote further development of the democracy throughout the Union.

The EFTA countries members of the EEA, the Central and East European countries associated with the European Union and the associated countries Cyprus and Malta align themselves with this declaration.'

## International organizations and conferences

*1.4.14.* The European Council reasserted the Union's backing for the UN as the worldwide forum for realizing mankind's aspirations for peace, security and economic and social progress. It called on all UN member countries to honour their financial obligations to the organization in full and hoped that the reform of its structures and institutions would progress. It also reiterated the Union's intention to maintain its active contribution to strengthening the OSCE, and in particular to the preparation of a common and comprehensive security model for 21st century Europe (→ points I.36 and I.46).

### World Trade Organization

*1.4.15.* Council Decision on the conclusion of GATT Article XXIV.6 negotiations with the United States and Canada and related issues.

**Proposal approved by the Commission:** Bull. 11-1995, point 1.4.11

*Agreed by the Council on 4 December.*

*Proposal formally adopted by the Commission on 6 December.*

COM(95) 604

*Adopted by the Council on 21 December.* This decision endorses the outcome of the GATT Article XXIV.6 negotiations conducted with the United States and Canada after the accession to the European Union of Austria, Finland and Sweden.

*1.4.16.* Council Decision on the conclusion of GATT Article XXIV.6 negotiations with Argentina, Australia, Chile, Japan, New Zealand and Thailand and related issues.

*Proposal adopted on 14 December.*

COM(95) 736

*Adopted by the Council on 21 December.* This decision endorses the outcome of the GATT Article XXIV.6 negotiations conducted with Argentina, Australia, Chile, Japan, New Zealand and Thailand after the accession to the European Union of Austria, Finland and Sweden.

*1.4.17.* Council Regulation laying down the rates of duty to be applied by the Community resulting from GATT Article XXIV.6 negotiations following the accession of Austria, Finland and Sweden.

**Proposal approved by the Commission:** Bull. 11-1995, point 1.4.11

*Proposal formally adopted by the Commission on 6 December.*

COM(95) 604

*Adopted by the Council on 22 December.* The Regulation applies from 1 January 1996 the tariff reductions resulting from negotiations under Article XXIV.6 of GATT.

### Organization for Economic Cooperation and Development (OECD)

*1.4.18.* Parliament resolution on the communication from the Commission concerning the worldwide standardization of the rules governing direct investment.

**Reference:** Commission communication: COM (95) 42; Bull. 3-1995, point 1.4.13

*Adopted on 14 December.* Parliament stressed that a multilateral agreement on direct investment would have to include the granting of

most-favoured-nation and national treatment, provisions guaranteeing the freedom to transfer capital and profits and protection against unlawful expropriation, measures ensuring the mobility of workers to implement foreign investment and operate plants abroad, and an effective dispute-settlement procedure. It also called for the deadlines for implementing obligations under the agreement to vary according to a contracting party's economic development, thereby enabling developing countries to accede to the agreement too.

OJ C 17, 22.1.1996

## Organization for Security and Cooperation in Europe (OSCE)

### 1.4.19. Council of Foreign Ministers.

#### References:

Fourth Summit of Heads of State or Government and Foreign Ministers of the CSCE: Bull. 12-1994, point 1.3.97

Fifth follow-up meeting: Bull. 10-1994, point 1.3.71

Previous meeting: Bull. 12-1993, point 1.3.100

*Meeting held in Budapest on 7 and 8 December.* Mr Van den Broek represented the Commission at this meeting, which brought together the foreign ministers of the 53 member countries, five Mediterranean partner countries and representatives of a number of international and regional organizations. The meeting saw discussion of the OSCE operation for peace, democracy and stability in Bosnia-Herzegovina under the mandate conferred in the Dayton peace agreement

regarding elections, human rights monitoring, arms control and confidence-building and security measures. This initiative provides for the OSCE to set up a mission in Bosnia-Herzegovina. The head of that mission will be responsible for fulfilling the OSCE's mandate, will chair the provisional electoral commission and report to the OSCE presidency on the background to the elections and when they might take place. The OSCE will also be appointing a human rights mediator to help the parties involved in the negotiations on confidence-building, security and arms-control measures, which must take account of the obligations of the region's countries under the Treaty on Conventional Forces in Europe.

Reviewing the progress made since the adoption of the decisions approved at the fifth follow-up conference, which took place in Budapest in 1994, and the fourth summit of Heads of State or Government, the Council of Foreign Ministers decided to continue discussions on a common security model for Europe in the 21st century and efforts to find a peaceful settlement to the conflict in Nagorno-Karabakh under the 'Minsk process'.

## European Bank for Reconstruction and Development (EBRD)

### Financing

1.4.20. In December the Bank approved the financing operations listed in Table 7.

Table 7 — EBRD Financing

<i>(million ECU)</i>				
Country	Recipient	Sector	Loan	Equity
Albania	Power transmission and distribution project	Energy	10.000	
Armenia	Wholesale market project	Agribusiness	11.695	
Bulgaria	BNP-Dresdner Bulgaria capital increase	Banking		0.664
	Bulgarian Investment Bank capital increase	Banking	0.971	
	Wholesale markets	Agribusiness	27.288	

Country	Recipient	Sector	Loan	Equity
Czech Republic	Wintherthur Pojistovna a.s.	Insurance		5.217
	Wintherthur PenzijniFond a.s.	Insurance		0.943
Estonia	Small municipalities environment	Environment	10.894	
Former Yugoslav Republic of Macedonia	Mac SME credit line			
	• Almako Banka	Banking	2.368	
	• Export Import Banka	Banking	2.179	
	• Makedonska Banka	Banking	5.447	
	• Stopanska Banka	Banking	5.447	
	Skopje Airport rehabilitation project	Transport	9.699	
Hungary	Budapest Bank privatization	Banking		36.644
	CGE — Hungary Regional Telecommunication	Telecommunications	29.627	
	Emitel	Telecommunications	11.695	
	M5 concession motorway BOT	Transport infrastructure	120.080	
	Prometheus ESCO Financing	Energy distribution	3.955	
Latvia	Latvijas Unibanka	Banking	15.593	
Lithuania	Banka Hormis	Banking		2.412
Romania	Banca Agricola credit line extension	Agribusiness	38.583	
Russian Federation	GAZ corporate loan	Transport	15.593	
	Novorossiysk Shipping Co.	Shipping	46.780	
	Russian Small Business Fund			
	• NBD Bank	Banking	0.195	
	• Rosest Bank	Banking	1.220	
	Russian trade facilitation programme			
	• Neftekhimbank	Banking	11.695	
	• Mezhhombank	Banking	3.898	
	VELT-Philips CPT/TV2	Communications		3.625
	Vena St. Petersburg	Agribusiness		7.862
Ukraine	Power market development project	Energy	43.583	
	Ukraine Fund capital increase	Holding		6.627
	Yuzhny fertiliser terminal	Miscellaneous		3.950

# Common commercial policy

**Commission proposal:** OJ C 319, 30.11.1995; COM(95) 363; Bull. 7/8-1995, point 1.4.24

*Endorsed by Parliament on 15 December.*

OJ C 17, 22.1.1996

*Adopted by the Council on 22 December.* Revision and consolidation of Regulation (EC) No 3283/94.

## General matters

### *Operation of the customs union*

**1.4.21.** Proposal for a Parliament and Council Decision adopting an action programme for Community customs (Customs 2000).

**Commission proposal:** OJ C 346, 23.12.1995; COM(95) 119; Bull. 4-1995, point 1.4.30

**Economic and Social Committee opinion:** OJ C 301, 13.11.1995; Bull. 9-1995, point 1.4.14

**Amended Commission proposal:** OJ C 327, 7.12.1995; COM(95) 451; Bull. 10-1995, point 1.4.15

**Parliament opinion (first reading):** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.4.15

**Amended Commission proposal:** COM(95) 576; Bull. 11-1995, point 1.4.14

**Council agreement with a view to adoption of a common position:** Bull. 11-1995, point 1.4.14

*Formal adoption by the Council of a common position on 22 December.*

**1.4.22.** Proposal for amendment of the Agreement signed on 22 July 1972 between the Community and Switzerland.

**Reference:** EEC-Switzerland Agreement: OJ L 300, 31.12.1972

*Recommendation for a Decision adopted by the Commission on 4 December.* Negotiation of an addition to the Agreement between the Community and Switzerland of a protocol on mutual administrative assistance in the customs field.

### *Commercial policy instruments*

#### **General**

**1.4.23.** Council Regulation on protection against dumped imports from countries not members of the European Community.

**Regulation repealed:** Council Regulation (EC) No 3283/94 on protection against dumped imports from countries not members of the European Community: OJ L 349, 31.12.1994; Bull. 12-1994; point 1.3.99, as last amended by Regulation (EC) No 1251/95: OJ L 122, 2.6.1995; Bull. 5-1995, point 1.4.32

#### **Council anti-dumping measures**

**1.4.24.** Proposal for a Council Regulation extending the provisional anti-dumping duty on imports of coumarin originating in the People's Republic of China.

**Reference:** Provisional duty: OJ L 239, 7.10.1995; Bull. 10-1995, point 1.4.26

*Adopted by the Commission on 22 December.*

COM(95) 747

**1.4.25.** Proposal for a Council Regulation extending the provisional anti-dumping duty on imports of bicycles originating in Indonesia, Malaysia and Thailand.

**Reference:** Provisional duty: OJ L 248, 14.10.1995; Bull. 10-1995, point 1.4.27

*Adopted by the Commission on 22 December.*

COM(95) 746

**1.4.26.** Council Regulation (EC) No 149/96 extending the provisional anti-dumping duty on imports of certain tube or pipe fittings, of iron or steel, originating in the People's Republic of China, Croatia and Thailand.

**Reference:** Provisional duty: OJ L 234, 3.10.1995; Bull. 9-1995, point 1.4.17

*Proposal adopted by the Commission on 21 December.*

COM(95) 719

*Adopted by the Council on 22 December.*

OJ L 23, 30.1.1996

**1.4.27.** Proposal for a Council Regulation imposing a definitive anti-dumping duty on imports of refractory chamottes originating in the People's Republic of China.

**References:**

Provisional duty: OJ L 179, 29.7.1995; Bull. 7/8-1995, point 1.4.36

Extension of provisional duty: OJ L 285, 29.11.1995; Bull. 11-1995, point 1.4.19

*Adopted by the Commission on 19 December.*

COM(95) 738

1.4.28. Council Regulation (EC) No 5/96 imposing definitive anti-dumping duties on imports of microwave ovens originating in the People's Republic of China, the Republic of Korea, Malaysia and Thailand and collecting definitively the provisional duty imposed.

**References:**

Provisional duty: OJ L 156, 7.7.1995; Bull. 7/8-1995, point 1.4.32

Extension of provisional duty: OJ L 263, 4.11.1995; Bull. 10-1995, point 1.4.17

*Proposal adopted by the Commission on 8 December.*

COM(95) 695

*Adopted by the Council on 22 December.*

OJ L 2, 4.1.1996

1.4.29. Council Regulation (EC) No 2961/95 imposing a definitive anti-dumping duty on imports of peroxydisulphates (persulphates), originating in the People's Republic of China, and collecting definitively the provisional duty imposed.

**References:**

Provisional duty: OJ L 169, 19.7.1995; Bull. 7/8-1995, point 1.4.33

Extension of provisional duty: OJ L 275, 18.11.1995; Bull. 11-1995, point 1.4.16

*Proposal adopted by the Commission on 18 December.*

COM(95) 644

*Adopted by the Council on 18 December.*

OJ L 308 du 21.12.1995

1.4.30. Council Regulation amending Regulation (EEC) No 2887/93 imposing an additional anti-dumping duty on imports of certain electronic weighing scales originating in Singapore.

**Commission proposal:** COM(95) 548; Bull. 11-1995, point 1.4.20

*Adopted by the Council on 18 December.*

1.4.31. Council Regulation (EC) No 2962/95 repealing Regulation (EEC) No 868/90 imposing a definitive anti-dumping duty on imports of

certain welded tubes, of iron or non-alloy steel, originating in Yugoslavia (except Serbia and Montenegro) and Romania, and Regulation (EEC) No 898/91 imposing a definitive anti-dumping duty on imports of the same products originating in Turkey and Venezuela.

**References:**

Definitive duties: OJ L 91, 6.4.1990; Bull. 4-1990, point 1.2.47 (Romania and former Yugoslavia); OJ L 91, 12.4.1991; Bull. 4-1991, point 1.3.60 (Turkey and Venezuela)

Initiation of review procedure: OJ C 344, 22.12.1993; Bull. 12-1993, point 1.3.87

*Proposal adopted by the Commission on 14 December.*

COM(95) 645

*Adopted by the Council on 18 December.*

OJ L 308, 21.12.1995

**Commission anti-dumping measures**

1.4.32. Commission Regulation (EC) No 2997/95 imposing a provisional anti-dumping duty on imports of unwrought magnesium originating in Russia and Ukraine.

**Reference:** Initiation of proceeding: OJ C 11, 15.1.1994; Bull. 1/2-1994, point 1.3.118

*Adopted by the Commission on 20 December.*

OJ L 312, 23.12.1995

1.4.33. Notice of impending expiry of anti-dumping measures concerning imports of certain asbestos cement pipes originating in Turkey.

**Reference:** Undertakings: OJ L 209, 31.7.1991

*Published on 23 December.*

OJ C 346, 23.12.1995

1.4.34. Notice of impending expiry of anti-dumping measures concerning imports of espadrilles originating in the People's Republic of China.

**Reference:** Definitive duty: OJ L 166, 28.6.1991; Bull. 6-1991, point 1.3.64

*Published on 28 December.*

OJ C 347, 28.12.1995

**Trade barriers**

1.4.35. Commission Decision 96/40/EC suspending the proceeding, under Council Regulation (EC) No 3286/94 on trade barriers, con-

cerning piracy of Community sound recordings in Thailand and its effects on Community trade in sound recordings.

**References:**

Initiation of proceeding: OJ C 189, 20.7.1991; Bull. 7/8-1991, point 1.3.76

Council Regulation (EC) No 3286/94: OJ L 349, 31.12.1994; Bull. 12-1994, point 1.3.99

*Adopted by the Commission on 20 December.*  
OJ L 11, 16.1.1996

## Import arrangements

*1.4.36.* Proposal for a Council Regulation amending Regulations Nos 3285/94 and 519/94 with respect to the uniform Community surveillance document.

**Regulations to be amended:**

Council Regulation (EC) No 519/94 on common rules for imports from certain third countries: OJ L 67, 10.3.1994; Bull. 3-1994, point 1.3.89, as last amended by Regulation (EC) No 839/95: OJ L 85, 19.4.1995; Bull. 4-1995, point 1.4.50

Council Regulation (EC) No 3285/94 on common rules for imports: OJ L 349, 31.12.1994; Bull. 12-1994, point 1.3.99

**Commission proposal:** COM(95) 459; Bull. 10-1995, point 1.4.37

*Council policy agreement adopted on 22 December.* Alignment of the uniform Community surveillance document on import licences in terms of content and presentation.

## Individual sectors

### *ECSC products*

*1.4.37.* Agreements between the ECSC and the Russian Federation and the ECSC and Ukraine on trade in certain steel products.

**Commission recommendation:** Bull. 12-1993, point 1.3.93

**Negotiating directives:** Bull. 6-1994, point 1.3.86

**Draft Commission Decisions regarding conclusion of the Agreements:** Bull. 6-1995, point 1.4.33

**Council assent:** Bull. 10-1995, point 1.4.39

**Decision regarding conclusion of the Agreements:** Bull. 11-1995, point 1.4.26

*Agreements signed on 7 December (Russia) and 15 December (Ukraine).* These Agreements lay down quantitative limits for imports into the Community of certain steel products from Russia and Ukraine in 1995 and 1996.

### *Textiles*

*1.4.38.* Draft bilateral Agreement on trade in textile products between the Community and the People's Republic of China.

**Reference:** Previous Agreement: OJ L 380, 31.12.1988; Bull. 12-1988, point 2.2.9

**Commission recommendation:** Bull. 10-1995, point 1.4.41

**Negotiating directives:** Bull. 10-1995, point 1.4.41

*Agreement initialled on 13 December.* Renewal of the 1988 textile Agreement between the Community and China. The initialled Agreement covers the period 1996-98 and comprises a series of undertakings by China concerning measures to combat fraud and the abolition of discrimination against European purchasers.

*1.4.39.* Draft bilateral Agreements on trade in textiles between the European Community and Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation, Uzbekistan and Ukraine.

**Reference:** Previous Agreements: OJ L 123, 17.5.1994; Bull. 12-1993, point 1.3.96

**Negotiating directives:** Bull. 10-1995, point 1.4.40

*Agreements initialled in November and December.* Renewal of the textile Agreements between the Community and certain independent States of the former Soviet Union. The initialled Agreements cover the period 1996-98, except for the Agreement with Russia (which covers 1996 only).

*1.4.40.* Draft bilateral Agreement on trade in textile products between the European Community and the United Arab Emirates.

**Recommendation for a Decision:** Bull. 4-1994, point 1.3.86

*Agreement initialled on 11 December.*

*1.4.41.* Council Regulation (EC) No 3060/95 on the arrangements for imports of certain textile products originating in Taiwan.

**Reference:** Council Regulation (EEC) No 3951/92 on the arrangements for imports of certain textile products originating in Taiwan: OJ L 405, 31.12.1992; Bull. 12-1992, point 1.4.68, as last amended by Regulation (EC) No 3312/94: OJ L 350, 31.12.1994; Bull. 12-1994, point 1.3.147

**Commission proposal:** COM(95) 603; Bull. 11-1995, point 1.4.27

*Adopted by the Council on 22 December.* Renewal of the import arrangements laid down by Regulation (EEC) No 3951/92 for the period 1996-98.

OJ L 326 du 30.12.1995

## Shipbuilding

1.4.42. Proposal for a Council Regulation on protection against injurious pricing of vessels.

**Commission proposal:** COM(95) 473; Bull. 10-1995, point 1.4.42

*Endorsed by Parliament on 15 December.* This is subject to amendments to specify the connections between the proposal and the OECD Agreement on normal competitive conditions in the commercial shipbuilding and ship-repair industry (→ point 1.3.70).

OJ C 17, 22.1.1996

# Development policy

## General

### Operational coordination

1.4.43. Final report from the Commission to the Council and Parliament on operational coordination between the Community and its Member States: proposals for consolidating and extending operational coordination.

**References:**

Council resolution on procedures for coordination between the Community and the Member States: Bull. 12-1993, point 1.3.59

Council Decision on the list of countries in which Community coordination could be stepped up: Bull. 5-1994, point 1.3.88

*Adopted by the Commission on 15 December.* In follow-up to the Council's Decision of 2 December 1993, pilot projects to step up operational coordination were carried out in Bangladesh, Côte d'Ivoire, Costa Rica, Ethiopia, Mozambique and Peru. In its report the Commission takes stock of what has been achieved and proposes steps that should be taken to deal with difficulties arising in the process of strengthening coordination and to extend the scheme to all developing countries.

COM(95) 700

### Decentralized cooperation

1.4.44. Proposal for a Council Regulation on decentralized cooperation.

**Commission proposal:** OJ C 250, 26.9.1995; COM(95) 290; Bull. 7/8-1995, point 1.4.49

*Endorsed by Parliament (first reading) on 15 December.*

OJ C 17, 22.1.1996

### Sustainable development

1.4.45. Proposal for a Council Regulation on environmental measures in developing countries in the context of sustainable development.

**Commission proposal:** COM(95) 294; Bull. 6-1995, point 1.4.42

*Endorsed by the Economic and Social Committee on 20 December.*

### Women in development

1.4.46. Council resolution on gender issues in development cooperation.

**References:**

Council conclusions on women and development: Bull. 5-1993, point 1.3.40

Beijing World Conference on Women: Bull. 9-1995, point 1.3.122

Communication from the Commission to the Council and Parliament on integrating gender issues in development cooperation: COM(95) 423; Bull. 9-1995, point 1.4.23

*Adopted by the Council on 20 December.* The Council endorsed the analysis and recommendations put forward by the Commission and regretted that women's participation in development often remained a secondary issue. Recognizing

that the redressing of gender disparities was a crucial issue for development in terms of aid effectiveness and social justice, it adopted guidelines for development cooperation which also took on board the political commitments entered into at the Fourth World Conference on Women. These included: promotion of political power-sharing and full and equal participation in decision-making at all levels; greater economic empowerment and equal access to and control over economic resources; fostering of equal access to and control over social development opportunities. The Council emphasized the need to make those at the highest levels more aware of these issues and noted that gender issues should be systematically included in all coordination initiatives of the Community and the Member States, especially in the context of development policy. It asked the Commission to draw up specific proposals for common criteria and indicators in the light of the main recommendations of the platform for action adopted at the Fourth World Conference on Women.

## Generalized preferences

1.4.47. Council Regulation (EC) No 3058/95 extending into 1996 the application of Regulations (EEC) No 3833/90, (EEC) No 3835/90 and (EEC) No 3900/91 and (EC) No 2651/95 applying generalized tariff preferences in respect of certain agricultural products originating in developing countries and amending certain provisions of Regulation (EC) No 3282/94.

### Regulations extended:

Council Regulations (EEC) Nos 3833/90 and 3835/90 (OJ L 370, 31.12.1990; Bull. 12-1990, point 1.4.54), as last amended by Council Regulation (EC) No 3668/93: OJ L 338, 31.12.1993; Bull. 12-1993, point 1.3.61

Council Regulation (EEC) No 3900/91: OJ L 368, 31.12.1991; Bull. 12-1991, point 1.3.42

Council Regulation (EC) No 2651/95: OJ L 273, 16.11.1995; Bull. 10-1995, point 1.4.44

**Regulation amended:** Council Regulation (EC) No 3282/94: OJ L 348, 31.12.1994; Bull. 12-1994, point 1.3.150

*Proposal adopted by the Commission on 7 December.*

COM(95) 626

*Adopted by the Council on 22 December.* The Regulation extends the present arrangements for six months.

OJ L 326, 30.12.1996

## Commodities and world agreements

### Rubber

1.4.48. Draft third International Natural Rubber Agreement (INRA).

**Reference:** Council Decision 92/396/EEC concerning the conclusion by the Community of the International Natural Rubber Agreement, 1987: OJ L 219, 4.8.1992; Bull. 7/8-1992, point 1.4.53  
**Commission recommendation:** Bull. 1/2-1994, point 1.3.145

**Negotiating directives:** Bull. 3-1994, point 1.3.108

*Proposal for a Decision on the signing and notification of provisional application of the Agreement adopted by the Commission on 5 December.*

COM(95) 616

*Commission Decision on the signing and notification of provisional application of the Agreement adopted by the Council on 22 December.* The Agreement was negotiated under the aegis of the United Nations and will replace the expired 1987 Agreement. Its main objectives are to promote and step up international cooperation in all sectors of the international natural rubber trade, to help stabilize the world market for this product in the interests of both producers and consumers and to foster the expansion of international trade in natural rubber.

## Cooperation via non-governmental organizations

1.4.49. Proposal for a Council Regulation on cofinancing operations with European non-governmental development organizations (NGDOs) in fields of interest to the developing countries.

**Commission proposal:** OJ C 251, 27.9.1995; COM(95) 292; Bull. 7/8-1995, point 1.4.53

*Endorsed by Parliament (first reading) on 15 December,* subject to amendments of an essentially procedural nature. Parliament's main amendment requires a review of the Regulation five years after its entry into force.

OJ C 17, 22.1.1996

1.4.50. Projects in developing countries

*Commission cofinancing:* commitment of ECU 246 514 for two operations.



## Rehabilitation aid

1.4.51. Proposal for a Council Regulation on rehabilitation and reconstruction operations in developing countries.

**Commission proposal:** OJ C 235, 9.9.1995; COM(95) 291; Bull. 6-1995, point 1.4.49

*Endorsed by Parliament (first reading) on 15 December*, subject to amendments of an essentially procedural nature.

OJ C 17, 22.1.1996

*Agreed by the Council on 20 December with a view to a common position.* The purpose of the

proposed Regulation is to provide a legal basis for rehabilitation and reconstruction operations to bridge the gap between humanitarian aid and a resumption of medium to long-term development aid in developing countries, including the republics of Central Asia and the Caucasus, which have suffered severe damage as a result of wars, civil strife and natural disasters. Such operations will involve the physical and operational rehabilitation of basic infrastructure, including mine clearance, social reintegration and the restoration of the institutional capacities needed in the rehabilitation period.

1.4.52. *Financing decisions.* See Table 8.

Table 8 — *Rehabilitation and reconstruction measures*

(ECU)		
Country	Purpose	Amount
Angola	Rehabilitation programme to improve sanitation and public health	357 000
Cambodia	European rehabilitation programme in Cambodia	11 500 000
Liberia	Printing of school books for primary schools	1 839 739
Nicaragua	Housing in Managua	9 000 000
Somalia	Rehabilitation of the education system	421 000
	Rehabilitation of water points	403 900
	Rehabilitation of water supply plant	240 000
	Rehabilitation of a section of road	357 000
Tanzania	Water engineering and health education	627 847

## Food aid

1.4.53. Proposal for a Council Regulation on food aid policy and food aid management and special operations in support of food security.

**Commission approval:** Bull. 6-1995, point 1.4.51

**Formal adoption by the Commission:** OJ C 253, 29.9.1995; COM(95) 283; Bull. 7/8-1995, point 1.4.56

*Endorsed by Parliament (first reading) on 15 December*, subject to amendments aimed at strengthening and clarifying the Commission's proposal, plus some of a procedural nature.

OJ C 17, 22.1.1996

*Agreed by the Council on 20 December with a view to a common position.* The purpose of the

proposed legislation is to group under a single regulation all existing food aid instruments and at the same time overhaul and update them. It will also help make food aid a key element of long-term food security. Some of the new operations proposed include support for food security, the setting-up of early warning systems to signal possible threats such as drought, storage programmes and the possibility of direct aid for the private sector. The proposal does not cover food aid given in the context of humanitarian operations but does embrace aid operations to deal with serious crises such as famine or a threat of famine.

1.4.54. *Commission decisions of 5 December.* Allocation of food to the value of ECU 79 456 000 (see Table 9).

Table 9 — Food aid allocations

Country	Quantity (tonnes)				(Million ECU)	
	Cereals	Vegetable oil	Beans	Milk powder	Other products	Alternative operations
Bangladesh	75 000					
Bolivia						5
Egypt	46 000				1.02	
Ethiopia	75 000					
Peru	35 012	3 800	2 250	1 000		
Tunisia						5.4

## Humanitarian aid

*1.4.55. Proposal for a Council Regulation on humanitarian aid.*

**Commission proposal:** OJ C 180, 14.7.1995; COM(95) 201; Bull. 5-1995, point 1.4.55

**Parliament opinion (first reading):** OJ C 339, 18.12.1995; Bull. 11.1995, point 1.4.36

*Amended proposal adopted by the Commission on 15 December.*

COM(95) 721

*Agreement on a common position reached by the Council on 20 December.* The proposal is designed to provide a legal basis for the activities of the European Community Humanitarian Office (ECHO). It sets out clear goals and general criteria for humanitarian aid, defines the eligible types of situation and assistance and the links between humanitarian aid and disaster preparedness, rehabilitation and reconstruction. It also lays down the procedures for implementing operations and details the basis for relations between ECHO and its operational partners.

*1.4.56. Humanitarian aid summit.*

*Meeting held in Madrid on 14 December.* The summit was attended by representatives from international humanitarian aid agencies and organizations. Ms Bonino represented the Commission. The discussions, which led to the adoption of the Madrid Declaration, centred on the exact role of humanitarian aid and the importance attached to it. The feeling was that while

such aid should not be a substitute for political action, it should do more than simply respond to crises and try instead to tackle the root causes. The importance of prevention was stressed in this connection. In their declaration, delegates called for moves to improve food security and aid to refugees and for efforts to protect civilians so as to ensure that women and children especially were not deliberately used as targets. They also pointed to the need to respect the impartiality and independence of humanitarian agencies.

*1.4.57. Commission aid decisions.* See Table 10.

Table 10 — Humanitarian aid

Country/region	Purpose	(million ECU)
		Amount
Afghanistan	Victims of unrest	0.95
	Fighting	4.78
Albania	Polio vaccination campaign	0.15
Algeria	Sahrawi people	1
Armenia, Azerbaijan and Georgia	Aid for the people of the three republics	5
Belarus	Emergency diphtheria campaign	0.98
South Caucasus	Aid	12.391
Cape Verde	Cholera epidemic	0.12

Country/region	Purpose	Amount
Cambodia	Victims of anti-personnel mines	1.85
	Aid for the Cambodian people	0.5
Colombia	Aid for victims of violence	0.6
Ethiopia	Disaster preparedness	0.236
Iraq	Aid for vulnerable groups	6
Kyrgyzstan	Aid for the Kyrgyz people	1.25
Laos	Flood victims	0.38
Lebanon	Aid for Palestinians	0.55
Liberia	Fighting	3.3
	Yellow fever epidemic	0.7
Mexico	Hurricane and earthquake victims	0.36
Peru	Displaced persons	0.22
Philippines	Typhoon	1
Romania	Aid	0.5
Russian Federation	Aid for tuberculosis sufferers and vulnerable groups	1.6
Sierra Leone	Civil unrest	0.5
Sri Lanka	Victims of civil war	1.5
Tadjikistan	Aid	1
	Emergency diphtheria campaign	1
	Aid for vulnerable groups and returnees	1.55
Palestinian Territories	Aid	0.35
Thailand	Aid for Karen refugees	0.8
Ukraine	Victims of the Chernobyl disaster	2
Vietnam	Flooding	0.5
All countries	Technical assistance (EAC)	4.15
	Technical assistance in the fight against hunger	0.14
	Disaster preparedness	0.414

## Central and Eastern Europe, Baltic States

1.4.58. The European Council confirmed the need to pursue and boost the pre-accession strategy laid down by the Essen European Council. It indicated that the Council would take the requisite decisions to initiate accession negotiations after the conclusion of the Intergovernmental Conference and in the light of the conference outcome and the respective opinions and reports requested from the Commission. It called also for the rapid signing of the EU-Slovenia Agreement and for the launch of a regional cooperation initiative in the Baltic region (→ points I.25, I.28, and I.29).

### Applications for accession to the European Union

1.4.59. Estonia's application to join the European Union.

**Formal accession application:** Bull. 11-1995, point 1.4.42

*Decision on implementation of accession procedure under Article O of the Treaty on European Union adopted by the Council on 4 December.*

1.4.60. Lithuania's application to join the European Union.

*Formal accession application made on 8 December.*

1.4.61. Bulgaria's application to join the European Union.

*Formal accession application made on 16 December.*

### Pre-accession strategy

1.4.62. Interim report from the Commission to the European Council on the effects on the policies of the EU of enlargement to include the associated countries of Central and Eastern Europe.

**Commission approval:** Bull. 11-1995, point 1.4.47

*Formal adoption by the Commission on 6 December.*

## Association and other agreements

### *Central and Eastern Europe*

1.4.63. Draft agreements on the amendment of the Europe Agreements concluded by the European Communities and their Member States with the associated countries of Central and Eastern Europe following enlargement and the conclusion of the Uruguay Round.

**Recommendation for Decisions:** Bull. 11-1994, point 1.3.21

**Negotiating directives:** Bull. 3-1995, point 1.4.53

**Council agreement to the adoption of additional negotiating directives:** Bull. 11-1995, point 1.4.50

*Formal adoption by the Council of additional negotiating directives on 4 December.*

## Assistance for Central and Eastern Europe

### *Opening of Community programmes to the associated countries of Central and Eastern Europe*

1.4.64. Draft Additional Protocols to the Europe Agreements between the European Community and the European Atomic Energy Community, of the one part, and Bulgaria, the Czech Republic, Hungary, Poland and Romania, of the other part, concerning the opening of Community programmes to the associated countries of Central and Eastern Europe.

**Commission recommendation:** Bull. 5-1994, point 1.3.28

**Negotiating directives:** Bull. 7/8-1994, point 1.3.31

**Proposals for Council and Commission Decisions (EC and Euratom) on conclusion of the Additional Protocols:** COM(94) 599; Bull. 12-1994, point 1.3.16

**Council Decision on the signing of the Protocols:** Bull. 4-1995, point 1.4.68

**Commission Decision (Euratom) on the conclusion of the Protocols:** Bull. 6-1995, point 1.4.66

**Parliament assent:** Bull. 11-1995, point 1.4.53

*Council and Commission Decisions 95/558/EC, Euratom, to 95/562/EC, Euratom, on the conclusion of the Additional Protocols adopted on 4 December.*

OJ L 317, 30.12.1995

## Mediterranean and Middle East

1.4.65. The European Council confirmed that the negotiations for the accession of Cyprus and Malta, based on the Commission's proposals, would begin six months after the Intergovernmental Conference had finished. It welcomed the outcome of the Euro-Mediterranean Conference in Barcelona, the agreements concluded with Tunisia, Israel and Morocco, the forthcoming entry into force of the final phase of customs union with Turkey and the prospects for agreements with other Mediterranean countries. The Council noted with satisfaction the progress of the peace process in the Middle East and in former Yugoslavia and confirmed the Union's determination to make a substantial contribution to the implementation of the peace accords. It also expressed its support for a fair and viable settlement of the Cyprus question. On the subject of Iran, it underlined the need to ensure that cooperation was conducted with all the necessary guarantees and called for a satisfactory solution in respect of the British writer Salman Rushdie (→ points 1.25 to 1.27; 1.33; 1.34; 1.37; 1.39 to 1.41; 1.68 and 1.76).

## General

1.4.66. Parliament resolution on the Euro-Mediterranean Conference in Barcelona.

### **Reference:**

Conclusions of the Cannes European Council: Bull. 6-1995, points I.12, I.13 and I.49; Supplement 2/95 — Bull.

Parliament resolution on the Mediterranean policy of the European Union with a view to the Barcelona Conference: OJ C 287, 30.10.1995; Bull. 10-1995, point 1.4.70

Euro-Mediterranean Conference in Barcelona:  
Bull. 11-1995, points 1.4.56 and 2.3.1

*Adopted on 14 December.* Parliament welcomed the outcome of the Barcelona Conference and stressed the need for all the signatories to live up to the declaration adopted to conclude the meeting. It underlined once again the strategic significance of the Mediterranean basin and expressed the wish to give a new dimension to future relations with the Mediterranean non-member countries. It also stressed how important it was to Cyprus and Malta that negotiations on accession to the European Union should begin six months after the end of the Intergovernmental Conference.

OJ C 17, 22.1.1996

## Northern Mediterranean

### Turkey

**References:** EC-Turkey Association Council:  
Bull. 3-1995, point 1.4.65

*1.4.67.* Proposal for a Council Decision relating to a common position by the Community in the EC-Turkey Association Council on implementing the final phase of the customs union.

**Commission proposal concerning conclusion:**  
28 April 1995

*Assent given by Parliament on 13 December.*

OJ C 17, 22.1.1996

*1.4.68.* Draft free trade Agreement between the European Coal and Steel Community and Turkey on trade in products covered by the ECSC Treaty.

**Commission recommendation:** Bull. 6-1995,  
point 1.4.74

**Council agreement on the negotiating directives:** Bull. 10-1995, point 1.4.77

*The Commission adopted a draft ECSC Decision on the conclusion of the Agreement on 12 December* aimed at establishing a free-trade area between the Community and Turkey for products covered by the ECSC Treaty.

*ECSC Consultative Committee consulted on 19 December.*

*Assent given by the Council on 22 December.*

OJ C 13, 18.1.1996

*1.4.69.* Proposal for a Council Regulation regarding a special financial cooperation measure for Turkey.

**Commission proposal:** OJ C 271, 17.10.1995;  
COM(95) 389; Bull. 7/8-1995, point 1.4.77

*Endorsed by Parliament on 13 December* subject to amendments relating principally to the need to uphold democratic principles, human rights, the rule of law, including recognition of the right of democratic expression of minorities, and international law.

OJ C 17, 22.1.1996

*1.4.70.* Parliament resolution on the human rights situation in Turkey.

*Adopted on 13 December.* Parliament called on the European Union, its Member States and Turkey to give their full backing to a continuous and broad dialogue to promote respect for human rights and freedoms and urged the Turkish Government and the Grand National Assembly to continue the necessary process of reform of the Constitution and criminal laws in order to guarantee an ongoing improvement of the human rights situation and democratic reform in Turkey. It appealed to the Turkish Government, the PKK and other Kurdish organizations to use every available mechanism to find a non-violent and political solution to the Kurdish issue and to consider ways of allowing citizens of Kurdish origin to express their cultural identity while ensuring respect for Turkey's territorial unity. Parliament called on the Turkish Government and the Grand National Assembly to review the case of the four members of the Grand National Assembly and others still in prison and to be rigorous in applying the law against torture and maltreatment of prisoners. It further called on the Council and the Commission to monitor permanently human rights and democratic development in Turkey. Finally, it called on the Council, the Commission, the United Nations and the Government of Cyprus to do all in their power to bring the partition of Cyprus to an end and urged the Turkish Government to implement the UN Security Council resolution on that issue.

OJ C 17, 22.1.1996

### Former Yugoslavia

#### References:

Commission communication to the Council on reconstruction of the former Yugoslavia: Bull 9-1995, point 1.4.40

Council conclusions on the guidelines for former Yugoslavia: Bull. 10-1995, points 1.4.78 and 2.2.1

Commission communication on humanitarian aid to the former Yugoslavia: prospects and guidelines: Bull. 11-1995, point 1.4.35

Communication from the Commission to the Council and Parliament on reconstruction in former Yugoslavia: EU aid administration and international aid coordination: COM(95) 582; Bull. 11-1995, point 1.4.62

**1.4.71.** Council conclusions on former Yugoslavia.

*Adopted on 4 December.* The Council welcomed the agreements reached in Dayton on 21 November and, as a follow-up to the policy it had set out in October, noted the EU's determination to make a substantial contribution to implementation of the peace agreement in Bosnia-Herzegovina and of the basic agreement on the regions of Eastern Slavonia, Baranja and Western Sirmium and to continue its humanitarian effort in former Yugoslavia as long as the need existed. It stated that the European Union would fully support the OSCE in conducting the tasks it had been requested to undertake by the parties to the peace agreement and approved, *inter alia*, a draft memorandum of understanding between the European Community Monitoring Mission (ECMM) and the OSCE. The Council further noted that the European Union would also intensify its efforts to strengthen the Federation, promote a climate of confidence in Sarajevo so that the unification of that city could go ahead as laid down in the peace agreements, and promote constructive Bosnian Serb participation in the central structures of Bosnia-Herzegovina established in the peace agreement.

**1.4.72.** Parliament resolution on former Yugoslavia.

*Adopted on 14 December.* Parliament welcomed the signing of the peace agreement on Bosnia-Herzegovina and called on all the EU institutions and the Member States to do everything to ensure that the commitments made by the parties concerned were put into practice on the ground and to make the necessary funds available for rapid implementation of the programme for reconstruction and development. It stressed that efforts should be aimed at building up a multi-ethnic, multireligious and multicultural society in order to preserve the unity of Bosnia-Herzegovina and that the adoption of a new constitution for Bosnia-Herzegovina reflecting such values would be a crucial step in that direction. It considered that the Dayton Agreement imposed a duty on the European Union and its Member States to ensure the protection of human and constitutional rights and collective freedoms in Kosovo, Vojvodina and Eastern Slavonia, and to help in the search for missing persons, the return of refugees to their homes, the release of political prisoners and prisoners of war, the extradition of war criminals to face trial before the International Tribunal at The Hague and the protection of, and assistance to, the most vulnerable people. Parliament also urged the governments of all the republics of former Yugoslavia to set up the necessary administrative and management structures in order to guarantee that the programme for economic and civic reconstruction benefited those who had suffered most in the conflict. Lastly, Parliament warned that, if Bosnia-Herzegovina were not to be exposed again to aggression when the NATO Implementation Force withdrew, it should be provided with the military means of self-defence.

OJ C 17, 22.1.1996

**1.4.73.** Communication from the Commission to the European Union's financial contribution to reconstruction in former Yugoslavia.

**Reference:** Council Regulation (EEC) No 3906/89 on economic aid to certain countries of Central and Eastern Europe (PHARE programme): (OJ L 375, 23.12.1989; Bull. 12-1989, point 2.2.25), as last amended by Regulation (EC) No 1366/95: OJ L 133, 17.6.1995; Bull. 6-1995, point 1.4.77

*Adopted by the Commission on 18 December.* In this communication the Commission comments on the financial aspects of the reconstruction of the former Yugoslavia, excluding humanitarian aid. With the emphasis on operational matters, the Commission looks to the different sources of financing that may be deployed to that end over the period 1996-99 and underlines the potential importance of the PHARE programme.

COM(95) 581

**1.4.74.** Council Regulation (EC) No 3032/95 amending Regulations (EC) No 3355/94, (EC) No 3356/94 and (EC) No 3357/94 concerning the arrangements applicable to imports into the Community of products originating in the Re-

publics of Bosnia-Herzegovina, Croatia and Slovenia and the Former Yugoslav Republic of Macedonia.

**Regulations amended:**

Council Regulation (EC) No 3355/94 on the arrangements for imports into the Community of products originating in the Republics of Bosnia-Herzegovina, Croatia and Slovenia and the former Yugoslav Republic of Macedonia: OJ L 353, 31.12.1994; Bull. 12-1994, point 1.3.59

Council Regulation (EC) No 3356/94 opening and providing for the administration of Community tariff quotas for certain products originating in the Republics of Bosnia-Herzegovina, Croatia and Slovenia and the former Yugoslav Republic of Macedonia (1995): OJ L 353, 31.12.1994

Council Regulation (EC) No 3357/94 establishing ceilings and Community surveillance for imports of certain products originating in the Republics of Bosnia-Herzegovina, Croatia and Slovenia and the former Yugoslav Republic of Macedonia (1995): OJ L 353, 31.12.1994; Bull. 12-1994, point 1.3.59

*Proposal adopted by the Commission on 15 December.*

COM(95) 718

*Adopted by the Council on 27 December.* The purpose of the Regulation is to extend application of Regulations (EC) No 3355/94, (EC) No 3356/94 and (EC) No 3357/94 until 31 December 1996 subject to certain technical amendments.

OJ L 316, 30.12.1995

1.4.75. Commission financing decision.

*Adopted on 1 December.* This allocates ECU 4.5 million to five projects for the reconstruction of the former Yugoslav republics.

**Bosnia-Herzegovina**

1.4.76. Joint action 95/517/CFSP, adopted by the Council on the basis of Article J.3 of the Treaty on European Union, on continued support for European Union administration of the town of Mostar.

**Decision extended:** Council Decision 94/790/CFSP concerning the joint action, adopted by the Council on the basis of Article J.3 of the Treaty on European Union, on continued support for European Union administration of the town of Mostar (OJ L 326, 17.12.1994; Bull. 12-1994, point 1.3.4), as supplemented by Decision 95/23/

CFSP: OJ L 33, 13.2.1995; Bull. 1/2-1995, point 1.4.83

*Adopted on 4 December.* The administration of the town of Mostar by the European Union is extended until 22 July 1996.

OJ L 298, 11.12.1995

1.4.77. Joint action 95/552/CFSP supplementing the joint action 95/517/CFSP, adopted by the Council on the basis of Article J.3 of the Treaty on European Union, on continued support for European Union administration of the town of Mostar.

**Decision supplemented:** Joint action 95/517/CFSP, adopted by the Council on the basis of Article J.3 of the Treaty on European Union, on continued support for European Union administration of the town of Mostar: OJ L 298, 11.12.1995; point 1.4.76 of this Bulletin

*Adopted on 19 December.* The budget for financing the continued European Union administration of the town of Mostar until 22 July is set at ECU 32 million.

OJ L 313, 27.12.1995

1.4.78. Proposal for a Council Regulation amending Regulation (EEC) No 3906/89 in order to extend economic aid to include Bosnia-Herzegovina.

**Regulation to be amended:** Council Regulation (EEC) No 3906/89 on economic aid to certain countries of Central and Eastern Europe (PHARE programme) (OJ L 375, 23.12.1989; Bull. 12-1989, point 2.2.25), as last amended by Regulation (EC) No 1366/95: OJ L 133, 17.6.1995; Bull. 6-1995, point 1.4.77

*Adopted by the Commission on 20 December.* The Commission proposes the inclusion of Bosnia-Herzegovina in the PHARE programme, and this will make it possible to mobilize resources for supporting the reconstruction programme and the reform process in that country. It also considers that the operations financed under the PHARE programme should provide support for the peace process and normalize relations, as far as possible, between the countries of the region.

COM(95) 728

1.4.79. Commission Decision concerning an urgent import programme for Bosnia-Herzegovina as part of PHARE aid.

*Adopted on 20 December.* An initial instalment of ECU 62.5 million is being released as the

European Union contribution to an aid programme for the reconstruction of Bosnia-Herzegovina.

*1.4.80.* Joint action 95/545/CFSP adopted by the Council on the basis of Article J.3 of the Treaty on European Union with regard to the participation of the Union in the implementing structures of the peace plan for Bosnia-Herzegovina.

*Adopted on 11 December.* As part of the European Union's participation in the structures of the peace plan for Bosnia-Herzegovina, provision is made for contacts between the European Union and Mr Carl Bildt, the European Union High Representative in Bosnia-Herzegovina, and for financing his activities until 31 December 1996.

OJ L 309, 21.12.1995

*1.4.81.* Commission Decision on financing the participation of the European Union in the implementing structures of the peace plan for Bosnia-Herzegovina.

*Adopted on 20 December.* Joint action 95/545/CFSP (→ point 1.4.80) is being implemented with the allocation of a maximum of ECU 10 million as the European Union's contribution to the implementing structures of the peace plan for Bosnia-Herzegovina.

*1.4.82.* Council Decision 95/516/CFSP adapting and extending the application of Decision 93/603/CFSP concerning the joint action decided on by the Council on the basis of Article J.3 of the Treaty on European Union on support for the conveying of humanitarian aid in Bosnia-Herzegovina.

**Decision extended:** Council Decision 93/603/CFSP (OJ L 286, 20.11.1993; Bull. 11-1993, point 1.4.1), as last amended by Decision 94/789/CFSP: OJ L 326, 17.12.1994; Bull. 12-1994, point 1.3.3

*Adopted on 4 December.* It extends until 31 December 1996 the application of Council Decision 93/603/CFSP.

OJ L 298, 11.12.1995

*1.4.83.* Meeting of donor countries and organizations concerning the reconstruction of Bosnia-Herzegovina.

*Meeting held in Brussels on 20 and 21 December.* This meeting was co-chaired by Mr Van

den Broek and Mr Kemal Dervis, Vice-President of the World Bank, and the Bosnian delegation was led by Mr Mohammed Sacirbey, Foreign Minister, and Mr Neven Tomic, Minister of Finance. It was attended by representatives from 50 countries and 27 organizations. The Commission and the World Bank presented their priority programme for the first three months of 1996 requiring commitments of USD 518 million so that the reconstruction process could start, with coverage for the transport, energy, water and waste management sectors and also financing for agriculture, mine-clearance, education and health. Aid for the launch of small and medium-sized enterprises was also to be provided in the form of working capital. At the close of the meeting, the new commitments made by the donors amounted to USD 500 million.

### **Former Yugoslav Republic of Macedonia**

*1.4.84.* Proposal for a trade and cooperation agreement with the Former Yugoslav Republic of Macedonia.

**Recommendation for a Decision:** Bull. 11-1995, point 1.4.64

*Negotiating directives adopted by the Council on 22 December.*

*1.4.85.* Proposal for a financial protocol between the European Community and the Former Yugoslav Republic of Macedonia.

**Recommendation for a Decision:** Bull. 11-1995, point 1.4.65

*Negotiating directives adopted by the Council on 22 December.*

### **Federal Republic of Yugoslavia (Serbia and Montenegro)**

*1.4.86.* Common position 95/511/CFSP defined by the Council on the basis of Article J.2 of the Treaty on European Union with regard to the suspension of the restrictions on trade with the Federal Republic of Yugoslavia (Serbia and Montenegro) and with the Bosnian Serbs; Council Regulation (EC) No 2815/95 suspending Council Regulation (EEC) No 990/93 with regard to the Federal Republic of Yugoslavia (Serbia and Montenegro) and repealing Regulation (EC) No 2472/94.

**Regulation suspended:** Council Regulation (EEC) No 990/93 concerning trade between the



European Economic Community and the Federal Republic of Yugoslavia (Serbia and Montenegro): OJ L 102, 28.4.1993; Bull. 4-1993, point 1.3.27

**Regulation repealed:** Council Regulation (EC) No 2472/94 suspending certain elements of the embargo on the Federal Republic of Yugoslavia (Serbia and Montenegro) (OJ L 266, 15.10.1994; Bull. 10-1994, point 1.3.36), as last amended by Regulation (EC) No 2229/95: OJ L 227, 22.9.1995; Bull. 9-1995, point 1.4.43

**Commission proposals:** COM(95) 610; Bull. 11-1995, point 1.4.66

*Adopted on 4 December.* The common position suspends the restrictions on trade with the Federal Republic of Yugoslavia (Serbia and Montenegro) pursuant to Resolution 1022/95 of the United Nations Security Council, adopted following the signing of the Dayton Agreement. The suspension does not apply, however, to the areas of the Republic of Bosnia-Herzegovina under the control of the Bosnian Serb forces.

OJ L 297, 9.12.1995

1.4.87. Decision 95/510/ECSC of the Representatives of the Governments of the Member States, meeting within the Council, suspending Decision 93/235/ECSC with regard to the Federal Republic of Yugoslavia (Serbia and Montenegro).

**Decision suspended:** Decision 93/235/ECSC of the Representatives of the Governments of the Member States, meeting within the Council, concerning trade between the European Coal and Steel Community and the Federal Republic of Yugoslavia (Serbia and Montenegro): OJ L 102, 28.4.1993; Bull. 4-1993, point 1.3.27

*Adopted on 4 December.* The Decision suspends the restrictions on trade in ECSC products with the Federal Republic of Yugoslavia (Serbia and Montenegro) pursuant to Resolution 1022/95 of the United Nations Security Council, adopted following the signing of the Dayton Agreement. The suspension does not apply, however, to the areas of the Republic of Bosnia-Herzegovina under the control of the Bosnian Serb forces.

OJ L 297, 9.12.1995

## Maghreb

### Morocco

1.4.88. Proposal for a Euro-Mediterranean (association) Agreement with Morocco.

**Recommendation for a Commission Decision:** Bull. 12-1992, point 1.4.20

**Adoption of a recommendation for a Commission Decision on additional directives:** Bull. 6-1993, point 1.3.25

**Negotiating directives:** Bull. 12-1993, point 1.3.33

**Initialling of the Agreement:** Bull. 11-1995, point 1.4.67

*The Commission adopted a proposal for a Council and Commission Decision on the conclusion of the Agreement on 20 December.*

COM(95) 740

1.4.89. Council Regulation (EC) No 3057/95 amending Council Regulation (EC) No 1981/94 opening and providing for the administration of Community tariff quotas for certain products originating in Algeria, Cyprus, Egypt, Israel, Jordan, Malta, Morocco, the Occupied Territories, Tunisia and Turkey, and providing detailed rules for extending and adapting these tariff quotas.

**Reference:** Proposal for a Euro-Mediterranean (association) Agreement with Morocco: point 1.4.88 of this Bulletin

**Regulation amended:** Council Regulation (EC) No 1981/94 opening and providing for the administration of Community tariff quotas for certain products originating in Algeria, Cyprus, Egypt, Israel, Jordan, Malta, Morocco, the Occupied Territories, Tunisia and Turkey, and providing detailed rules for extending and adapting these tariff quotas (OJ L 199, 2.8.1994), as last amended by Regulation (EC) No 298/95: OJ L 32, 15.2.1995

*Proposal adopted by the Commission on 1 December.*

COM(95) 650

*Adopted by the Council on 21 December.* It provides for advance implementation of the concessions granted to Morocco for certain agricultural products under the Euro-Mediterranean (association) Agreement with that country.

OJ L 326, 30.12.1995

### Tunisia

1.4.90. Proposal for a Euro-Mediterranean (association) Agreement with Tunisia.

**Recommendation for a Commission Decision:** Bull. 11-1993, point 1.3.26

**Negotiating directives:** Bull. 12-1993, point 1.3.38

**Initialling of the Agreement:** Bull. 4-1995, point 1.4.80

**Proposal for a Council and Commission (EC, ECSC) Decision on the conclusion of the Agreement:** COM(95) 235; Bull. 5-1995, point 1.4.74

**Council Decision on the signing of the Agreement:** Bull. 7/8-1995, point 1.4.84

**Signing of the Agreement:** Bull. 7/8-1995, point 1.4.84

**Consultation of the ECSC Consultative Committee:** Bull. 7/8-1995, point 1.4.84

*Assent given by Parliament on 14 December.*

OJ C 17, 22.1.1996

## Mashreq

### Israel

*1.4.91.* Proposal for an (association) Agreement with Israel.

**Recommendation for a Council Decision:** Bull. 9-1993, point 1.3.24

**Council agreement:** Bull. 10-1993, point 1.3.27

**Negotiating directives:** Bull. 12-1993, point 1.3.31

**Initialling of the Agreement:** Bull. 9-1995, point 1.4.45

**Proposal for a Council and Commission Decision on the signing and conclusion of the Agreement:** Bull. 11-1995, point 1.4.69

**Council Decision on the signing of the Agreement:** Bull. 11-1995, point 1.4.69

**Signing of the Agreement:** Bull. 11-1995, point 1.4.69

*The ECSC Consultative Committee was consulted on 19 December.*

*1.4.92.* Proposal for an Interim Agreement between the European Community and the ECSC and the Member States, on the one hand, and Israel, on the other, on trade and trade-related matters.

**Proposal for a Council Decision on conclusion of the Agreement:** COM(95) 618; Bull. 11-1995, point 1.4.70

*The Council adopted the proposal for a decision on the conclusion of the Agreement on 8 December.*

*Parliament delivered a favourable opinion on 15 December.*

OJ C 17, 22.1.1996

*The ECSC Consultative Committee was consulted on 19 December.*

*The Council and the Commission adopted a decision on the conclusion of the Agreement on 22 December.* It applies in advance the provisions on trade and trade-related measures contained in the Euro-Mediterranean (association) Agreement(→ point 1.4.91) with Israel pending its ratification.

### Palestinian territories

*1.4.93.* Recommendation from Parliament on the election of the Council and President of the Palestinian Authority and the role of the European Union.

*Adopted on 15 December.* Parliament recommended to the Council that the European Union's commitment to the peace process be increased by encouraging agreement between the Palestinian Authority and the Israeli Government, preparing without delay the legal, economic and trade facilities needed to encourage the economic development of the Palestinian territories, in particular by holding exploratory negotiations with a view to concluding a Euro-Mediterranean (association) Agreement with the Palestinian Authority and by stepping up its mediation activities in respect of all the countries of the region in order to advance the peace process and thus help to create a climate of greater security and trust in which the elections might take place. It also recommended that Parliament's delegation be closely involved in the work of the European Electoral Unit.

OJ C 17, 22.1.1996

## Financial and technical cooperation

*1.4.94.* Proposal for a Council Regulation on financial and technical measures to support the reform of economic and social structures in Mediterranean non-member countries and territories (MEDA Regulation).

**Commission proposal:** OJ C 232, 6.9.1995; COM(95) 204; Bull. 6-1995, point 1.4.69; Supplement 2/95-Bull.

*Parliament delivered a favourable opinion on 14 December.* Parliament requested, however, that provision be made for appropriate measures to be taken in respect of countries which did not

observe democratic principles and human rights. It proposed that the scope of the MEDA programme as proposed by the Commission be extended to include other sectors.

OJ C 17, 22.1.1996

#### 1.4.95. Project financing.

*Commission financing decisions.* Funding was granted for the following projects (see Table 11).

Table 11 — *Cooperation with Mediterranean countries*

<i>(million ECU)</i>		
Country/territory	Purpose	Amount (grant)
Egypt	Agricultural development project in Bustan	15
Former Yugoslav Republic of Macedonia	Aid programme	25
Palestinian Territories	Technical assistance and institutional support to the Palestinian authorities for the implementation of the Community aid programme	5
	Support for the administration of the Palestinian Authority	15
	Support for the Palestinian Election Commission	2
Tunisia	Rural development in the Sfax region	5
Turkey	Interest rate subsidy to finance the Ankara sewerage system	9.545
All countries	MED-Techno programme	7

### Support for the peace process

1.4.96. Council conclusions on future European Union economic assistance to the West Bank and Gaza Strip.

**Reference:** Commission communication to the Council and Parliament on future European Union economic assistance to the West Bank and the Gaza Strip: COM(95) 505; Bull. 10-1995, point 1.4.85

*Adopted by the Council on 22 December.* The Council agreed with the strategy proposed by the Commission in its communication and said that it should form the basis for the Community's position at the Paris Ministerial Conference on the Middle East peace process, to be held in January.

## Independent States of the former Soviet Union; Mongolia

1.4.97. The European Council reaffirmed the European Union's intention to continue its programme of technical assistance for the independent States in the interests of providing support for their economic and political reforms. It reconfirmed the direction of the European Union's overall policy regarding relations with Russia and called for closer links and greater cooperation with that country. The European Council reiterated its backing for Russian membership of the Council of Europe and its wish to see Russia become fully integrated into the world economy. The European Council approved a declaration on the parliamentary elections of 17 December. It confirmed that the European Union would continue to provide macroeconomic assistance for Ukraine, and welcomed the fact that it had joined the Council of Europe and had agreed to close the Chernobyl nuclear power station (→ points I.30 to I.32; I.69 and I.70).

### Partnership and other agreements

#### *Armenia, Azerbaijan and Georgia*

1.4.98. Draft Partnership and Cooperation Agreements between the European Communities and their Member States, and Armenia, Azerbaijan and Georgia.

**Reference:** Commission communication to the Council and au Parliament entitled 'Towards a European Union strategy for relations with the trans-Caucasian republics': Bull. 5-1995, point 1.4.79

*Agreements initialled on 15 December.* The agreements are in line with the strategy proposed by the Commission in May 1995 and provide a comprehensive framework for developing economic and political relations between the EU and the republics of the trans-Caucasus.

## Kazakhstan

1.4.99. Draft Interim Agreement on trade and trade-related matters between the European Communities and Kazakhstan.

**Recommendation for a Decision:** Bull. 7/8-1994, point 1.3.41

**Negotiating directives:** Bull. 7/8-1994, point 1.3.41

**Agreement initialled:** Bull. 12-1994, point 1.3.50

**Proposal for a Council Decision (EC) on the conclusion of the Agreement:** COM(95) 29; Bull. 1/2-1995, point 1.4.98

**Draft Commission Decision (Euratom, ECSC) on the conclusion of the Agreement:** COM(95) 29; Bull. 1/2-1995, point 1.4.98

**Consultation of the ECSC Consultative Committee:** Bull. 3-1995, point 1.4.71

*Decision regarding the signing of the Agreement adopted by the Council on 4 December.*

*Agreement signed on 5 December.* The Agreement will allow the trade and trade-related components of the Partnership and Cooperation Agreement signed in January 1995 to apply immediately.

## Ukraine

1.4.100. Draft Interim Agreement on trade and trade-related matters between the European Communities and Ukraine.

**Commission recommendation:** Bull. 6-1994, point 1.3.35

**Negotiating directives:** Bull. 6-1994, point 1.3.35

**Proposal for a Council Decision (EC) on the conclusion of the Agreement:** COM(94) 341; Bull. 7/8-1994, point 1.3.46

**Draft Commission Decision (ECSC and Euratom) on the conclusion of the Agreement:** COM(94) 341; Bull. 7/8-1994, point 1.3.46

**Council Decision on the signing of the Agreement:** Bull. 11-1994, point 1.3.37

**Opinion of the ECSC Consultative Committee:** Bull. 12-1994, point 1.3.56

**Signing of the Agreement:** Bull. 6-1995, point 1.4.93

**Parliament opinion:** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.4.90

*Decision 95/541/EC on the conclusion of the Agreement adopted by the Council on 4 December.*

OJ L 311, 23.12.1995

*Decision 95/542/Euratom, ECSC on the conclusion of the Agreement adopted by the Commission on 20 December.*

OJ L 311, 23.12.1995

## Assistance for the independent States of the former Soviet Union

### Technical assistance

1.4.101. Proposal for a Council Regulation (Euratom, EC) amending Council Regulation (Euratom, EEC) No 2053/93 of 19 July 1993 on the provision of technical assistance to economic reform and recovery in the independent States of the former Soviet Union and Mongolia.

**Regulation to be amended:** Council Regulation (Euratom, EEC) No 2053/93; OJ L 187, 29.7.1993; Bull. 7/8-1993, point 1.3.15

**Reference:** proposal for a Council Regulation concerning the provision of assistance to economic reform and recovery in the new independent States and Mongolia (TACIS programme): OJ C 134, 1.6.1995; COM(95) 12, Bull. 1/2-1995, point 1.4.102; Bull. 11-1995, point 1.4.86

*Adopted by the Commission on 22 December.* The aim of the amendment is to extend the validity of the July 1993 Council Regulation until 31 December 1996 pending the adoption of the new Regulation proposed by the Commission in February 1995.

COM(95) 730

## Bilateral relations

### Belarus

1.4.102. Foreign Minister Mr Uladzimir Syanko visited the Commission on 5 December.

**References:**

Draft Interim Agreement on trade and trade-related matters between the European Communities and Belarus: Bull. 11-1994, point 1.3.34

Draft Partnership and Cooperation Agreement between the European Communities and their Member States and Belarus: Bull. 5-1995, point 1.4.83

Mr Syanko saw Mr Van den Broek for talks which centred on the development of the democratic process in Belarus and the importance of initialling the Interim Agreement to apply the trade-related portion of the Partnership and Cooperation Agreement early.

## United States, Japan and other industrialized countries

1.4.103. The European Council emphasized that the new transatlantic agenda marked a major step forward in strengthening relations between the European Union and the United States, which had moved on from consultations to a new phase of collaboration and joint action (→ points I.38 and I.71 to I.75).

### United States

1.4.104. European Union-United States summit in the framework of the Transatlantic Declaration.

**Reference:** EC-US Transatlantic Declaration: Bull. 11-1990, point 1.5.3

**Previous meeting:** Bull. 6-1995, point 1.4.99

*Meeting held in Madrid on 3 December.* At this meeting Mr Bill Clinton, President of the United States, Mr Felipe Gonzalez, Spanish Prime Minister and President of the European Council, and Mr Jacques Santer, President of the Commission, signed the New Transatlantic Agenda (the full text of which is in Annex 10 to the Madrid European Council conclusions (→ points I.71 to I.75), to which a joint action plan is attached. These documents supplement the 1990 Transatlantic Declaration, which had formalized the dialogue between the two partners. They establish a framework for action designed to translate

common political and economic objectives into practical measures centred around four major priorities:

- promoting peace and stability, democracy and development around the world. This priority covers support for the peace process in various regions of the world, particularly the former Yugoslavia and the Middle East, development cooperation, humanitarian aid, promotion of human rights and democracy, nuclear non-proliferation and cooperation in international organizations;
- responding to global challenges, particularly the fight against international crime, terrorism and drug-trafficking; protecting the environment and public health;
- contributing to the expansion of world trade and closer economic relations by strengthening the multilateral trading system and eliminating barriers to transatlantic trade;
- building bridges across the Atlantic, by developing links between business circles, scientists and universities on both sides of the Atlantic and by encouraging cultural cooperation.

Implementation of these priorities will be monitored and, if necessary, they will be updated at the six-monthly presidential-level meetings.

Mr Clinton, Mr Gonzalez and Mr Santer also discussed the situation in Bosnia, relations with Turkey, Iran, Russia and the Central and Eastern European countries and the Middle East peace process.

## Asia

1.4.105. The European Council welcomed the Council report on preparations for the Asia-Europe meeting. Reaffirming the importance that the European Union attached to developing relations with China, it also reiterated its very great concern over the conviction of Mr Wei Jingsheng, the Chinese human rights activist. It announced that the Union would participate in the Korean Peninsular Energy Development Organization and called for a just, comprehensive and internationally acceptable solution to the question of East Timor (→ point I.45).

## General

1.4.106. Council report to the European Council on the European Union's position for the Asia-Europe meeting.

*Adopted by the Council on 4 December.* The Council emphasized the importance of the Asia-Europe meeting planned for March 1996 in Bangkok which aimed to create a new partnership between both continents based on promoting political dialogue, deepening economic relations in a strengthened multilateral framework and reinforcing cooperation in various fields, such as the development of human resources, development cooperation, the environment, culture, business cooperation, technology crossflows and combating crime and drug trafficking. The full text of the report is set out in Annex 14 to the conclusions of the Madrid European Council (→ points I.79 to I.96).

## Bilateral relations

### China

1.4.107. Council conclusions on a long-term policy for relations between the European Union and China.

**Reference:** Commission communication on a long-term policy for China-Europe relations: COM(95) 279; Bull. 7/8-1995, point 1.4.98

*Adopted by the Council on 4 December.* The Council endorsed the broad lines of the Commission's analysis and recommendations. It emphasized that the European Union's basic objectives in its relations with China were to preserve world peace, maintain stability in foreign and security policy, promote an open world trading system and support sustainable development, secure the smooth and gradual integration of China into the world economy, combat poverty and promote democracy, the rule of law and human rights. Welcoming the economic and social reform process in China and the fact that the country was opening up to the outside world, it reiterated the importance it attached to successful transitions for Hong Kong and Macao, respect for human rights throughout Chinese territory, including Tibet, integrating China into the multilateral trading system on satisfactory

terms and developing the bilateral dialogue, both in the political and human rights spheres and in the economic and commercial field. The Council also recommended that cooperation be focused on certain priority areas, in particular human resource development, support for reforms, business cooperation, protection of the environment, rural and urban development and cooperation in the legal and judicial fields.

## Cooperation with Asia

1.4.108. Commission financing decisions. See Table 12.

Table 12 — *Cooperation with Asia*

		<i>(million ECU)</i>
Country	Purpose	Amount
Bangladesh	Public health	0.97
Cambodia/ Laos/ Vietnam	Combating malaria	28.0
China	Agricultural technologies	1.16
	Rearing of buffaloes	2.79
India	Forest conservation	23.3
	Cultural cooperation	30.0
	Water management	6.65
Indonesia	Forest management and conservation	33.0
Maldives	Emancipation of women	0.96
Nepal	Irrigation	8.1
Philippines	Rural development	23.0
Vietnam	Aid for returnees	10.5
Regional programme	'Asia-Invest'	32.0
	'Asia-Urbs' (aid for local authorities)	30.0

## Latin America

1.4.109. The European Council emphasized the striking progress made in building up relations with Latin America, welcoming in partic-

ular the initialling of the interregional framework Agreement with Mercosur, and the joint declaration on political dialogue with Chile. It also called for negotiations on a new agreement with Mexico, a renewal of the San José dialogue, closer ties with the Andean Pact countries and continued dialogue and cooperation with Cuba (→ point I.42).

## General

*1.4.110.* Council conclusions on general guidelines for cooperation between the Community and Latin America 1996-2000.

**Reference:** Commission communication on the present situation and prospects for closer partnership between the European Union and Latin America (1996-2000): COM(95) 495; Bull. 10-1995, point 1.4.102

*Adopted by the Council on 4 December.* The Council broadly agreed with the Commission's assessment of the present situation and prospects for closer partnership between the European Union and Latin America. It emphasized its wish to establish closer political ties with Latin American partners, support democracy, make progress in trade liberalization, assist regional integration processes and target its cooperation more effectively. It agreed to step up institutionalized dialogue with Latin American partners and to establish the following priorities for future cooperation with Latin America: institutional support and consolidation of the democratic process; combating poverty and social exclusion; and support for economic reform and improved international competitiveness. It also stressed support for basic education and training, equal opportunities and regional integration and cooperation.

The full text was published as Annex 12 to the conclusions of the Madrid European Council (→ point I.77).

## Relations with regional bodies

### *Mercosur*

*1.4.111.* Interregional framework Cooperation Agreement between the European Community and its Member States, of the one part, and the

Southern Cone Common Market and its member countries, of the other part.

**Commission recommendation:** Bull. 4-1995, point 1.4.88

**Negotiating directives:** Bull. 6-1995, point 1.4.108

**Initialling of Agreement:** Bull. 9-1995, point 1.4.55

**Commission proposals on the conclusion and provisional application of the Agreement:** COM(95) 504; Bull. 10-1995, point 1.4.103

**Decision on signature:** Bull. 11-1995, point 1.4.95

**Decision on provisional application:** Bull. 11-1995, point 1.4.95

*Agreement signed in Madrid on 15 December.*

The signing of the Agreement was attended by the Heads of State or Government of the 15 Member States of the European Union and the four Mercosur countries (Argentina, Brazil, Paraguay, and Uruguay). Mr Marín represented the Commission. The Agreement is of a temporary and evolving nature, since it is intended to promote close relations between the two parties which will lead to the setting-up of an interregional association involving greater political cooperation, progressive and reciprocal trade liberalization and closer collaboration on both sides.

The Agreement, founded upon respect for human rights and democratic principles, covers the following fields:

- regular, institutionalized political dialogue, in the form of meetings between heads of State, ministers and senior officials;
- greater trade cooperation with a view to trade liberalization;
- economic cooperation geared to promoting reciprocal investment;
- cooperation on regional integration, intended to allow Mercosur to draw upon the experience of the European Union;
- wider cooperation in fields of mutual interest, such as the prevention of drug abuse, culture, information and communication, training on integration and the social dimension of integration.

Implementation of the Agreement will be monitored by a Cooperation Committee set up at ministerial level.

## Bilateral relations

### Chile

1.4.112. Joint declaration on political dialogue between the European Union and Chile.

#### References:

Commission communication on the strengthening of relations between the European Union and Chile: COM(95) 232; Bull. 5-1995, point 1.4.102

Council conclusions on Chile: Bull. 7/8-1995, point 1.4.104

Draft framework Agreement on trade and economic cooperation between the European Community and Chile: COM(95) 530; Bull. 11-1995, point 1.4.97

*Decision on signing the declaration adopted by the Council on 4 December.*

*Decision on signing the declaration adopted by the Commission on 13 December.*

*Signed in Madrid on 18 December.* The joint declaration was signed on behalf of the European Union by Spain's Foreign Minister, Mr Javier Solana Madariaga, as President of the Council, and by Mr Marín, Commission Vice-President, and for Chile by the Foreign Minister, Mr José Miguel Insulza.

The declaration calls for enhanced political dialogue with a view to achieving a more concerted approach on matters of common interest at bilateral and international level, in conjunction with other partners in the region as appropriate. This is to take the form of regular meetings between the President of the Republic of Chile and EU political leaders at the highest level; between foreign ministers; between other ministers on matters of common interest; and between senior officials of the two sides.

### Mexico

1.4.113. Own-initiative opinion of the Economic and Social Committee on relations between the European Union and Mexico.

#### References:

Commission communication entitled 'Towards closer relations between the European Union and Mexico': COM(95) 3; Bull. 1/2-1995, point 1.4.107

Solemn joint declaration between the Council and the Commission, on the one hand, and Mexico, on the other: Bull. 5-1995, point 1.4.104

Proposed economic partnership and political consultation agreement between the Community and Mexico: Bull. 10-1995, point 1.4.109

*Adopted by the Economic and Social Committee on 21 December.*

The Committee welcomed the Commission communication on strengthening relations with Mexico and supported negotiations on a new economic partnership and political consultation agreement. It stressed the need to include clauses on human rights and social policy, to provide for the dismantling of non-tariff barriers and appropriate guarantees on rules of origin, intellectual property and the right of establishment, and to expand cooperation in fields such as the environment.

## Cooperation with Latin America

1.4.114. Commission financing decisions. See Table 13.

Table 13 — *Cooperation with Latin America*

(million ECU)		
Country	Purpose	Total
Colombia	Assistance for local authorities	6.036
Guatemala	Support for return to productive work	12.0
Honduras	Preventive healthcare programme for adolescents	5.9
Panama	Promotion of equal opportunities	9.8
Peru	Combating poverty in Lima	12.0
Venezuela	Support for the health system	9.5

## ACP countries, South Africa and OCTs

1.4.115. The European Council welcomed the signing of the Agreement amending the fourth ACP-EC Convention, the broadening of the po-



litical dialogue with the Organization of African Unity and the prospects of concluding a free-trade agreement with South Africa. It also confirmed the sanctions against Nigeria introduced because of the human rights situation there, and repeated its support for the convening of a conference on the Great Lakes Region (→ points I.43 and I.44).

## General

### *Prevention, management and resolution of conflicts in Africa*

1.4.116. Council conclusions on preventive diplomacy, conflict resolution and peace-keeping in Africa.

**Reference:** Essen European Council: Bull. 12-1994, point I.20

*Adopted on 4 December.* Responding to a request by the Essen European Council, the Council indicated the kind of contribution the European Union might make to conflict prevention and peace-keeping in Africa should a common position be adopted. The Council considered that the European Union's contribution in this field should be one of support for action taken by African bodies, in particular the Organization of African Unity (OAU) and that one of the basic principles underlying Union action should be greater African involvement in the prevention and resolution of their crises whilst at the same time trying to ensure better coordination between the parties concerned. To this end the European Union would encourage cooperation between the United Nations and the OAU. The Union itself could contribute in three ways, namely by providing early warning, particularly by encouraging the exchange of information on crises or tensions (by making financial support available for technical and material assistance); by expanding preventive diplomacy (in particular by offering its good offices); and, at the request of the OAU, through peace-keeping activities, possibly involving the WEU. The Council stressed that any action under these headings must adhere strictly to the principles and aims set out in the United Nations Charter and be based on the principles of consent by the parties to the conflict and of neutrality and impartiality. The full text of these conclusions is set out in

Annex 13 to the conclusions of the Madrid European Council (→ point I.78).

## Relations with ACP countries

### *Implementation of the fourth Lomé Convention*

1.4.117. Council Decision on transitional measures for the advance application of certain provisions of the revised Lomé Agreement.

**Reference:** Proposed Agreement amending the fourth Lomé Convention following the mid-term review: Bull. 11-1995, point 1.4.102

*Adopted on 18 December.*

### *Support for ACP banana producers*

1.4.118. Project financing.

**Reference:** Council Regulation (EC) No 2686/94 establishing a special system of assistance to traditional ACP suppliers of bananas: OJ L 286, 5.11.1994; Bull. 10-1994, point 1.3.55

*Commission Decisions.* See Table 14.

Table 14 — *Assistance to traditional ACP suppliers of bananas*

<i>(million ECU)</i>		
Country	Purpose	Amount
Jamaica	Increasing productivity and improving the quality of bananas	3.049
Suriname	Increasing productivity and improving the quality of bananas	3.5
Windward Islands (Dominica, St Lucia, St Vincent and the Grenadines)	Increasing productivity and improving the quality of bananas	7.72

### *Bilateral relations*

#### **Nigeria**

1.4.119. Common position 95/544/CFSP defined by the Council on the basis of Article J.2 of the Treaty on European Union, on Nigeria.

**Reference:** Common position 95/515/CFSP defined by the Council on the basis of Article J.2 of the Treaty on European Union, on Nigeria: OJ L 298, 11.12.1995; Bull. 11-1995, point 1.4.111

*Adopted on 4 December.* This common position supplements and reinforces common position 95/515/CFSP. It provides that the Member States must take measures to ensure that members of the Nigerian Provisional Ruling Council and the Federal Executive Council and members of the Nigerian military and security forces and their families in possession of long-term visas are not admitted to Member State territories, must expel all military personnel attached to the diplomatic representations of Nigeria, must withdraw all military personnel attached to diplomatic representations of Member States in Nigeria and must deny visas to official Nigerian sports delegations and national teams. It states further that the European Union will actively pursue the adoption of a resolution on Nigeria at the 50th United Nations General Assembly. Other measures will also be considered if specific steps ensuring transition towards democracy are not taken by the Nigerian authorities. The provisions of this common position are to stand for a period of six months.

OJ L 309, 21.12.1995

### *Relations with the countries of southern Africa.*

*1.4.120.* Proposal for a Council Regulation on support for rehabilitation programmes in southern Africa.

**Adoption by the Commission:** COM(95) 175; Bull. 5-1995, point 1.4.110

*Endorsed by Parliament (first reading) on 15 December subject to certain amendments mainly concerning procedure.*

OJ C 17, 22.1.1996

## **Relations with South Africa**

*1.4.121.* Proposal for a Council Regulation on development cooperation with South Africa.

**Adoption by the Commission:** OJ C 235,

9.9.1995; COM(95) 174; Bull.5-1995, point 1.4.111

**Parliament opinion (first reading):** OJ C 287, 30.10.1995; Bull. 10-1995, point 1.4.127

*Common position adopted by the Council on 20 December.* The purpose of this proposal for a Regulation is to establish a legal framework within which to implement financial, technical and economic cooperation through the European programme for reconstruction and development in South Africa (EPRD) with a view to contributing to the harmonious and sustainable economic and social development of the country and consolidating the foundations of a democratic society and the rule of law in South Africa. The proposal gives priority to the most disadvantaged people in South African society. The Council proposes that the date of expiry of the Regulation should be 31 December 1999 and that a total of ECU 900 million should be allocated for the period as a whole.

*1.4.122.* Own-initiative opinion of the Economic and Social Committee on relations between the European Union and South Africa.

*Adopted on 20 December.* In view of developments in the political situation in South Africa and in relations between the European Union and that country, the Committee advocated the quickest possible progress in the negotiations attendant upon the mid-term review of the Lomé Convention, the object of which was to fix the terms of an additional protocol allowing the accession of South Africa to the Convention and of a bilateral trade and cooperation agreement aimed at stimulating social development and a high performance economy.

## **Financial and technical cooperation**

*1.4.123.* Project financing.

Commission Decisions allocating a total of ECU 140 445 000 from the sixth and seventh EDFs for projects and programmes which it is running (see Table 15).

Table 15 — *Financing of operations under the seventh EDF*

		<i>(million ECU)</i>
Country	Project	Amount
<i>Social and cultural development</i>		
Angola	Rehabilitation of the Tchivinguiro Institute	8.24
Namibia	Support for education infrastructure	5
Seychelles	Urban sanitation programme	0.65
<i>Trade promotion</i>		
Djibouti	Development of trade and services	1.93
<i>Rural production</i>		
Cameroon	Integrated development project	10.2
Mali	Integrated development project	4.5
All ACP countries	1996 budget for the TCA (Technical Centre for Agricultural Cooperation and Development)	3.496
<i>Industrialization</i>		
All ACP countries	1996 budget for the CID (Centre for Industrial Development)	7.529
<i>Economic infrastructure</i>		
Comoros	Roads and bridges	5.6
<i>Special aid</i>		
Angola	Programme of support for reconstruction	55
Zimbabwe	Mine clearance	10
<i>Miscellaneous</i>		
Mauritania	Structural adjustment support	13.3
Mozambique	Structural adjustment support	15
Total		140.445

## Diplomatic relations

*1.4.124.* The following ambassadors, whose appointments took effect on 19 December, presented their letters of credence to the President of the Council and the President of the Commission:

□ HE Mr José Luis Rocha, Head of Mission of the Republic of Cape Verde to the European Communities;

□ HE Mr Gazem Abdel Khaleq Al Aghbari, Head of Mission of the Republic of Yemen to the European Communities;

□ HE Mr Michalis A. Attalides, Permanent Delegate of the Republic of Cyprus to the European Community and Head of Mission to the ECSC and Euratom.

## 5. Justice and home affairs cooperation

*1.5.1.* Confirming its ambition for the European Union to be able to create an area of freedom and security for its citizens, the European Council called for future justice and home affairs activities to be focused on certain priority areas and programmed over a number of presidencies. It stressed the need for the guidelines in the report of the Group of Experts on Drugs to be translated into precise, coordinated operational activities, for a cooperation mechanism to be established between the European Union and Latin America, and for consideration to be given to the extent to which harmonization of the Member States' laws could contribute to a reduction in the consumption of drugs and unlawful trafficking in them (→ points I.16 to I.22).

### General

*1.5.2.* Parliament resolution on the progress made in 1995 in the implementation of cooperation in the fields of justice and home affairs pursuant to Title VI of the Treaty on European Union.

**Reference:** Parliament resolution on the progress made during 1994 in the implementation of cooperation in the fields of justice and home affairs pursuant to Title VI of the Treaty on European Union: OJ C 18, 23.1.1995; Bull. 12-1994, point 1.4.2

*Adopted on 14 December.* Parliament complained that the problems identified in its January resolution on the implementation of cooperation in the field of justice and home affairs had not yet been resolved and that its recommendations had not been put into effect. In particular, it deplored the Council's failure to comply with the obligation imposed on it by Article K.6 of the Union Treaty to inform and consult Parliament, the secrecy surrounding decisions, most of which are not published in the Official Journal, the adoption of instruments (resolutions, recommendations, conclusions and declarations) not provided for by the Treaty, and the reluctance of

the Member States to make use of all the possibilities offered by Title VI of the Treaty with regard to qualified-majority voting, the jurisdiction of the Court of Justice and the transfer of certain powers to the Community. It criticized the restrictive nature of past decisions and those now being drafted on asylum and immigration and called for a broad interpretation of the term 'refugee' and for swift adoption of the joint action against racism and xenophobia.

OJ C 17, 22.1.1996

### Asylum, external borders and immigration

*1.5.3.* Conclusions of the Council and the Representatives of the Governments of the Member States on readmission clauses in Community agreements.

**Reference:** Conclusions of the Council and the Representatives of the Governments of the Member States on readmission clauses in mixed agreements: Bull. 11-1995, point 1.5.9

*Adopted on 20 December.* The Council and the Representatives of the Governments of the Member States agreed that the inclusion of statements in the negotiating directives for Community agreements with non-member countries on the readmission of their nationals staying illegally in a Member State would be considered on a case-by-case basis.

*1.5.4.* Council recommendation on harmonizing means of combating illegal immigration and illegal employment and improving the relevant means of control.

*Adopted on 22 December.* The Council recommends that the Member States further harmonize the means for checking that foreign nationals from outside the European Economic Area meet the conditions for entry, residence and employment and lays down guidelines to this effect.

OJ C 5, 10.1.1996

*1.5.5.* Council recommendation on concerted action and cooperation in carrying out expulsion measures.

**Council agreement:** Bull. 11-1995, point 1.5.6

*Adopted on 22 December.*

OJ C 5, 10.1.1996

1.5.6. Council Decision on monitoring the implementation of instruments already adopted concerning admission of third-country nationals.

**Council agreement:** Bull. 11-1995, point 1.5.8

*Adopted on 22 December.*

OJ C 11, 16.1.1996

## Judicial, customs and police cooperation

### *Protection of the Communities' financial interests*

1.5.7. Proposal for a Council act drawing up the additional Protocol to the Convention on the protection of the European Communities' financial interests.

**Reference:** Convention on the protection of the European Communities' financial interests: OJ C 316, 27.11.1995; Bull. 7/8-1995, point 1.5.3

*Adopted by the Commission on 20 December.* The Protocol, a supplement to the Convention on the protection of the Communities' financial interests, lays down rules concerning the liability of legal persons, the laundering of profits from fraud, priority jurisdiction in complex international fraud cases, judicial cooperation and mutual assistance, the opening of a register of fraud prosecutions and the jurisdiction of the Court of Justice.

COM(95) 693

### *Terrorism*

1.5.8. Parliament resolution on the attack by the ETA terrorist group in Madrid.

*Adopted on 14 December.* Parliament condemned ETA's attack in Madrid on 11 December, reiterated its refusal to engage in any kind of dialogue with those who collaborate with, assist, sponsor or carry out terrorist acts and called

on the Council to promote genuine police and judicial cooperation in the fight against terrorism.

OJ C 17, 22.1.1996

## Drugs

1.5.9. Conference on drugs policy in Europe.

*Held in Brussels on 7 and 8 December.* The purpose of the conference, organized jointly by Parliament, the Spanish Presidency and the Commission, was to compare the measures taken by the Member States to prevent drug abuse and drug-trafficking and the legislation enacted to this end, and to examine the way international cooperation works. It was attended by over 170 experts in the field and by observers from the UN International Drugs Control Programme, the World Health Organization, the World Customs Organization, Interpol and the Council of Europe. Mrs Gradin and Mr Flynn represented the Commission.

1.5.10. Agreements between the European Community and Bolivia, Colombia, Ecuador, Peru and Venezuela on drug precursors and chemical substances.

**Negotiating directives:** Bull. 9-1995, point 1.5.9

**Initialling:** Bull. 11-1995, point 1.5.14

**Proposals for Decisions concerning conclusion:** COM(95) 585; Bull. 11-1995, point 1.5.14

*Council Decisions 95/567/EC to 95/571/EC concerning the conclusion of the Agreements adopted on 18 December.*

OJ L 324, 30.12.1995

*Agreements signed in Madrid on 18 December.* The purpose of the Agreements is to strengthen cooperation between the parties to prevent the diversion of chemical substances which can be used for the manufacture of drugs or psychotropic substances. Provision is made for surveillance of trade in these substances, for mutual administrative assistance to ensure that the relevant substance trade control legislation is properly applied, and for scientific and technical assistance. The Agreements are concluded for five years, with provision for tacit renewal for further five-year periods.

# 6. Financing Community activities

## Budgets

### General budget

#### *Budgetary procedures*

#### 1995 financial year

1.6.1. Judgment by the Court of Justice in Case C-41/95 (annulment of 1995 budget) (→ point 1.8.37).

#### 1996 financial year

1.6.2. 1996 budget.

**Commission preliminary draft:** Bull. 4-1995, point 1.6.4

**Letter of amendment No 1:** Bull. 7/8-1995, point 1.6.3

**Council first reading:** Bull. 7/8-1995, point 1.6.3

**Parliament first reading:** OJ C 308, 20.11.1995; Bull. 10-1995, point 1.6.2

**Letter of amendment No 2:** Bull. 10-1995, point 1.6.2

**Council second reading:** Bull. 11-1995, point 1.6.1

*Second reading by Parliament on 14 December.*  
OJ C 17, 22.1.1996

*Signed by the President of Parliament on 21 December.* The budget voted by Parliament (see Table 16) came to ECU 86 525 million for commitments and ECU 81 888 million for payments, 8.37% and 8.55% up on the 1995 budget. The total margin still available in relation to the

financial perspective is ECU 78.5 million — ECU 12.7 million in heading 3 (internal policies), ECU 3.4 million in heading 4 (external action) and ECU 62.4 million in heading 5 (administrative expenditure). Parliament mainly confirmed the amendments which it had adopted on first reading, in particular as regards the Structural Funds (heading 2), for which it also added a remark on the account to be taken of environmental concerns. The main changes in relation to the first reading are in headings 3, 4 and 5. In heading 3 (internal policies) Parliament agreed to a number of increases in connection with information and high-definition television. It upheld the establishment of a European Voluntary Service as a pilot project, but reduced the amount allocated. Parliament decided not to enter a general reserve for the agencies in heading 3, but the total allocation for them is still ECU 4.1 million lower than the appropriations proposed in the preliminary draft budget. Only the allocation for the Trademarks Office is at the level initially planned. The idea of entering the appropriations for transport infrastructures in a reserve was extended to all the trans-European networks, including IDA. In the case of heading 4 (external action), Parliament confirmed the amounts decided for the reconstruction of former Yugoslavia, but agreed that some could be entered in the reserve and used for operations under the common foreign and security policy or under the EC Treaty. The allocations which the Council adopted for fisheries agreements at its second reading were accepted unchanged. The MEDA appropriations decided at the Cannes European Council can be made available by creating a negative reserve of ECU 200 million.

OJ L 22, 29.1.1996

Table 16 — 1996 budget — Appropriations for commitments (Parliament's nomenclature)

(ECU)

Heading FP 95	Budget heading	Budget for 1995	Financial perspective for 1996	Preliminary draft budget for 1996	Difference (%)	Budget for 1996	Difference (%)	Difference
		(1)	(2)	(3)	(4)=(3)/(1)	(5)	(6)=(5)/(1)	(7)=(5)-(3)
1	<i>Common agricultural policy</i>							
	● Markets (B1-1 to B1-3)	34807500000		38554000000	+ 10.76	38554000000	+ 10.76	0
	● Accompanying measures (B1-4 and B1-5)	2089500000		2274000000	+ 8.83	2274000000	+ 8.83	0
	Total 1 Margin	36897000000	40828000000	40828000000 0	+ 10.65	40828000000 0	+ 10.65	0
2	<i>Structural operations</i>							
	● EAGGF-Guidance (B2-10)	3566900000		3772000000	+ 5.75	3772000000	+ 5.75	0
	● FIGF (B2-11)	451230000		450350000	- 0.20	450350000	- 0.20	0
	● ERDF (B2-12)	10814110000		11883700000	+ 9.89	11883700000	+ 9.89	0
	● ESF (B2-13)	6760910000		7145800000	+ 5.69	7145800000	+ 5.69	0
	● Community initiatives (B2-14)	2224200000		3030300000	+ 36.24	3030300000	+ 36.24	0
	● Transitional measures, innovation schemes and measures to combat fraud (B2-15 and B2-18)	251650000		296850000	+ 17.96	296850000	+ 17.96	0
	● Cohesion Fund (B2-3)	2152000000		2444000000	+ 13.57	2444000000	+ 13.57	0
	● EEA financial mechanism (B2-4)	108000000		108000000	+ 0.00	108000000	+ 0.00	0
	Structural Funds — subtotal	24069000000	26579000000	26579000000	+ 10.43	26579000000	+ 10.43	0
	Cohesion Fund — subtotal	2152000000	2444000000	2444000000	+ 13.57	2444000000	+ 13.57	0
	EEA financial mechanism — subtotal	108000000	108000000	108000000	+ 0.00	108000000	+ 0.00	0
	Total 2 Total margin	26329000000	29131000000	29131000000 0	+ 10.64	29131000000 0	+ 10.64	0
3	<i>Internal policies</i>							
	● Research (B6)	2991696000		3228100000	+ 7.90	3183150000	+ 6.40	- 44950000
	● Other agricultural operations (B2-5)	214700000		179900000	- 16.21	162800000	- 24.17	- 17100
	● Other regional operations (B2-6)	51800000		22000000	- 57.53	36800000	- 28.96	- 14800000
	● Transport (B2-7)	24500000		36000000	+ 46.94	41000000	+ 67.35	5000000



Heading FP 95	Budget heading	Budget for 1995	Financial perspective for 1996	Preliminary draft budget for 1996	Difference (%)	Budget for 1996	Difference (%)	Difference
		(1)	(2)	(3)	(4)=(3)/(1)	(5)	(6)=(5)/(1)	(7)=(5)-(3)
	● Fisheries and the sea (B2-9)	28 200 000		35 500 000	+ 25.89	35 500 000	+ 25.89	0
	● Education, vocational training, youth (B3-1)	368 410 000		364 900 000	- 0.95	396 825 000	+ 7.71	31 925 000
	● Culture and audiovisual media (B3-2)	141 780 000		140 000 000	- 1.26	119 400 000	- 15.79	- 20 600 000
	● Information and communication (B3-3)	67 300 000		69 000 000	+ 2.53	113 000 000	+ 67.90	44 000 000
	● Other social operations (B3-4)	180 373 000		167 200 000	- 7.30	190 460 000	+ 5.59	23 260 000
	● Energy (B4-1)	63 000 000		62 000 000	- 1.59	68 000 000	+ 7.94	6 000 000
	● Euratom nuclear safeguards (B4-2)	19 200 000		18 200 000	- 5.21	19 070 000	- 0.68	870 000
	● Environment (B4-3)	144 188 000		139 000 000	- 3.60	133 400 000	- 7.48	- 5 600 000
	● Consumer protection (B5-1)	21 250 000		19 100 000	- 10.12	20 050 000	- 5.65	950 000
	● Aid for reconstruction (B5-2)	6 775 000		4 775 000	- 29.52	4 775 000	- 29.52	0
	● Internal market (B5-3)	172 780 000		173 200 000	+ 0.24	221 300 000	+ 28.08	48 100 000
	● Industry (B5-4)	120 300 000		120 200 000	- 0.08	115 650 000	- 3.87	- 4 550 000
	● Information market (B5-5)	139 300 000		p.m.	- 100.00	p.m.	- 100.00	0
	● Statistical information (B5-6)	37 000 000		38 000 000	+ 2.70	35 900 000	- 2.97	- 2 100 000
	● Trans-European networks (B5-7)	381 000 000		445 000 000	+ 16.80	410 000 000	+ 7.61	- 35 000 000
	● Cooperation in the field of justice (B5-8)	5 200 000		5 500 000	+ 5.77	13 000 000	+ 150.00	7 500 000
	● Measures to combat fraud (B5-9)	1 500 000		1 500 000	+ 0.00	4 175 000	+ 178.33	2 675 000
	Research — subtotal	2 991 696 000		3 228 100 000	+ 7.90	3 183 150 000	+ 6.40	- 44 950 000
	Networks — subtotal	381 000 000		445 000 000	+ 16.80	410 000 000	+ 7.61	- 35 000 000
	Other policies — subtotal	1 682 186 000		1 595 975 000	- 5.12	1 731 105 000	+ 2.91	135 130 000
	Total 3	5 054 882 000	5 337 000 000	5 269 075 000	+ 4.24	5 324 255 000	+ 5.33	55 180 000
	Margin			67 925 000		12 745 000		
4	<i>External action</i>							
	● Food aid (B7-20)	591 900 000		540 900 000	- 8.62	530 900 000	- 10.31	- 10 000 000
	● Humanitarian aid (B7-21)	326 000 000		379 000 000	+ 16.26	379 500 000	+ 16.41	500 000
	● Cooperation with Asia (B7-30)	395 000 000		406 500 000	+ 2.91	406 500 000	+ 2.91	0
	● Cooperation with Latin American (B7-31)	245 500 000		253 000 000	+ 3.05	263 000 000	+ 7.13	10 000 000
	● Cooperation with southern Africa (B7-32)	140 000 000		140 000 000	+ 0.00	150 000 000	+ 7.14	10 000 000

(ECU)

Budgets

Heading FP 95	Budget heading	Budget for 1995	Financial perspective for 1996	Preliminary draft budget for 1996	Difference (%)	Budget for 1996	Difference (%)	Difference
		(1)	(2)	(3)	(4)=(3)/(1)	(5)	(6)=(5)/(1)	(7)=(5)-(3)
	● Cooperation — Mediterranean countries (B7-4)	536900000		697000000	+ 29.82	688000000	+ 28.14	- 9000000
	● Cooperation — Central and Eastern Europe (B7-50)	1153910000		1235000000	+ 7.03	1233500000	+ 6.90	- 1500000
	● Cooperation — former Soviet Union (B7-52)	506850000		528000000	+ 4.17	528000000	+ 4.17	0
	● Cooperation — former Yugoslavia (B7-54)	9500000		18000000	+ 89.47	98000000	+ 931.58	80000000
	● Other cooperation measures (B7-6, B7-51, B7-53)	379433000		355733000	- 6.25	411983000	+ 8.58	56250000
	● Human rights and democracy (B7-7)	75960000		80750000	+ 6.31	90750000	+ 19.47	10000000
	● International fisheries agreements (B7-80)	280000000		290000000	+ 3.57	280000000	- 0.00	- 10000000
	● Other external aspects of Community policies (B7-81 to B7-87)	119570000		137150000	+ 14.70	138450000	+ 15.79	1300000
	● Common foreign and security policy (B8-0)	110000000		92000000	- 16.36	62000000	- 43.64	- 30000000
	Total 4 Margin	4870523000	5264000000	5153033000 110967000	+ 5.80	5260583000 3417000	+ 8.01	107550000
5	<i>Administrative expenditure</i>							
	Commission (Part A not including pensions)	2237820356		2350226000	+ 5.02	2300220349	+ 2.79	- 50005651
	Pensions	349792000		399849000	+ 14.31	396515000	+ 13.36	- 3334000
	Commission — Total	2587612356		2750075000	+ 6.28	2696735349	+ 4.22	- 53339651
	Other institutions — Total	1413620496		1383634544	- 2.12	1431886642	+ 1.29	48252098
	Total 5 Margin	4001232852	4191000000	4133709544 59490456	+ 3.31	4128621991 63408009	+ 3.18	- 5087553
6	<i>Reserves</i>							
	● Monetary reserve (B1-6)	500000000		500000000	+ 0.00	500000000	+ 0.00	0
	● Guarantee reserve (B0-23)	323000000		326000000	+ 0.93	326000000	+ 0.93	0
	● Emergency aid reserve (B7-91)	323000000		326000000	+ 0.93	326000000	+ 0.93	0
	Total 6 Margin	1146000000	1152000000	1152000000 0	+ 0.52	1152000000 0	+ 0.52	0

(ECU)

Heading FP 95	Budget heading	Budget for 1995	Financial perspective for 1996	Preliminary draft budget for 1996	Difference (%)	Budget for 1996	Difference (%)	Difference
		(1)	(2)	(3)	(4)=(3)/(1)	(5)	(6)=(5)/(1)	(7)=(5)-(3)
7	<i>Compensation</i>							
	• Compensation (B1-7)	1 547 000 000		701 000 000	- 54.69	701 000 000	- 54.69	
	Total 7	1 547 000 000	701 000 000	701 000 000	- 54.69	701 000 000	-54.69	0
	Margin			0		0		0
	MEDA — supplementary appropriations <sup>1</sup>					200 000		200 000 000
	Negative reserve (B0-42) <sup>1</sup>					- 200 000		- 200 000 000
	Total — appropriations for commitments							
	Compulsory	40 392 302 000		43 416 420 000	+ 7.49	43 402 987 000	+ 7.45	- 13 433 000
	Non-compulsory	39 453 335 852		42 951 397 544	+ 8.87	43 122 472 991	+ 9.30	171 075 447
	Total compulsory + non-compulsory	79 845 637 852	86 604 000 000	86 367 817 544	+ 8.17	86 525 459 991	+ 8.37	157 642 447
	Margin			236 182 456		78 540 009		
	Total-appropriations for payments							
	Compulsory	40 371 302 000		43 424 420 000	+ 7.56	43 410 987 000	+ 7.53	- 13 433 000
	Non-compulsory	35 067 123 852		38 590 786 544	+ 10.05	38 477 453 991	+ 9.73	- 113 332 553
Total compulsory + non-compulsory	75 438 425 852	82 223 000 000	82 015 206 544	+ 8.72	81 888 440 991	+ 8.55	- 126 765 553	
Margin			207 793 456		334 559 009			

<sup>1</sup> Appropriations from the reserve for MEDA (allocation of ECU 200 million) will be counted under heading 4 only after the negative reserve has been absorbed (allocation of ECU 200 million).

## Financial Regulation

1.6.3. Parliament resolution on the Commission's communication to the budgetary authority concerning legal bases and maximum amounts.

### References:

Commission communication: Bull. 7/8-1994, point 1.4.1

Interinstitutional declaration by Parliament, the Council and the Commission on the incorporation of financial provisions into legislative acts: Bull. 3-1995, point 1.6.1

*Adopted on 12 December.* Parliament stressed that the issue of the legal basis for appropriations entered in the budget cannot be resolved without greater acceptance by the Council and Commission of Parliament's priorities and that a viable long-term solution requires an institutional reform which would enhance its role. In this context, it expressed the belief that the Commission communication could provide the impetus for devising an acceptable, short-term operational framework for drawing up and implementing the budget and called on the Council and the Commission to meet for tripartite talks to formulate such a framework.

OJ C 17, 22.1.1996

## Financial operations

### EC

1.6.4. In December the Commission contracted an ECU 115 million 10-year private placing on behalf of the European Community at the six-month LIBOR rate minus 0.04%.

### ECSC

#### *Loans granted*

1.6.5. In December the Commission, acting under the ECSC Treaty, granted loans totalling ECU 55.9 million:

□ industrial loans (Article 54 of the ECSC Treaty): ECU 7.1 million in Italy;

□ conversion loans (Article 56 of the ECSC Treaty): ECU 47.9 million in France, Italy and the United Kingdom;

□ workers' housing (loans for steelworkers and mineworkers): ECU 0.9 million in Belgium, France, Germany, Ireland, Spain and the United Kingdom.

## Measures to combat fraud

1.6.6. The European Council supported the conclusions adopted by the Council (economic and financial affairs) on the comparative analysis of the reports supplied by the Member States on measures taken to combat fraud. It expressed satisfaction at the progress of legislation on the protection of the Communities' financial interests and approved the Commission initiative on sound financial management (→ point I.23).

1.6.7. Council Regulation (EC, Euratom) No 2988/95 on the protection of the European Communities' financial interests.

**Commission proposal:** OJ C 216, 6.8.1994; COM(94) 214; Bull. 6-1994, point 1.5.11

**Parliament opinion:** OJ C 89, 10.4.1995; Bull. 3-1995, point 1.6.10

**Council common position:** Bull. 6-1995, point 1.6.10

**Parliament opinion on common position:** OJ C 339, 18.12.1995; Bull. 11-1995, point 1.6.12

*Adopted on 18 December.* The Regulation as adopted by the Council does not incorporate Parliament's amendments and is therefore the same as the common position.

OJ L 312, 23.12.1995

1.6.8. Proposal for a Council Regulation (EC, Euratom) concerning on-the-spot checks and inspections by the Commission for the detection of frauds and irregularities detrimental to the financial interests of the European Communities.

*Adopted by the Commission on 20 December.* This proposal is intended to supplement the Regulation on the protection of the Communi-

ties' financial interests (→ point 1.6.7) by enabling the Commission to carry out on-the-spot checks and inspections to detect the irregularities it is designed to prevent. It defines the specific circumstances in which Commission inspectors may intervene and provides for officials of the Member State concerned to take part in the inspections, the results of which will be notified to the national authorities.

COM(95) 690

*1.6.9.* Proposal for a Council act establishing a Protocol to the Convention on the protection of the Communities' financial interests (→ point 1.6.7).

*1.6.10.* Parliament resolution on combating corruption in Europe.

*Adopted on 15 December.* Parliament called on the Member States to take effective anti-corruption measures, in particular by approximating their legislation in this area, by abolishing any tax legislation or other legal provisions which are an indirect incentive to corruption and by encouraging the exposure of bribery or the acceptance of bribes. It would also like the names

and occupations of persons definitively convicted on charges of corruption connected with Community decisions or financing to be published in the Official Journal and corrupt operators to be excluded from competing for public contracts and from receiving any form of subsidy. Finally, it asked the Commission to submit a programme of measures to prevent corruption and called for the role of the Court of Auditors to be expanded so that it could coordinate the work of the national audit offices.

OJ C 17, 22.1.1996

*1.6.11.* Parliament decision setting up a temporary Committee of Inquiry to examine alleged contraventions or maladministration in the Community transit system.

*Adopted on 13 December.* This is the first Committee of Inquiry set up by Parliament under Article 138c of the EC Treaty. It consists of 17 members and will report to the House within 12 months of publication of the decision setting it up.

OJ C 17, 12.1.1996

## 7. Statistical system

### **Policy aspects**

*1.7.1.* Council Directive 95/64/EC on statistical returns in respect of carriage of goods and passengers by sea.

**Commission proposal:** OJ C 214, 4.8.1994; COM(94) 275; Bull. 7/8-1994, point 1.5.1

**Economic and Social Committee opinion:** OJ C 397, 31.12.1994; Bull. 11-1994, point 1.6.5

**Parliament opinion:** OJ C 151, 19.6.1995; Bull. 5-1995, point 1.7.4

**Council agreement:** Bull. 6-1995, point 1.7.2

*Formally adopted by the Council on 8 December.*

OJ L 320, 20.12.1995

## 8. Community law

### Monitoring the application of Community law

#### **Infringement proceedings**

##### *Reasoned opinions*

#### **Failure to notify measures incorporating directives into national law**

1.8.1. In December the Commission delivered reasoned opinions in the following cases:

##### *Industry*

Directive 93/42/EEC (OJ L 169, 12.7.1993)  
Medical devices  
Italy, Luxembourg

##### *Employment, industrial relations and social affairs*

Directive 91/383/EEC (OJ L 206, 29.7.1991)  
Safety and health at work of workers  
Germany

##### *Internal market and financial services*

Directive 92/101/EEC (OJ L 347, 28.11.1992)  
Limited liability companies  
Portugal

##### *Consumers*

Directive 92/59/EEC (OJ L 228, 11.8.1992)  
General product safety  
Greece

#### **Non-conformity of measures incorporating directives into national law**

1.8.2. In December the Commission delivered a reasoned opinion in the following case:

##### *Transport*

Directive 89/438/EEC (OJ L 212, 22.7.1989)  
Admission to the occupation of road haulage and road passenger transport operator  
Luxembourg

#### **Infringements of the Treaties or regulations; incorrect application of directives**

1.8.3. In December the Commission delivered reasoned opinions in the following cases:

##### *Industry*

Directives 83/189/EEC (OJ L 109, 26.4.1983) and 88/182/EEC (OJ L 81, 26.3.1988)  
Technical standards and regulations — new foods and food ingredients  
Greece, Italy

##### *Competition*

Regulation (EEC) No 1017/68 (OJ L 175, 23.7.1968)  
Inland transport  
Italy

##### *Transport*

Regulation (EEC) No 4055/86 (OJ L 378, 31.12.1986)  
Cargo-sharing agreements with third countries in the maritime transport sector  
Belgium, Spain, Italy, Luxembourg, Portugal

#### *Cases referred to the Court of Justice*

#### **Failure to notify measures incorporating directives into national law**

1.8.4. In December the Commission referred the following cases to the Court of Justice:

##### *Industry*

Directive 92/109/EEC (OJ L 370, 19.12.1992)  
Illicit manufacture of narcotic drugs and psychotropic substances  
Spain

##### *Agriculture*

Directive 91/414/EEC (OJ L 230, 19.8.1991)  
Placing on the market of plant protection products  
Greece

Directive 92/45/EEC (OJ L 268, 14.9.1992)  
Killing of wild game and placing on the market of wild-game meat  
Portugal

Directive 92/95/EEC (OJ L 327, 13.11.1992)  
Community methods of analysis for the official control of feedingstuffs  
Portugal

Directive 93/48/EEC (OJ L 250, 7.10.1993)  
Conditions to be met by fruit plant propagating material  
Portugal

Directive 93/49/EEC (OJ L 250, 7.10.1993)  
Conditions to be met by ornamental plant propagating material  
Portugal

Directive 93/61/EEC (OJ L 250, 7.10.1993)  
Conditions to be met by vegetable plant propagating material  
Portugal

#### *Internal market and financial services*

Directive 91/371/EEC (OJ L 205, 27.7.1991)  
Agreement between the Community and Switzerland on direct assurance other than life assurance  
Ireland

Directive 91/674/EEC (OJ L 374, 31.12.1991)  
Annual accounts and consolidated accounts of insurance undertakings  
Belgium

#### **Infringements of the Treaties or regulations; incorrect application of directives**

1.8.5. In December the Commission referred the following cases to the Court of Justice:

##### *Customs and indirect taxation*

Article 95 of the EC Treaty  
Taxation of second-hand cars  
Greece

## Decisions by the Court of Justice and the Court of First Instance

1.8.6. Decisions given by the Community law-courts are covered in the Bulletin for the month in which they are reported in the Official Jour-

nal. The operative part of the main decisions is reproduced; other decisions are simply listed by field and legal basis. Decisions in disputes between the Community and its staff are not reported.

## Court of Justice

### *Other decisions*

#### **Customs union**

##### *Article 177 of the EC Treaty*

1.8.7. 26.10.1995: Case C-36/94 *Siesse v Director da Alfândega de Alcântara*.  
OJ C 333, 9.12.1995

#### **Fisheries**

##### *Article 49 of the Statute of the Court*

1.8.8. 26.10.1995: Joined Cases C-199/94P and C-200/94P *Pevasa and Inpesca v Commission*.  
OJ C 333, 9.12.1995

#### **Social policy**

##### *Article 177 of the EC Treaty*

1.8.9. 26.10.1995: Case C-481/93 *Moscato v Bestuur van de Nieuwe Algemene Bedrijfsvereniging*.  
OJ C 333, 9.12.1995

1.8.10. 26.10.1995: Case C-482/93 *Klaus v Bestuur van de Nieuwe Algemene Bedrijfsvereniging*.  
OJ C 333, 9.12.1995

#### **Competition**

##### *Article 177 of the EC Treaty*

1.8.11. 24.10.1995: Case C-70/93 *Bayerische Motorenwerke v ALD Auto-Leasing D*.  
OJ C 333, 9.12.1995



1.8.12. 24.10.1995: Case C-266/93 *Bundeskartellamt v Volkswagen and VAG Leasing*.  
OJ C 333, 9.12.1995

(2) The remainder of the application is dismissed.  
(3) The Commission is ordered to pay the costs.  
OJ C 351, 30.12.1995

## Taxation

*Article 177 of the EC Treaty*

1.8.13. 24.10.1995: Case C-144/94 *Ufficio IVA di Trapani v Italittica*.  
OJ C 333, 9.12.1995

## Public procurement

*Article 177 of the EC Treaty*

1.8.14. 26.10.1995: Case C-143/94 *Furlanis costruzioni generali v ANAS*.  
OJ C 333, 9.12.1995

## Infringements

*Article 169 of the EC Treaty*

1.8.15. 22.9.1995: Case C-98/95 *Commission v Belgium*.  
OJ C 351, 30.12.1995

1.8.16. 26.9.1995: Case C-14/95 *Commission v Belgium*.  
OJ C 351, 30.12.1995

1.8.17. 4.10.1995: Case C-113/95 *Commission v Italy*.  
OJ C 351, 30.12.1995

1.8.18. 24.10.1995: Case C-125/95 *Commission v Portugal*.  
OJ C 351, 30.12.1995

1.8.19. 26.10.1995: Case C-51/94 *Commission v Germany*.  
OJ C 333, 9.12.1995

1.8.20. 26.10.1995: Case C-151/94 *Commission v Luxembourg*.  
OJ C 351, 30.12.1995

## Court of First Instance

### Main decisions

#### Customs union

*Article 173 of the EC Treaty*

1.8.21. 9.11.1995: Case T-346/94 *France-Aviation v Commission*.

(1) Commission Decision REM 4/94 of 18 July 1994, addressed to the French Republic, Directorate-General of Customs and Indirect Taxes, is annulled.

## Institutional matters

*Article 173 of the EC Treaty*

1.8.22. 19.10.1995: Case T-194/94 *Carvel and Guardian Newspapers v Council*.

(1) The implied decision of the Council refusing the applicants access to the preparatory reports, the minutes, attendance and voting records of the Justice Council of 29 and 30 November 1993 and the decision contained in the letter of the Council of 17 May 1994 refusing access to the minutes of the Agriculture Council of 24 and 25 January 1994 are annulled.

(2) The remainder of the application is dismissed.

(3) The Council is ordered to pay the costs.

(4) The Kingdom of Denmark, the Kingdom of the Netherlands and the European Parliament are ordered to bear their own costs.

OJ C 333, 9.12.1995

## Other decisions

### Agriculture

*Article 173 of the EC Treaty*

1.8.23. 19.10.1995: Joined Cases T-189/94, T-190/94 and T-191/94 *Heno, Manchion and Tellier v Council and Commission*.  
OJ C 351, 30.12.1995

1.8.24. 10.11.1995: Case T-526/93 *Fogerty and Others v Council and Commission*.  
OJ C 351, 30.12.1995

### Fisheries

*Article 173 of the EC Treaty*

1.8.25. 21.11.1995: Case T-154/95 *Ittima Maremmana v Commission*.  
OJ C 351, 30.12.1995

### Competition

*Article 173 of the EC Treaty*

1.8.26. 16.10.1995: Case T-561/93 *Tiercé Ladbroke v Commission*.  
OJ C 351, 30.12.1995

1.8.27. 8.11.1995: Case T-66/94 *Auditel v Commission*.

OJ C 351, 30.12.1995

### External relations

*Articles 173, 178 and 215 of the EC Treaty*

1.8.28. 26.10.1995: Case T-185/94 *Geotronics v Commission*.

OJ C 333, 9.12.1995

### Analysis of judgments delivered between 1 October and 31 December 1995

#### *Customs duties*

1.8.29. Judgment of 9 November 1995, Case T-346/94 *France- Aviation v Commission*: Repayment of customs duties — Commission decision — Principle of *audi alteram partem*.

**Reference:** Council Regulation (EEC) No 1430/79; OJ L 175, 12.7.1979

In this judgment the Court of First Instance held that the principle of *audi alteram partem* must be upheld and that a company has the right to a hearing when the Commission, at the request of a State, adopts a decision on the customs duties which that State should impose on a company marketing zero-rated parts for non-military use and other dutiable parts for military use in accordance with Article 13 of Council Regulation (EEC) No 1430/79 on the repayment or remission of import or export duties. The Court's reasoning derived essentially from the fact that the Commission enjoys a margin of discretion when assessing the circumstances and the degree of negligence shown by the company. It therefore held that the right to be heard must be guaranteed in proceedings relating to the repayment of customs duties, irrespective of compliance with the procedural arrangements laid down in the Regulation (prior dialogue with the Member State, request for additional information, consultation of an expert group).

#### *Free movement of workers*

1.8.30. Judgment of 15 December 1995, Case C-415/93 *Bosman*: Free movement of workers — Football players.

In this case the Court gave judgment on the practical application of the rules adopted by the private associations responsible for the organization of football at European and world levels. On the expiry of his two-year contract with a Belgian club, Mr Bosman, a player of Belgian nationality, wished to conclude a contract with a French club. Under the rules of the Belgian Football Association, however, the player's former club asked his new club to pay a substantial transfer fee, which proved to be too high a price for any club to pay.

The Court held that Article 48 of the EC Treaty applied to the collective rules adopted by private sports associations since the exercise of sport as an economic activity was covered by Community law. It also held that by preventing or deterring nationals of a Member State from leaving their country of origin the transfer rules constituted an obstacle to the free movement of workers and that the arguments put forward to justify such an obstacle were inadmissible. In particular, the transfer rules were not an adequate means of maintaining financial and competitive balance in the world of football since they did not prevent the richest clubs from securing the services of the best players on the market. Nor were they capable of providing encouragement and financing for clubs training young players, particularly the smaller clubs, since there was no guarantee that they would collect transfer fees and since the amount of the fees bore no relation to the costs actually incurred. Furthermore, the same aims could be achieved by other means which did not impede freedom of movement for workers. The Court's judgment did not apply, however, to players being transferred from one club to another within the Member State of which they were nationals or to relations between clubs in Community countries and those in non-member countries.

The Court also held that under Article 48 no rules could require clubs to field, for a given match, only a limited number of professional players who were nationals of other Member States. For the same reasons as mentioned above, the Court rejected the arguments put forward to justify such rules. On the other hand, the nationality requirement was justified in the case of matches between the national teams of different countries. Lastly, it held that since the two sets of rules in question were incompatible with Article 48, there was no need for an interpretation of Articles 85 and 86.

Where transfer fees were concerned, the Court stated that its judgment would have effect only from the date on which it was given, in view of the uncertainty surrounding the compatibility of the rules with Community law and the overriding need for legal certainty. Any fees for transfers already completed or in progress could not be reimbursed unless court proceedings had been commenced before the date of the judgment.

### *Freedom to provide services*

1.8.31. Judgment of 30 November 1995, Case C-55/94 *Gebhard*: Freedom to provide services — Lawyers.

**Reference:** Council Directive 77/249/EEC: OJ L 78, 26.3.1977

The Court's judgment in *Gebhard*, handed down on 30 November, had been eagerly awaited in legal circles.

Mr Gebhard had qualified as a lawyer in Germany but practised on a regular basis in Italy, describing himself as an '*avvocato*'. His application to be called to the bar in Milan had been turned down, and he had faced disciplinary proceedings for illegal use of the title. The Court first of all made it clear that if an activity was exercised in another Member State on a temporary basis (depending on the duration, frequency, regularity and continuity of the activity) it constituted the provision of a service and fell within the scope of Directive 77/249/EEC of 22 March 1977 to facilitate the effective exercise by lawyers of freedom to provide services. This Directive stipulated that lawyers were to adopt the professional title used in the Member State from which they came, indicating the professional organization by which they were authorized to practise, that they were to observe the host Member State's rules of professional conduct for the representation or defence of clients, without being required to register with a professional organization in that State, and that they were to remain subject to their own Member State's rules of professional conduct in all other respects. The temporary nature of the activity pursued did not preclude the use of certain infrastructures (offices or chambers) where these were necessary for the provision of services.

In the case before the Court, however, Mr Gebhard had to be regarded as a lawyer established

in Italy and subject to the Italian conditions for establishment. Since no Community rules had been laid down on this matter, national arrangements governing access to the profession were acceptable on the whole, provided that they satisfied four conditions: they should be applied in a non-discriminatory manner; they should be justifiable in terms of the overriding general interest; they should be a suitable means of achieving the objective pursued; and they should not go beyond what was necessary for the achievement of that objective.

The Court held that Member States must take account of diplomas obtained in other Member States, accept the equivalence of diplomas and, where appropriate, conduct a comparative examination of the qualifications concerned. It was for the national courts, however, to assess the validity of any such examination and the results it gave in individual cases.

### *Free movement of capital*

1.8.32. Judgment of 14 November 1995, Case C-484/93 *Svensson*: Free movement of capital — Freedom to provide services — Housing aid and loans contracted in another Member State.

**Reference:** Judgment of Court of Justice, Case C-204/90 *Bachmann v Belgium*: Bull. 3-1992, point 1.6.22

The Court's judgment in this case clarified important aspects of the rules on the free movement of capital and loans within the Community. The *Svensson* family, living in Luxembourg, had been refused housing aid by the Luxembourg authorities because, to build their home in Luxembourg, they had contracted a loan with a bank which was not established there. The Court found that the relevant provisions of the Luxembourg legislation constituted an obstacle to the free movement of capital in that they were likely to deter the parties concerned from approaching banks established in another Member State. It also held that this legislation represented discrimination against banks established in other Member States and was prohibited by Article 59 of the EC Treaty. The Court rejected the Luxembourg Government's contention that the aid represented 1% of the country's total budget and that half of the aid was recovered through the taxes which financial bodies established in Luxembourg paid on their

profits. This argument was purely economic in nature and was not therefore covered by Article 56 of the Treaty. Nor could the Luxembourg rules be justified on the grounds of consistency in tax arrangements, an argument which the Court had accepted in *Bachmann* on 28 January 1992, for in this particular case there was no direct link between the granting of housing aid to borrowers, on the one hand, and the funding of the aid through the tax levied on banks' profits, on the other.

## Competition

1.8.33. Judgment of 16 November 1995, Case C-244/94 *Fédération française des sociétés d'assurance*: Concept of 'undertaking' for the purposes of Article 85 of the EC Treaty — Organization managing an optional supplementary social security scheme.

**Reference:** Judgment of Court of Justice, Case C-159/91 *Poucer*: Bull. 3-1993, point 1.6.20

The Court, having been asked to determine whether a social security body was to be regarded as an 'undertaking' and therefore subject to the rules on competition, decided that the body in question could indeed be so described.

In its judgment of 17 February 1993 in *Poucet* the Court had ruled that a body responsible for the management of certain compulsory social security schemes based on the solidarity principle could not be described as an 'undertaking', since the benefits paid out were identical for all recipients (though contributions were proportional to income), the schemes in surplus helped to finance the schemes in structural financial difficulties, the schemes were managed by a single body and membership was compulsory.

In this particular case, the supplementary pension scheme for self-employed farmers, known as Coreva and managed by a single body (the CCMSA) whose operating rules were laid down by decree, had only optional membership and was run on the capitalization principle, so that the benefits depended solely on the contributions made and on the financial return from the investments made by the managing body. One or two features of the scheme, such as exemption from the payment of contributions in the event of sickness or unemployment and the fact that contributions were not geared to the risk

involved, were indicative of solidarity but were also offered by certain insurance companies competing on the market. In any case, they were very limited in scope because of the optional nature of the scheme and could not alter the fact that the managing body was engaged in an economic activity. Nor was the Court's decision influenced by the consideration that the scheme was non-profit-making.

Since the question referred to the Court by the French Conseil d'État related to whether the CCMSA's exclusive right to provide old-age insurance for farmers and the tax deductibility of contributions paid to it were compatible with the rules of competition and whether the contributions to the scheme could be deducted from farmers' incomes, the Court drew attention to some of the points (pursuit of a social purpose, solidarity requirements, rules of the managing body and restrictions on investments) which would have to be examined if the scheme broke the competition rules in any way.

On this sensitive issue the Court applied carefully defined criteria to distinguish between those social security bodies whose activities were not covered by the competition rules and those bodies which had to abide by them.

1.8.34. Judgment of 9 November 1995, Case C-465/93 *Atlanta Fruchthandelsgesellschaft*: Assessment of the validity of a Community instrument by a national court — Conditions for the grant of interim measures where the instrument's validity is in doubt.

**Reference:** Judgment of Court of Justice, Joined Cases C-143/88 and C-92/89 *Zuckerfabrik Süderdithmarschen v HZA Itzehoe*: OJ C 74, 20.3.1991; Bull. 3-1991, point 1.7.14

This judgment defines, along somewhat restrictive lines, the circumstances in which national courts may grant interim measures to individuals who contest the validity of a Community instrument.

On 21 February 1991, in *Zuckerfabrik Süderdithmarschen*, the Court had acknowledged that national courts had the right to grant interim measures suspending the effects of a Community regulation as far as the applicant was concerned, provided that, at the same time, the national court referred to the Court of Justice the question of the validity of the regulation contested by the applicant.

In this instance the Court defined some of the conditions to be met by the national courts: in its interim order the court must specify the reasons why it considers that the Court of Justice might find the regulation invalid (bearing in mind the wide powers of discretion enjoyed by the Community institutions in the sectors concerned); as regards the urgency of the matter, any damage suffered by the applicant must be likely to occur before the Court's judgment and must be irreversible; in doubtful cases the national court must have regard to the fact that it is in the Community's interests to ensure that its regulations are not set aside without proper guarantees and that the effectiveness of rules applicable throughout the Community should be safeguarded. In other words, the national court should weigh the Community interest against that of the individual or industry concerned and must of course be guided by the relevant judgments of the Community lawcourts.

This particular case, which related to the application of quotas under the Regulation establishing a common organization of the market in bananas, was referred to the Court on 1 December 1993. A Court order of 23 June 1993 had already rejected the German Government's application that enforcement of the Regulation be suspended. On 5 October 1993, moreover, the Court had confirmed the validity of the Community Regulation.

### *Equal treatment*

1.8.35. Judgment of 17 October 1995, Case C-450/93 *Kalanke v Bremen*: Equal treatment of men and women — Promotion.

**Reference:** Council Directive 76/207/EEC: OJ L 39, 14.2.1976

In this case the Court ruled on whether the arrangements which Bremen had introduced on 20 November 1990 concerning equality of treatment in the public service were compatible with Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women. Under the arrangements in question, when staff are to be recruited or assigned to a higher-paid post, women who have the same qualifications as men applying for the same post must be given priority treatment if they are underrepresented in the area concerned. There is underrepresentation where women do not make

up at least half the staff complement. Article 2(4) of Directive 76/207/EEC states that the Directive is to be without prejudice to measures to promote equal opportunity for men and women, in particular by removing existing inequalities which affect women's opportunities. The general purpose of the Directive is to prohibit any direct or indirect discrimination on grounds of sex. The Court held that national rules giving absolute and unconditional priority to women who have the same qualifications as their male counterparts would entail sex-based discrimination. It then considered whether such discrimination was justified under Article 2(4) of the Directive. The precise and limited purpose of Article 2(4) was to authorize measures which, although *prima facie* discriminatory, were in fact designed to eliminate or reduce existing inequalities. However, since this provision was a derogation from an individual right enshrined in Article 2(1), it had to be strictly construed. The Court consequently held that it was contrary to Article 2(1) and (4) for any national rules to confer automatic priority on female candidates in areas where women were underrepresented, should the male and female candidates shortlisted for promotion be equally qualified.

### *Consumer protection*

1.8.36. Judgment of 12 October 1995, Case C-85/94 *Piageme v Peeters*: Labelling — Easily understood language.

**Reference:** Council Directive 79/112/EEC: OJ L 33, 8.2.1979

This preliminary ruling defined the scope of Article 14 of Directive 79/112/EEC on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs for sale to the ultimate consumer. The Court ruled that the words 'language easily understood' as used in that article did not mean the official language of the Member State or the language of the region; the aim was to provide the consumer with information rather than to impose the use of a specific language. The original action related to the distribution in Belgium of various French and German mineral waters bearing labels worded either in French or in German. National legislation required that in Flanders the labelling should be in Dutch. According to the Directive, Member

States were to prohibit within their territory any trade in foodstuffs which were not labelled in a language easily understood by purchasers, unless the relevant information was provided by other means. The Court reaffirmed that Articles 128 and 129a of the EC Treaty did not authorize a Member State to replace the provisions of the Directive by more stringent provisions. The ease with which the information provided could be understood would have to be assessed in light of the circumstances in each particular case.

### *Budget*

1.8.37. Judgment of 7 December 1995, Case C-41/95 *Council v Parliament*: Budget.

**Reference:** 1995 budget: OJ L 369, 31.12.1994; Bull. 12-1994, point 1.5.3

The Court annulled the act of 15 December 1994 whereby the President of the European Parliament had declared the 1995 general budget of the European Union finally adopted. At second reading, Parliament had maintained 131 'amendments' to the draft 1995 budget because it considered the budget headings concerned to be non-compulsory expenditure, which Parliament had the right to amend under Article 203(4) of the EC Treaty. The Council, on the other hand, took the view that the headings were compulsory expenditure, to which Parliament could only propose 'modifications' at first reading (second subparagraph of Article 203(4) and Article 203(5) and (6) of the Treaty), so that the final decision lay with the Council. The Council had decided in this particular case to reject the changes made by Parliament. The Court noted that expenditure under the budget, as adopted by the President of Parliament, exceeded the maximum rate of increase to be fixed pursuant to Article 203(9), although the two institutions had not agreed on such an increase. Since, therefore, the budgetary procedure had not been concluded when the President of Parliament declared the budget finally adopted, the Court ruled that the effect of the annulment of the act challenged was to render the 1995 budget invalid. As regards the temporal consequences of the judgment, the Court, acknowledging the need to ensure continuity in the public service, decided that the effects of the 1995 budget should be preserved until such time as the budget was finally adopted. The Court expressed no view on whether the expenditure in

issue was compulsory or non-compulsory but left it to the institutions concerned to come to an agreement.

### *Democracy, transparency and subsidiarity*

1.8.38. Judgment of 19 October 1995, Case T-194/94 *Carvel and Guardian Newspapers v Council*: Transparency — Refusal of access to documents — Reasons.

**Reference:** Decision 93/731/EC: OJ L 340, 31.12.1993

The Court of First Instance found against the Council in an action concerning access to documents relating to its deliberations. The conditions governing public access to Council documents are laid down in Council Decision 93/731/EC, Article 4(2) of which states that 'access ... *may be refused* in order to protect the confidentiality of the Council's proceedings', while Article 4(1) lists five types of circumstance in which access to a Council document *must not be granted*. The applicants had asked the Council for access to a number of documents including preparatory reports from the Permanent Representatives Committee, minutes, attendance and voting records and decisions of specified Council meetings of the Ministers of Social Affairs and of Justice and minutes of a meeting of the Ministers of Agriculture. The reason given by the Council for refusing access was that the documents in question 'directly refer to the deliberations of the Council and cannot, under its Rules of Procedure, be disclosed'. The Court found that the Council was obliged by Article 4 of Decision 93/731/EC, to strike a genuine balance between the public interest in having access to such documents and any interest of its own in maintaining the confidentiality of its proceedings. From its perusal of the Council's letters refusing access the Court concluded that the Council had not met its obligation to balance the interests involved; on the contrary, the terms of the letters indicated that the Council felt itself obliged to refuse access to the documents concerned for the simple reason that they related to its deliberations.

The Court therefore annulled the Council's implied decision refusing the applicants access.

## 9. Institutional affairs

*1.9.1.* The European Council received with great interest the final report of the Reflection Group set up to prepare for the Intergovernmental Conference. It considered that the guidelines distilled within the Group constituted a sound basis for the work of the Conference and agreed that it should open in Turin on 29 March 1996. The European Council expressed satisfaction at the progress made on adapting legislation to the subsidiarity principle and achieving transparency in the Council's deliberations and reaffirmed the need to simplify legislation and administration without undermining the *acquis communautaire* (→ points I.14, I.48 and I.91 to I.111).

### Preparations for the 1996 Intergovernmental Conference

*1.9.2.* Final report of the Reflection Group set up to prepare for the Intergovernmental Conference.

#### References:

- Conclusions of the Corfu European Council: Bull. 6-1994, point I.25
- Inaugural meeting of the Reflection Group: Bull. 6-1995, point 1.9.3

*Presented on 5 December.* The final report of the Reflection Group, chaired by Mr Westendorp and set up by the Corfu European Council, was presented to the European Council in Madrid. It is divided into two parts. In the first part, entitled 'A strategy for Europe' and reproduced in full in Annex 15 to the conclusions of the European Council (→ point I.97), the Reflection Group expresses the view that the Conference should not embark on a complete revision of the Treaty but should focus instead on the necessary improvements and amendments with reference to three main objectives: bringing Europe closer to the people; enabling the Union to operate more efficiently and preparing it for enlargement; and enhancing the Union's capacity for external action. In the second part, en-

titled 'An annotated agenda', the Group examines in greater detail the main items which could figure on the Conference agenda.

*1.9.3.* Parliament resolution on the agenda for the 1996 Intergovernmental Conference with a view to the Madrid European Council.

**Reference:** Parliament resolution on the functioning of the Treaty on European Union with a view to the 1996 Intergovernmental Conference: OJ C 151, 19.6.1995; Bull. 5-1995, point 1.9.2

*Adopted on 14 December.* Convinced of the need for substantial institutional reforms, Parliament urged the European Council to define a mandate for the Intergovernmental Conference taking account of the priorities established in its resolution on the functioning of the Treaty. It also recommended that technical work on the simplification and consolidation of the Treaties should continue in the mean time in order to facilitate the task facing the Conference. Stressing the need for a more open and democratic procedure for the revision of the Treaty, for a meaningful public debate and for close cooperation with the national parliaments, Parliament expressed the wish to be closely involved in the Conference proceedings.

OJ C 17, 22.1.1996

### Interinstitutional relations

*1.9.4.* Parliament resolution on the preparation of the meeting of the European Council in Madrid.

*Adopted on 14 December.* Parliament called on the European Council to adopt the procedure for changing over to the single currency, to agree on a name for the currency and to confirm unequivocally the timetable for the third stage of economic and monetary union. It also advocated a stronger monetary mechanism between EMU and the currencies of the non-participating Member States, and an instrument for solidarity and cohesion between the Member States. It

asked the European Council to recognize the need for an employment strategy based on the defence and strengthening of the European social model and, in the institutional sphere, urged the European Council to lay the foundation for far-reaching reform and repeated its demand for the total abolition of the three pillars. It also called for a clear-sighted view to be

taken of the implications of future enlargement in institutional and financial terms and asked for recognition of the Court of Justice's role within the framework of the Europol Convention, for common action to combat racism and xenophobia and for a strengthening of the common foreign and security policy.

OJ C 17, 22.1.1996



# 10. Community institutions

## Parliament

### Strasbourg, 11 to 15 December

1.10.1. The key event of the December part-session was the statement to the House by Mr Santer, President of the Commission, on the Commission's work programme for 1996 (→ point 1.10.11). This was followed by a debate, at the close of which Parliament adopted a resolution on the implementation of the legislative programme in 1995 and on the work programme for 1996. The text of the resolution is reproduced in full in Part Two (Documentation) (→ point 2.2.1). Parliament also held a debate on the Madrid European Council and the Intergovernmental Conference and adopted the budget for 1996.

During the debate on the Madrid European Council and the Intergovernmental Conference Mr Santer called on Parliament to cooperate closely in the work leading up to the Conference and expressed the hope that the European Council would agree on a scenario for transition to the single currency. There was general recognition from the floor that the European Council and the Intergovernmental Conference would be faced with difficult and critical choices. At the close of the debate the House passed resolutions on the Madrid European Council (→ point 1.9.4), the Intergovernmental Conference (→ point 1.9.3) and the situation in the former Yugoslavia (→ point 1.4.72).

In the budgetary field, Parliament approved the 1996 budget at second reading (→ point 1.6.2), in the main confirming the amendments it had adopted at first reading. The President of Parliament then proceeded to sign the budget on 21 December.

Parliament gave its assent to the proposal for a Council Decision on the common position by the Community in the EC-Turkey Association Council on implementing the final phase of the

customs union (→ point 1.4.67) and to the proposal for a Council and Commission Decision on the conclusion of a Euro-Mediterranean Agreement establishing an association with the Republic of Tunisia (→ point 1.4.90).

On the institutional front, Parliament adopted a decision setting up a temporary Committee of Inquiry to examine alleged contraventions or maladministration in the Community transit system (→ point 1.6.11).

Acting under Article J.7 of the Treaty on European Union, Parliament also adopted a recommendation to the Council on the election of the Council and President of the Palestinian Authority and the role of the European Union (→ point 1.4.93).

On the human rights front, Parliament adopted nine resolutions on the situation in Burundi, the situation in the Chechen Republic, the persecution of Wei Jingsheng, the selection of the Panchen Lama, the application of social clauses within the framework of the multiannual programme for generalized preferences *inter alia* with regard to Pakistan and Burma, the detention of Munawar A. Halepota, the expulsion of 38 NGOs from Rwanda, the arrest of Georg T. Kunta in Daghestan and the threatened deportation of Nigerians from the United Kingdom (→ points 1.2.2 to 1.2.4, 1.2.6 to 1.2.10, and 1.2.12) and a resolution on the human rights of disabled people (→ point 1.3.208).

On the legislative front, Parliament delivered opinions under the consultation procedure on proposals for Regulations relating to the common organization of the markets in bananas, and fruit and vegetables (→ point 1.3.156), the common organization of the market in rice (→ point 1.3.154), quality wines produced in certain regions (→ point 1.3.158), a supplementary research programme for the Joint Research Centre (→ point 1.3.76), investment projects in the petroleum, natural gas and electricity sectors (→ point 1.3.100), exports and imports of crude oil and natural gas (→ points 1.3.96 and 1.3.97),

support for a hydrocarbon exploration project in Greenland (→ point 1.3.98), the repeal of Community legislation in the field of energy policy (→ point 1.3.95), satellite tracking in the NAFO regulatory area (→ point 1.3.195), the scheme of joint international inspection and control measures adopted by NAFO and the observer scheme applicable to Community fishing vessels operating in this area (→ point 1.3.194), the Protocol to the fishing agreement with the Republic of Guinea-Bissau (→ point 1.3.179), protection against injurious pricing of vessels (→ point 1.4.42), protection against dumped imports from countries not members of the European Community (→ point 1.4.23), a special financial cooperation measure for Turkey (→ point 1.4.69), financial and technical measures to support the reform of economic and social structures in Mediterranean non-member countries and territories (→ point 1.4.94), on a proposal for a Directive on the common system of value-added tax (→ point 1.3.32) and on proposals for Decisions relating to the agreement for scientific and technical cooperation with Canada (→ point 1.3.78), an interim trade agreement with Israel (→ point 1.4.92), a fisheries agreement with Canada (→ point 1.3.193), the reduction of energy requirements for buildings in the Community (→ point 1.3.99) and an amendment to the Gdansk Convention (→ point 1.3.190).

Under the cooperation procedure Parliament delivered opinions at first reading on proposals for Regulations relating to food aid and security (→ point 1.4.53), rehabilitation and reconstruction operations in developing countries (→ point 1.4.51), support for rehabilitation programmes in southern Africa (→ point 1.4.120), cofinancing operations with NGOs in fields of interest to developing countries (→ point 1.4.49) and decentralized cooperation (→ point 1.4.44).

Under the codecision procedure at second reading Parliament approved the Council common position on the proposal for a Directive on the emission of gaseous and particulate pollutants from diesel engines (→ point 1.3.13) and adopted amendments to the Council common positions on the proposals for Directives on the protection of consumers in respect of distance contracts (→ point 1.3.216), the legal protection of databases (→ point 1.3.30) and the recognition of contractual netting (→ point 1.3.27) and on the proposal for a Decision on the development of the trans-European transport network (→ point 1.3.93).

Resolutions were passed on legal bases and maximum amounts (→ point 1.6.3), leghold traps (→ point 1.3.143), a regulatory framework for direct investment (→ point 1.4.18), mobile and personal communications (→ point 1.3.122), the Euro-Mediterranean Conference in Barcelona (→ point 1.4.66), progress made in 1995 in cooperation in the fields of justice and home affairs (→ point 1.5.2), the human rights situation in Turkey (→ point 1.4.70), the situation in East Timor (→ point 1.2.5), the return of plundered property to Jewish communities (→ point 1.2.11), the bomb attack in Madrid (→ point 1.5.8), combating corruption in Europe (→ point 1.6.10), the crisis in the salmon sector (→ point 1.3.196) and State aid to Irish Steel (→ point 1.3.69). Parliament also passed a resolution on the change in the legal basis of the proposal for a Regulation relating to possession of and trade in specimens of species of wild fauna and flora (→ point 1.3.140) and a series of resolutions giving its opinion on the appointment of seven members of the Court of Auditors (→ point 1.10.15).

Record of proceedings:

OJ Annex 4-465

Full text of opinions and resolutions:

OJ C 17, 22.1.1996

## Council

### 1891st meeting

1.10.2. General affairs (Brussels, 4 December).

**Previous meeting:** Bull. 11-1995, point 1.10.7

**President:** Mr Solana, Spanish Foreign Minister.

**Commission:** Mr Santer, Mr Marín, Sir Leon Brittan, Mrs Bonino, Mr Van den Broek and Mr Pinheiro.

### Main items

□ Application for accession by Estonia: decision adopted (→ point 1.4.59).

□ Former Yugoslavia: conclusions adopted (→ point 1.4.71).

- Europe-Asia Meeting: report adopted (→ point 1.4.106).
- Long-term policy for relations between the European Union and China: conclusions adopted (→ point 1.4.107).
- Negotiations under Article XXIV:6 of GATT: outcome agreed (→ point 1.4.15).

#### *Other business*

- Preparations for Madrid European Council: exchange of views.
- Middle East peace process — preparations for the Paris Conference: Conference postponed.
- MEDA Regulation: examined.
- EU-US summit: results reported.
- Renewal of the San José dialogue: communication presented.
- Relations with Switzerland: progress report on negotiations.
- New TACIS Regulation — relations with the former USSR: discussed.
- Nigeria: common position adopted.
- Trade and cooperation agreement with South Africa: exchange of views.

#### **1892nd meeting**

1.10.3. Labour and social affairs (Brussels, 5 December).

**Previous meeting:** Bull. 10-1995, point 1.10.4

*President:* Mr Griñan, Spanish Minister for Labour and Social Security.

*Commission:* Mr Flynn.

#### *Main item*

- Medium-term Community action programme on equal opportunities for women and men: Decision agreed (→ point 1.3.205).

#### *Other business*

- Employment policy: open debate.
- Madrid European Council: preparations.
- Community analysis, research and cooperation activities in the field of employment: discussed.

- Community programme concerning safety, hygiene and health at work (SAFE): discussed.
- Community support for actions in favour of older people: proposal for a Decision re-examined.
- Posting of workers: exchange of views.
- Reconciliation of family and working life: progress report.
- Burden of proof: progress report.
- Part-time working, fixed-term employment and temporary work: progress report.
- Balanced participation of men and women in decision-making: draft recommendation presented.

#### **1893rd meeting**

1.10.4. Transport (Brussels, 7 and 8 December).

**Previous meeting:** Bull. 9-1995, point 1.10.6

*President:* Mr Borrell Fontelles, Spanish Minister for Public Works, Transport and the Environment.

*Commission:* Mr Kinnock.

#### *Main items*

- Access to the groundhandling market at Community airports: common position on the proposal for a Directive agreed by qualified majority; Austrian and German delegations voted against (→ point 1.3.119).
- Driving licences: common position on the proposal for a Directive agreed (→ point 1.3.110).
- Organization of the inland waterway transport market and supporting measures: conclusions adopted (→ point 1.3.113).
- Negotiations between the European Community and certain third countries concerning the carriage of passengers and goods by road: two sets of directives adopted (→ point 1.3.121).
- Short sea shipping — prospects and challenges: resolution agreed (→ point 1.3.117).

#### *Other business*

- Aid for combined transport: discussed.
- Civil aviation — relations with third countries: examined.

- Negotiations with the United States in the field of air transport: discussed.
- Marine equipment: approach agreed.
- Application of the principle of freedom to provide services to maritime transport within Member States (1993-94): discussed.
- Safety of roll-on roll-off passenger ferries — follow-up and outcome of the conference of contracting governments to the 1974 International Convention for the Safety of Life at Sea (SOLAS): discussed.

### 1894th meeting

1.10.5. Energy (Brussels, 20 December).

**Previous meeting:** Bull. 6-1995, point 1.10.5

**President:** Mr Eguiagaray, Spanish Minister for Industry and Energy.

**Commission:** Mr Papoutsis.

#### *Main item*

- Energy efficiency of household refrigeration appliances: common position on the proposal for a Directive agreed by qualified majority; Italian delegation voted against (→ point 1.3.102).

#### *Other business*

- Internal market in electricity: conclusions adopted.
- Gas supply and prospects in the European Community: communication presented.
- Trans-European energy networks: progress report.
- White Paper for a European Union energy policy: presented.
- European Energy Charter: progress report.
- Synergy programme: progress report.
- SAVE II programme: presented.
- Review of Community energy legislation: exchange of views.

### 1895th meeting

1.10.6. Environment (Brussels, 18 December).

**Previous meeting:** Bull. 10-1995, point 1.10.5

**President:** Mr Borrell Fontelles, Spanish Minis-

ter for Public Works, Transport and the Environment.

**Commission:** Mrs Bjerregaard.

#### *Main items*

- Assessment of the effects of certain public and private projects on the environment: common position on the proposal for a Directive agreed by qualified majority; German delegation voted against (→ point 1.3.128).
- Integrated management of coastal zones: conclusions adopted (→ point 1.3.80).
- Air pollution from motor vehicle emissions: common position on the proposal for a Directive agreed (→ point 1.3.14).
- European Community water policy: conclusions adopted (→ point 1.3.135).
- Community strategy on climate change: conclusions adopted (→ point 1.3.148).
- Community environmental management and audit system: conclusions adopted (→ point 1.3.132).
- Strategy on acidification: conclusions adopted (→ point 1.3.136).
- Convention on Biological Diversity: conclusions adopted (→ point 1.3.149).

#### *Other business*

- Placing of biocidal products on the market: progress report.

### 1896th meeting

1.10.7. Agriculture (Brussels, 18 and 19 December).

**Previous meeting:** Bull. 11-1995, point 1.10.13

**President:** Mr Atienza Serna, Spanish Minister for Agriculture, Fisheries and Food.

**Commission:** Mr Fischler.

#### *Main items*

- Reform of the common organization of the market in rice: proposal for a Regulation agreed (→ point 1.3.154).
- Standard quality of rice: proposal for a Regulation agreed (→ point 1.3.155).

- Compensation for appreciable reductions in agricultural conversion rates: Regulation adopted (→ point 1.3.151).

#### *Other business*

- Common organization of the markets in fresh and processed fruit and vegetables: conclusions adopted.
- Common organization of the markets in potatoes: report noted.
- Sheepmeat prices in Ireland: Council declaration.
- Protection of calves in intensive breeding systems: report presented.

#### **1897th meeting**

1.10.8. Development (Brussels, 20 December).

**Previous meeting:** Bull. 6-1995, point 1.10.4

**President:** Mr Dicenta Ballester, Spanish State Secretary for International Cooperation and Latin America.

**Commission:** Mr Marín, Mrs Bonino and Mr Pinheiro.

#### *Main items*

- Food aid and food security: common position on the proposal for a Regulation agreed unanimously (→ point 1.4.53).
- Humanitarian aid: common position on the proposal for a Regulation agreed by qualified majority; Danish, Finnish and Netherlands delegations voted against (→ point 1.4.55).
- Development cooperation with South Africa: common position on the proposal for a Regulation adopted unanimously (→ point 1.4.121).
- Integrating gender issues in development cooperation: resolution adopted (→ point 1.4.46).
- Rehabilitation and reconstruction operations: common position on the proposal for a Regulation agreed unanimously (→ point 1.4.51).

#### *Other business*

- Regulation on refugees: exchange of views.
- Regulations on NGO cofinancing and decentralized cooperation: discussed.

- Implementation of the Horizon 2000 resolution: progress report.
- Bhutanese refugee problem in Nepal: discussed.
- Situation in Burundi: exchange of views.

#### **1898th meeting**

1.10.9. Industry (Brussels, 20 December).

**Previous meeting:** Bull. 11-1995, point 1.10.4

**President:** Mr Eguiagaray, Spanish Minister for Industry and Energy.

**Commission:** Mr Bangemann and Mr Van Miert.

#### *Sole item*

- State aid for the restructuring of Irish Steel: assent agreed (→ point 1.3.69).

#### **1899th meeting**

1.10.10. Fisheries (Brussels, 21 and 22 December).

**Previous meeting:** Bull. 10-1995, point 1.10.9

**President:** Mr Atienza Serna, Spanish Minister for Agriculture, Fisheries and Food.

**Commission:** Mrs Bonino.

#### *Main items*

- TACs and quotas for 1996: Regulation adopted by qualified majority; Swedish delegation voted against (→ point 1.3.167).
- Measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway: Regulation adopted (→ point 1.3.183).
- Allocation of catch quotas between Member States for vessel fishing in the Norwegian exclusive economic zone and the fishing zone around Jan Mayen for 1996: Regulation adopted (→ point 1.3.183).
- Measures for the conservation and management of fishery resources applicable to vessels registered in the Faeroe Islands: Regulation adopted (→ point 1.3.180).
- Allocation of catch quotas between Member States for vessels fishing in Faeroese waters: Regulation adopted (→ point 1.3.180).

- Allocation of catch quotas between Member States for vessels fishing in Greenland waters: Regulation adopted (→ point 1.3.178).
- Allocation of catch quotas between Member States for vessels fishing in Icelandic waters: Regulation adopted (→ point 1.3.181).
- Measures for the conservation and management of fishery resources applicable to vessels flying the flag of Estonia: Regulation adopted (→ point 1.3.185).
- Allocation of catch quotas between Member States for vessels fishing in Estonian waters: Regulation adopted (→ point 1.3.185).
- Measures for the conservation and management of fishery resources applicable to vessels flying the flag of Latvia: Regulation adopted (→ point 1.3.186).
- Allocation of catch quotas between Member States for vessels fishing in Latvian waters: Regulation adopted (→ point 1.3.186).
- Measures for the conservation and management of fishery resources applicable to vessels flying the flag of Lithuania: Regulation adopted (→ point 1.3.188).
- Allocation of catch quotas between Member States for vessels fishing in Lithuanian waters: Regulation adopted (→ point 1.3.188).
- Amendment of Regulation (EC) No 3372/94 allocating catch quotas between Member States for vessels fishing in Lithuanian waters: Regulation adopted (→ point 1.3.187).
- Measures for the conservation and management of fishery resources applicable to vessels flying the flag of Poland: Regulation adopted (→ point 1.3.184).
- Allocation of catch quotas between Member States for vessels fishing in the waters of Poland: Regulation adopted (→ point 1.3.184).
- Measures for the conservation and management of fishery resources applicable to vessels flying the flag of certain non-member countries in the 200-nautical-mile zone off the coast of the French department of Guiana: Regulation adopted (→ point 1.3.168).
- Conservation and management measures for fishery resources in the regulatory area as defined in the Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries: Regulation adopted by qualified majority; Portuguese delegation voted against (→ point 1.3.192).

- Control measures in the NAFO area: three Regulations adopted (→ point 1.3.194).
- Establishment of a pilot project on satellite tracking in the NAFO regulatory area: Regulation adopted (→ point 1.3.195).
- Draft fisheries agreements between the European Community and Estonia, Latvia, Lithuania, Poland and the Russian Federation: negotiating briefs adopted (→ point 1.3.189).

#### *Other business*

- Technical conservation measures under the common fisheries policy: communication presented.
- Community structural assistance: policy guideline noted.
- Drift-nets: exchange of views.

## Commission

### **1996 work programme**

#### *1.10.11. Work programme for 1996.*

*Presented to Parliament on 12 December.* In his statement to the House, Mr Santer, President of the Commission, first highlighted the four priorities underlying the Commission's programme for 1996: employment, preparations for economic and monetary union, expansion and integration of the internal market, and enlargement. These four areas were then looked at in turn. In the first, employment, the objectives, too, are fourfold: implementing macroeconomic policies in close conjunction with structural measures; promoting initiatives to assist small businesses; making full and effective use of the instruments of economic and social cohesion; and focusing on the human factor by supporting initiatives in the fields of social policy, education and training in order to create jobs and combat exclusion. In the second area, economic and monetary union, the Commission's prime aim will be to ensure that the timetable and conditions set out in the Treaty are scrupulously complied with. In the third area, the internal market, action will be

geared to deriving maximum benefit from the single market and removing the final barriers to trade, with particular emphasis on the sectors of the future and the trans-European networks to generate economic momentum. As for enlargement, Commission action will dovetail with the pre-accession strategy, focusing on preparing the associated countries for integration into the Union's internal market and gauging the effects of accession on present and future Union policies. The Intergovernmental Conference will start in spring 1996 and the Commission will present its opinion before then.

COM(95) 512; Supplement 1/96 — Bull.

## Proposals adopted

*1.10.12.* The Commission adopted a proposal for a Decision designating 1997 European Year against Racism (→ point 1.2.1). In the field of the internal market it adopted a new proposal for a Directive on the legal protection of biotechnological inventions (→ point 1.3.29). It also adopted a proposal for a Regulation on air carrier liability in case of air accidents (→ point 1.3.120), a proposal for a Regulation to include Bosnia-Herzegovina in the PHARE programme (→ point 1.4.78), a proposal for a Regulation concerning on-the-spot checks and inspections by the Commission (→ point 1.6.8) and a proposal for a Council act drawing up the additional Protocol to the Convention on the protection of the Communities' financial interests (→ point 1.5.7).

## Communications, green papers and reports

*1.10.13.* The Commission adopted a communication on the fight against racism, xenophobia and anti-semitism (→ point 1.2.1). In the field of competition it adopted a draft notice on the non-imposition or the mitigation of fines in cartel cases (→ point 1.3.34). It also adopted two Green Papers, one on innovation (→ point 1.3.75) and the other entitled 'Towards fair and efficient pricing in transport' (→ point 1.3.108). On the environment front it adopted a communication on a Community strategy to reduce CO<sub>2</sub> emissions from passenger cars (→ point

1.3.146). Finally, it adopted a joint report on employment (→ point 1.3.198).

## Other decisions

*1.10.14.* The Commission adopted a draft Community framework for State aids for research and development (→ point 1.3.57) and a White Paper entitled 'An energy policy for the European Union' (→ point 1.3.101).

## Court of Auditors

### Appointment of Members

*1.10.15.* Council Decision 95/550/EC, Euratom, ECSC appointing Members of the Court of Auditors.

*Endorsed by Parliament on 14 December.*

*Adopted on 18 December.* The Council appointed Bernhard Friedmann, Kalliopi Nikolaou, Jean-François Bernicot, François Colling, Maarten B. Engwirda, Hubert Weber and John Wiggins Members of the Court of Auditors for the period 1 January 1996 to 31 December 2001.

OJ L 312, 23.12.1995

### Special report

*1.10.16.* Special report No 5/95 concerning the signing without prior approval of the contract for the building of the European Parliament's new chamber in Strasbourg.

*Adopted at the Court's 517th meeting on 13 and 14 December.* The report has been sent to Parliament and will be published in the Official Journal.

## European Investment Bank

### Financing

*1.10.17.* In December the European Investment Bank granted loans totalling ECU 6 713.5 million, of which ECU 909.5 million went outside the European Union.

## *European Union*

### **Links with Union policies**

Loans were made for the following measures:

- ECU 3 654 million for the economic development of disadvantaged regions;
- ECU 1 473 million for the improvement of transport and telecommunications infrastructures of benefit to the Community;
- ECU 1 939 million for environmental protection and improvement of the quality of life;
- ECU 1 177 million for the pursuit of Community objectives in the field of energy;
- ECU 450 million for the enhancement of the international competitiveness of industry and its integration within the Community.

The Bank also continued its operations to support small businesses: a total of ECU 2 898 million has been granted in global loans since the beginning of the year.

In many cases, individual loans come under several Union policies; some are therefore counted more than once in the above amounts.

### **Geographical breakdown**

#### *Belgium*

- ECU 77.7 million for the improvement of waste water collection and treatment facilities in Flanders;
- ECU 15 million for the construction of two electricity power stations combining gas and steam turbines, running on natural gas, one at Drogenbos (Brussels Region) and the other at Seraing (near Liège);
- ECU 51.8 million, including ECU 47 million under the Edinburgh financial mechanism, for the construction in Liège of a road linking the E25 (Maastricht–Liège–Luxembourg) and E40 (Aachen–Liège–Brussels) motorways;
- ECU 11 million under the Edinburgh financial mechanism for the extension and reorganization of Eurocontrol activities in Haren (near Brussels);
- ECU 49 million for the upgrading and harmonization of Eurocontrol's European air traffic control systems in Bretigny (near Paris, France);

- ECU 25.9 million in the form of global loans for the financing of small and medium-scale projects.

#### *Denmark*

- ECU 43.9 million for the construction of a combined heat and power station in Silkeborg (Jutland);
- ECU 115.5 million for the construction of the motorway suspension bridge on the eastern section of the Great Belt fixed link;
- ECU 6.9 million for the renovation and conversion of a waste incineration plant into an electricity and heat production plant and of district heating and waste-water treatment facilities in Aarhus;
- ECU 96.5 million for the construction of a fixed road and rail link across the Sound between Copenhagen and Malmö (Sweden);
- ECU 32.9 million for the construction of a combined heat and power station in Viborg.

#### *Germany*

- ECU 42.6 million under the Edinburgh financial mechanism for the modernization and extension of the natural gas distribution network in Saxony-Anhalt;
- ECU 26.6 million under the Edinburgh financial mechanism for the modernization and extension of the natural gas distribution network in Leipzig;
- ECU 213.1 million for the construction of a lignite-fired power station to replace obsolete plants in Schwarze Pumpe (Brandenburg);
- ECU 21.3 million under the Edinburgh financial mechanism for the construction of a combined heat and power station operating on natural gas in Dessau (Saxony-Anhalt);
- ECU 3.7 million for the modernization of the suburban railway network in the Stuttgart area;
- ECU 16 million, including ECU 14.9 million under the Edinburgh financial mechanism, for waste-water collection and treatment facilities in the south-west of North-Rhine-Westphalia;
- ECU 21.3 million for the extension of the container terminal at the port of Bremen;
- ECU 213.1 million for the modernization of the mail distribution system in Germany;
- global loans totalling ECU 293 million for the financing of small and medium-scale projects.



*Greece*

- ECU 19.6 million for the construction and operation of a new GSM-type mobile telephone network;
- ECU 26.2 million for the extension and upgrading of the electricity transmission and distribution network in Greece.

*Spain*

- ECU 46.1 million for water supply and purification works in Andalusia;
- ECU 224.4 million for the construction of the Tarifa–Cordoba–Portuguese border (near Badajoz) section of the Maghreb–Europe gas pipeline;
- ECU 13.7 million for improvements to roads and drinking water supplies in Extremadura;
- ECU 26.7 million for the construction of seven small hydroelectric power stations in the Ebro basin and 34 wind turbines on a hill above Pamplona;
- ECU 12.3 million in the form of global loans for the financing of small and medium-scale projects in industry and the services sector in Andalusia;
- ECU 245.9 million for the modernization and extension of the telephone network in Spain.

*France*

- ECU 231.5 million in the form of global loans for the financing of small and medium-scale projects;
- ECU 185.2 million for the design, development and industrial production of a new automatic gearbox for small and medium-engine cars in Valenciennes (Nord) and Barlin, near Bethune (Pas-de-Calais);
- ECU 46.3 million for the modernization of aircraft engine development and production at industrial plants in Gennevilliers and Villaroche;
- ECU 46.3 million in the form of global loans for the financing of small and medium-scale projects;
- ECU 77.2 million, likewise in the form of global loans, for the financing of small and medium-scale projects.

*Ireland*

- ECU 30.6 million for the upgrading of Irish forestry;

- ECU 23.3 million for the modernization of the national and urban road network;
- ECU 19.6 million for the modernization and extension of facilities for institutes of higher education in Ireland;
- ECU 24.4 million in the form of global loans for the financing of small and medium-scale projects.

*Italy*

- ECU 329.4 million for the modernization of five sections of the rail network in Campania and the Abruzzi;
- ECU 23.5 million for the modernization of a refinery at Falconara on the Adriatic coast (Marche);
- ECU 3.5 million for the new MDF panel production line at Rivoli di Osoppo, near Udine (Friuli-Venezia Giulia);
- ECU 23.5 million for the extension of waste water treatment facilities in the areas of Alto Seveso, Alto Lura and Livescia (Lombardy);
- ECU 83.6 million for the extension of a paper-recycling plant in Borgo a Mozzano (Tuscany);
- ECU 32.9 million, including ECU 14.1 million under the Edinburgh financial mechanism, for the construction of a combined-cycle power station and the extension of the district heating network in Reggio Emilia;
- ECU 32.9 million for the modernization of two radiodigital transmission and mobile telephone telecommunications equipment factories;
- ECU 18.8 million for increasing optic fibre production capacity and improving plants for the production and development of advanced optical systems;
- ECU 16.5 million for the construction of a new polyester fibre production plant for the clothing industry in Vercelli (Piedmont);
- ECU 112.9 million for the construction of a hydroelectric power station in the basin of the rivers Dora and Susa (Piedmont);
- ECU 23.5 million for the extension and modernization of the drinking water supply and natural gas distribution networks;
- ECU 18.8 million for the reconstruction of a confectionery factory damaged by the floods in Alba (Piedmont);

- ECU 82.4 million for the extension of the natural gas distribution network in Emilia-Romagna, Lombardy, Piedmont, Tuscany and Apulia;
- global loans totalling 199.3 million for the financing of small and medium-scale projects.

#### *Austria*

- ECU 53.3 million for the development of a new engine and the improvement of productivity and working conditions at a car engine production plant;
- ECU 5.3 million in the form of global loans for the financing of small and medium-scale projects in the tourism sector;
- ECU 39.4 million for the modernization and extension of the waste-water treatment network in Vienna.

#### *Portugal*

- ECU 76.1 million for improvements to the national road network;
- ECU 11.4 million for the construction of two tunnels and a road with central reservation in Oporto;
- ECU 50.7 million for urban redevelopment work in Lisbon as part of the first stage of preparations for Expo 1998;
- ECU 101.4 million for the construction of a twin-track electrified railway line linking Chelas, to the north-east of Lisbon, with Coima, on the south bank of the Tagus;
- ECU 76.1 million for the extension of the A3 motorway northwards from Braga to Valença on the Spanish border, to link up the Portuguese and Spanish motorway networks;
- ECU 101.4 million, including ECU 30.4 million under the Edinburgh financial mechanism, for the construction of a fourth underground line in Lisbon;
- ECU 10.1 million in the form of global loans for the financing of small and medium-scale projects.

#### *Finland*

- ECU 14.2 million for the construction of a new steelworks equipped with an electric arc furnace and a smoke-filtering plant in Imatra.

#### *Sweden*

- ECU 13.9 million for the extension and modernization of a waste-water treatment plant in Gothenburg;
- ECU 43.7 million for the modernization of a section of railway line between Ulriksdal and Uppsala, on the east coast of Sweden;
- ECU 15 million in the form of global loans for the financing of small and medium-scale projects by small businesses in the fields of energy-saving, the environment and advanced technology;
- ECU 31.9 million for the construction of a fixed road and rail link across the Sound between Malmö and Copenhagen (Denmark).

#### *United Kingdom*

- ECU 36 million for the construction of a new aircraft servicing centre at Cardiff (Wales) airport;
- ECU 107.9 million, including ECU 36 million under the Edinburgh financial mechanism, for the improvement of road and rail infrastructure in Cheshire;
- ECU 30 million in the form of global loans for the financing of small and medium-scale projects;
- ECU 47.9 million for the design and construction of a light railway line between Wolverhampton and Birmingham in the West Midlands and the acquisition of rolling stock;
- ECU 9.4 million for increasing optic fibre production capacity and improving plants for the production and development of advanced optical systems;
- ECU 359.5 million for the installation of desulphurization equipment at a coal-fired power station at Drax (North Yorkshire);
- ECU 24.6 million for the acquisition of two roll-on roll-off super-ferrys for the Hull — Rotterdam maritime link;
- ECU 131.8 million, including ECU 59.9 million under the Edinburgh financial mechanism, for sewerage and sewage disposal and waste-water collection and treatment works;
- ECU 36 million for the modernization of the railway network linking Bradford, Leeds, Shipley and Ilkley in West Yorkshire;
- ECU 59.9 million, in the form of global loans, for the financing of small and medium-scale projects;

- ECU 179.8 million, likewise in the form of global loans, for the financing of small and medium-scale projects;
- ECU 167.8 million for water supply and waste-water collection and treatment works;
- ECU 36 million for the construction of a factory to manufacture and assemble electronic memory devices in Livingston, Scotland.

#### *Other*

- ECU 189.6 million for the construction of a natural gas pipeline between the Algerian-Moroccan border and the Moroccan coast on the Strait of Gibraltar near Tangier.

### **EIB lending activities in the EFTA countries**

#### *Norway*

- ECU 23.5 million for the replacement of old fire-welded pressure pipes in three hydroelectric power stations in southern Norway by mountain tunnels.

### *Outside the European Union*

#### **ACP countries**

##### *Burkina Faso*

- ECU 9.8 million to link up the power networks of Côte d'Ivoire and Burkina Faso;
- ECU 6 million for the extension and modernization of the national telephone network.

##### *Côte d'Ivoire*

- ECU 6 million for the modernization and extension of cocoa processing plants in Abidjan and San Pedro.

##### *Ethiopia*

- ECU 21 million for the extension and modernization of facilities at the Addis Ababa airport and six regional airports.

##### *Fiji*

- ECU 8 million for the expansion and modernization of the telecommunications network.

##### *Guyana*

- ECU 7.8 million for the upgrading of the Rose Hall water supply network.

##### *Mauritius*

- ECU 12 million for the construction of a specialized wharf and the acquisition of two gantries for the landfilled part of the commercial port of Port Louis.

##### *Namibia*

- ECU 0.9 million for the extension of a tannery in Okapuka.

##### *Papua New Guinea*

- ECU 46 million for the exploitation of a gold-mine and ancillary processing plants.

##### *Swaziland*

- ECU 5 million in the form of global loans for the financing of small businesses in the agro-industrial, industrial and tourism sectors.

##### *Zimbabwe*

- ECU 13 million for the repair and upgrading of the Kariba hydroelectric power station on the Zambezi, in the north of the country.

#### **South Africa**

- ECU 30 million in the form of global loans for the financing of small and medium-sized projects;
- ECU 15 million in the form of global loans for the financing of small and medium-sized projects in the agri-food, industrial, tourism, transport and mining sectors.

#### **Mediterranean countries**

##### *Cyprus*

- ECU 10 million for the extension of the sewerage and sewage disposal and drainage system of Limassol.

##### *Egypt*

- ECU 6 million for the completion and modernization of a refrigerator compressor factory.

### *Malta*

- ECU 15 million for the construction of sewerage and sewage disposal and waste-water treatment facilities in Malta and Gozo.

### *Morocco*

- ECU 30 million in the form of global loans for the financing of small and medium-sized projects;
- ECU 10 million in the form of global loans for the financing of small and medium-scale roadworks projects carried out by local authorities.

### *Tunisia*

- ECU 15 million in the form of global loans for the financing of environmental protection investments by manufacturing firms;
- ECU 15 million for the construction and commissioning of a gas pipeline linking Nabeul to Tunis and the Rades electrical power station.

## **Cooperation with the countries of Central and Eastern Europe**

### *Albania*

- ECU 24 million for the repair and upgrading of some 94 kilometres of road along the main east-west axis.

### *Poland*

- ECU 100 million in the form of global loans for the financing of businesses in the industrial, tourism and infrastructure sectors;
- ECU 40 million for the repair and modernization of the first section of the E20 Warsaw-Terespol (Belarus border) railway line.

### *Czech Republic*

- ECU 200 million for the installation of desulphurization equipment in six lignite-fired power stations;
- ECU 60 million for improvements to the road network.

### *Romania*

- ECU 35 million for the repair of damage to the northern breakwater of the port of Constanza.

## **Cooperation with the countries of Latin America and Asia**

### *Argentina*

- ECU 76 million for the construction of hazardous waste treatment and disposal facilities in the province of Buenos Aires.

### *China*

- ECU 55 million for the exploitation of the Ping Hu oil and gas field and gas distribution facilities.

### *Pakistan*

- ECU 24 million for the construction and commissioning of a run-of-river hydroelectric power station on the Indus.

## **Economic and Social Committee**

### **331st plenary session**

*1.10.18.* The Economic and Social Committee held its 331st plenary session on 20 and 21 December, chaired by Mr Ferrer.

*1.10.19.* The Economic and Social Committee debated and adopted:

- opinions on the following:
  - the common organization of the market in fruit and vegetables (→ point 1.3.157);
  - the common organization of the market in processed fruit and vegetables (→ point 1.3.157);
  - the quality of water intended for human consumption (→ point 1.3.134);
  - consumer protection in the indication of prices (→ point 1.3.215);
  - the multiannual Community programme to stimulate the development of a European multimedia content industry (INFO 2000) (→ point 1.3.125);

- own-initiative opinions on:
  - direct and indirect taxation (→ point 1.3.31);
  - EU relations with Mexico — second additional own-initiative opinion (→ point 1.4.113);
  - relations between the European Union and South Africa (→ point 1.4.122).

*1.10.20.* The Economic and Social Committee adopted opinions on the following, without debate:

- pesticide residues in fruit, vegetables, cereals and food (→ point 1.3.26);
- the third annual report of the European Observatory for SMEs (→ point 1.3.74);
- the Cohesion Financial Instrument and annual report (→ point 1.3.87);
- the promotion of energy efficiency in the European Union — SAVE II (→ point 1.3.103);
- environmental measures in developing countries in the context of sustainable development (→ point 1.4.45).

## ECSC Consultative Committee

### 326th meeting (ordinary)

*1.10.21.* Luxembourg, 19 December.

*Chairman:* Mr Detaille.

#### *Main items*

- Conclusion by the European Communities of the Treaty on the Energy Charter and the Protocol to the Energy Charter on energy efficiency and related environmental aspects: consultation (→ points 1.3.106 and 1.3.107).
- Conclusion of a Euro-Mediterranean Agreement setting up an association between the European Communities and their Member States, on the one hand, and the State of Israel, on the other: consultation (→ point 1.4.91).
- Conclusion, on behalf of the ECSC, of the Interim Agreement between the EC and the ECSC, on the one hand, and Israel, on the other, on trade and trade-related matters: consultation (→ point 1.4.92).
- Conclusion of agreements between the ECSC and the Russian Federation on trade in certain steel products: consultation.
- Exports of certain ECSC and EC steel products from certain non-member countries to the European Union: exchange of views.
- Conclusion of a free trade agreement between the European Coal and Steel Community and Turkey on trade in products covered by the ECSC Treaty: consultation (→ point 1.4.68).
- Draft resolution of the ECSC Consultative Committee concerning the restriction by the countries of Central and Eastern Europe, the Baltic countries and the CIS of exports of scrap to the European Union: examination.
- Medium-term guidelines for the ECSC programme of technical steel research projects and pilot and demonstration projects (1996-2002): examination.
- Outlook for the solid fuels market for 1996: oral statement.
- ECSC Consultative Committee memorandum of 28 June 1995: position adopted.
- Forward programme for steel for the first half of 1996: consultation (→ point 1.3.71).
- Monitoring of aid to the steel industry: exchanges of views.



**PART TWO**

**DOCUMENTATION**

# 1. The ecu

## Values in national currencies of ECU 1

December 1995 <sup>1</sup>		
BFR/ LFR	Belgian franc and Luxembourg franc	38.6335
DKR	Danish krone	7.2816
DM	German mark	1.87967
DR	Greek drachma	310.527
ESC	Portuguese escudo	197.087
FF	French franc	6.47662
FMK	Finnish markka	5.65231
HFL	Dutch guilder	2.10468
IRL	Irish pound	0.819635
LIT	Italian lira	2079.58
OS	Austrian schilling	13.2259
PTA	Spanish peseta	159.880
SKR	Swedish krona	8.64892
UKL	Pound sterling	0.847268
AUD	Australian dollar	1.75993
CAD	Canadian dollar	1.78528
ISK	Icelandic króna	85.3226
NKR	Norwegian krone	8.29254
NZD	New Zealand dollar	2.00638
SFR	Swiss franc	1.51831
USD	United States dollar	1.30430
YEN	Japanese yen	132.763
ZAR	South African rand	4.77880

<sup>1</sup> Average for the month: OJ C 1, 4.1.1996.

*NB:* Explanatory notes on the ecu and 'green' rates can be found in Bull. 7/8-1982, points 3.1.1 to 3.1.3, and Bull. 9-1989, point 2.1.3.



**Representative rates ('green' rates)**

*Conversion rates into national currencies for the ecu used  
in connection with the common agricultural policy*

December 1995					
National currency/sector		Value in national currency of ECU 1	National currency/sector		Value in national currency of ECU 1
BFR/ LFR	Belgian franc and Luxembourg franc • All products	39.5239	HFL	Dutch guilder • All products	2.14021
DKR	Danish krone • All products	7.49997	IRL	Irish pound • All products	0.829498
DM	German mark • All products	1.90616	LIT	Italian lira • All products	2 164.34
DR	Greek drachma • All products	310.096 310.749 on 21.12.1995	OS	Austrian schilling • All products	13.4084
ESC	Portuguese escudo • All products	198.202	PTA	Spanish peseta • All products	165.198
FF	French franc • All products	6.61023	SKR	Swedish krona • All products	9.24240
FMK	Finnish markka • All products	5.88000	UKL	Pound sterling • All products	0.856563

## 2. Parliament resolution the implementation of the legislative programme and other activities in 1995, and on the Commission's work programme for 1996

2.2.1. At its December part-session Parliament adopted the following resolution:

The European Parliament,

- having regard to Article 49 of its Rules of Procedure,
- having regard to the report on implementation of the Commission's work programme in 1995 (COM (95) 513 of 13 October 1995),
- having regard to the Commission's work programme for 1996 (COM(95) 512 of 10 November 1995),
- having regard to the statement of 12 December 1995 by the President of the Commission and the debate on this subject,
- whereas the annual legislative programme is an essential interinstitutional tool for planning the Union's activities in an open, efficient way, in keeping with the principle of subsidiarity,

I — Evaluation of the 1995 programme

1. welcomes the fact that, in respect of 1995, the Commission has, for the first time, submitted a report on the implementation of its work programme; recalls, however, that it should also take into account the priorities set in the joint declaration by Parliament and the Commission and in the statement by the Council;

2. notes that the programme for 1995 has been only partly carried out, and regrets that the Commission did not use its right of initiative to propose to the Council and Parliament a way out of the deadlock;

II — The 1996 work programme

3. approves the work programme and considers that the principle of 'doing less but doing it better' implies that the Commission should be fundamentally improving its supervision of the application of Community law;

4. setting its political priorities, calls for the following measures to be added to the legislative programme:

A — *Employment, strengthening cohesion and growth*

- global action programme on the implementation of Chapter 10 of the White Paper and the priorities established in Essen;

- proposal for a legal basis for the budget heading for employment and growth;

- amendment of Directive 76/207/EEC on equal treatment of men and women as regards access to employment;

- a study on the effects of reduced VAT rates on employment;

- specific proposals following up the agreement between Parliament's Committee on Social Affairs and Employment and the Commission's DG V on the substance of the 1995-97 medium-term social programme;

- recourse to the social protocol for proposals which have no chance of becoming law under the ordinary legislative procedure;

- presentation of a plan of action, to follow up the Essen Council, on education and training policy;

- proposals to integrate SMEs and rural areas into the information society;

- an integrated rural development policy and a balanced policy for the conservation of fish stocks (conversion measures);

- practical proposals with a view to adoption of a well-organized definitive VAT scheme;

- proposal with a view to setting up a special capital market for small and medium-sized businesses;

- proposals by the Commission in accordance with Articles 103(5), 104c(14) and 109 of the EC Treaty and in accordance with Article 6 of the Protocol on the convergence criteria;

- annual report on industrial policy in conjunction with the annual reports on the economic situation, the single market and competition policy;

B — *The citizens' Europe*

- preparation of accession of the Communities to the European Convention on the Protection of Human Rights and Fundamental Freedoms;

- proposal for a Directive on the access of consumers to justice in order to facilitate the settlement of cross-border disputes;

- proposal for a Directive on the settlement of claims arising from road accidents occurring outside the vic-

tim's country of origin (Article 138b of the EC Treaty): resolution of 26 October 1995;

□ proposal for a Council Directive to coordinate the provisions laid down by law, regulation, or administrative action on reorganization and liquidation (bankruptcy) arrangements for companies operating in several Member States;

□ White Paper on defending and promoting the public service;

□ implementation of the communication on improving legislative procedures, particularly as regards the simplification and codification of Community law;

□ Commission initiatives on citizens' right of information and public access to documents of EU institutions; creation of a public register showing all persons who have been consulted by the Commission or who have given their opinion on legislative proposals;

□ Commission decision on the application of Article 171 of the EC Treaty, concerning enforcement of judgments of the Court of Justice;

□ proposals to permit the Commission to suspend unilaterally payments required in any area of Community policy when Member States, contrary to Article 209a of the EC Treaty, fail to defend the financial interests of the Union;

□ Commission communication on action to combat fraud in the Community transit system;

□ amendment of the Regulations for the financial management of programmes such as PHARE, TACIS and MEDA in order to bring about improved monitoring and evaluation, particularly by ensuring the transparency of invitations to tender and contracts;

□ Community action plan on combating racism, xenophobia and anti-Semitism and on revisionism or public denial of the holocaust;

□ proposals with a view to implementing Article K.9 of the Treaty on European Union, especially where asylum and immigration are concerned;

#### C — *Environment, research, energy and transport*

□ revision of the fifth action programme on the environment in accordance with the procedure laid down in Article 130s(3) of the EC Treaty;

□ proposal for a Directive on soil protection laying down strict provisions on protection against pollution and sustainable management of the soil (land use, erosion, compaction);

□ global strategy as regards climate change to honour the commitments entered into at the Rio and Berlin Conferences by devising, firstly, measures at Union level and, secondly, steps to launch the 'joint action pilot phase' in cooperation with the developing countries;

□ a proposal for a Directive concerning rules on damage to the environment (Article 138b of the EC Treaty): resolution of 20 April 1994 (OJ C 128, 9.5.1994);

□ White Paper on the monitoring and application of Community legislation on the environment, including the imposition of penalties;

□ proposal to introduce an 'eco-label' to promote and enhance the quality of agricultural produce and food-stuffs;

□ communication on coordination between research, industry, competitiveness and employment;

□ measures to involve the European Parliament in the programmes of research/industry task forces, including their funding;

□ measures aimed at promoting the development of modes of transport and transport technologies which have a reduced impact on the environment and are energy-efficient;

□ completion of the transport policy, particularly in its social and safety aspects, including: working time, EUROS register of the Community fleet, air traffic control and study on the economic and social consequences of liberalization and deregulation policies;

□ second action plan for tourism;

#### D — *Enhancement of the EU's presence in the world*

□ specific action to support the Middle East peace process;

□ measures aimed at preparing the EU for enlargement to include the countries of Central and Eastern Europe: analysis of implications, and cooperation programmes in the agricultural, economic, environmental, energy (in particular nuclear safety), cultural and political spheres;

□ measures to prepare the EU for enlargement to include Cyprus and Malta;

□ measures to enhance the Union's role: establishment of an EU crisis prevention centre;

□ measures to promote the Union's development policy taking account of the fundamental economic and social needs of peoples and the promotion of human rights;

□ measures taking account of the ILO criteria in international agreements and measures to prevent social and environmental dumping;

□ White Paper on the European common foreign and security policy;

□ White Paper aimed at ensuring compliance with human rights in the EU's relations with third countries;

□ involvement of the European Parliament in the definition and implementation of the Transatlantic Agenda;

#### III — Procedure

5. calls on the Commission to honour its undertaking to submit in October its draft programme of work for the following year and to supplement it with the legal bases and probable date of submission of the various

proposals, with a view to facilitating programming work in Parliament's committees;

6. stresses that the legislative programme should include European Parliament initiatives adopted pursuant to Article 138b of the EC Treaty;

7. hopes that the Commission will make more systematic use of the right of initiative, and that regular information will be supplied to Parliament, pursuant to Articles K.3(2) and J.9 of the Treaty on European Union;

8. condemns the Commission's fragmented approach to legislative initiatives in fields where an overall approach would be preferable (e.g. the information society);

9. calls on the Commission to apply Article 90(3) of the EC Treaty only in exceptional cases and after consulting Parliament and to stop using it for all matters involving the drawing-up of directives;

10. calls on the European Council and the Council to forward their priorities for the following year before

the end of the current year and to begin a closer dialogue with Parliament;

11. proposes that the submission of various reports and communications on the progress of the Union's work (in particular Articles D, J.7, and K.6 of the Treaty on European Union and Article 156 of the EC Treaty) be coordinated to enable Community institutions to set the main lines of general policy in an annual joint debate;

12. instructs its President to reach an agreement as soon as possible with the President of the Commission, with the involvement of the Council Presidency, on the annual legislative programme for 1996;

13. instructs its President to forward this resolution to the Commission, the European Council, the Council, the parliaments of the Member States, the Committee of the Regions and the Economic and Social Committee.

### 3. Additional references in the Official Journal

2.3.1. This section lists the titles of legal instruments, communications and notices that have appeared recently in the Official Journal but relate to items appearing in earlier issues of the Bulletin; the references were not available when those issues went to press.

The number of the Bulletin and the point to which this additional information refers are followed by the title shown on the cover of the Official Journal, the number of the issue and the date of publication.

#### **Bull. 4-1995**

##### *Point 1.3.121*

Council Decision 95/546/EC of 17 April 1995 on the signature and provisional application of the Agreement between the European Community and Canada on fisheries in the context of the NAFO Convention  
OJ L 308, 21.12.1995

#### **Bull. 6-1995**

##### *Point 1.4.104*

Proposal for a Council Decision concerning the conclusion of the Cooperation Agreement between the European Community and the Socialist Republic of Vietnam  
OJ C 12, 17.1.1996

#### **Bull. 7/8-1995**

##### *Point 1.3.72*

Commission Decision 95/547/EC of 26 July 1995 giving conditional approval to the aid granted by France to the bank Crédit Lyonnais  
OJ L 308, 21.12.1995

##### *Point 1.3.208*

Council Decision 95/563/EC of 10 July 1995 on the implementation of a programme encouraging the development and distribution of European audiovisual

works (MEDIA II — Development and distribution) (1996-2000)  
OJ L 321, 30.12.1995

#### **Bull. 9-1995**

##### *Point 1.3.66*

Proposal for a Council Directive to introduce rational planning techniques in the electricity and gas distribution sectors  
OJ C 1, 4.1.1996

##### *Point 1.10.11a*

Opinion No 6/95 of the Court of Auditors on the Commission's clearance decision for the financial year 1991, together with the Commission's reply  
OJ C 10, 15.1.1996

#### **Bull. 10-1995**

##### *Point 1.3.30*

Amended proposal for a European Parliament and Council Directive amending for the 16th time Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations  
OJ C 12, 17.1.1996

##### *Point 1.3.38*

Proposal for a Council Regulation amending the Annex to Council Regulation (EEC) No 3911/92 on the export of cultural goods  
OJ C 6, 11.1.1996

##### *Point 1.3.39*

Proposal for a European Parliament and Council Directive amending the Annex to Council Directive 93/7/EEC on the return of cultural objects unlawfully removed from the territory of a Member State  
OJ C 6, 11.1.1996

##### *Point 1.3.41*

Proposal for a Council Directive amending Directive 92/117/EEC concerning measures for protection

against specified zoonoses and specified zoonotic agents in animals and products of animal origin in order to prevent outbreaks of food-borne infections and intoxications  
OJ C 13, 18.1.1996

*Point 1.3.44*

Proposal for a European Parliament and Council Directive on the supplementary supervision of insurance undertakings in an insurance group  
OJ C 341, 19.12.1995

*Point 1.3.78*

Commission Decision 96/75/EC of 4 October 1995 concerning aid granted by the Flemish region of Belgium to the truck producer DAF

Commission Decision 96/76/EC of 4 October 1995 concerning aid granted by the Netherlands to the truck producer DAF  
OJ C 15, 20.1.1996

*Point 1.3.175*

Proposal for a Council Regulation amending Council Regulation (EEC) No 1765/92 establishing a support system for producers of certain arable crops  
OJ C 12, 17.1.1996

*Point 1.3.179*

Proposal for a Council Regulation amending Regulation (EEC) No 823/87 laying down special provisions relating to quality wines produced in specified regions  
OJ C 15, 20.1.1996

*Point 1.3.198*

Amended proposal for a Council Regulation amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy  
OJ C 6, 11.1.1996

*Point 1.3.207*

Proposal for a Council Regulation laying down certain conservation and control measures applicable to fishing activities in the Antarctic  
OJ C 8, 13.1.1996

*Point 1.4.103*

Proposal for a Council Decision concerning the conclusion of the interregional framework cooperation

Agreement between the European Community and its Member States, of the one part, and the Southern Cone Common Market and its member countries, of the other part

Proposal for a Council Decision concerning the provisional application of certain provisions of the interregional framework cooperation Agreement between the European Community and its Member States, of the one part, and the Southern Cone Common Market and its member countries, of the other part  
OJ C 14, 19.1.1996

*Point 1.10.18*

Statement of Assurance concerning activities financed from the general budget for the financial year 1994

Special report in support of the Statement of Assurance concerning activities financed from the general budget for the financial year 1994  
OJ C 352, 30.12.1995

*Point 1.10.19*

Special report No 4/95 on the management of EAGGF-Guidance Section expenditure in Portugal from 1988 to 1993, accompanied by the reply of the Commission  
OJ C 345, 22.12.1995

*Point 1.10.21*

Statement of Assurance relating to the activities of the sixth and seventh European Development Funds for the financial year 1994

Special Report in support of the Statement of Assurance relating to the activities of the sixth and seventh European Development Funds for the financial year 1994, together with the replies of the Commission  
OJ C 352, 30.12.1995

*Points 1.10.23 to 1.10.25*

Opinions adopted by the Economic and Social Committee at its 329th session on 25 and 26 October  
OJ C 18, 22.1.1996

**Bull 11-1995**

*Point 1.3.13*

Common position (EC) No 29/95 of 23 November 1995 adopted by the Council with a view to adopting a Directive of the European Parliament and of the Council on the protection of occupants of motor vehicles in the event of a side impact and amending Directive 70/156/EEC  
OJ C 353, 30.12.1995

*Point 1.3.16*

Amended proposal for a European Parliament and 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 from emissions from motor vehicles  
OJ C 19, 23.1.1996

*Point 1.3.25*

Proposal for a Council Directive amending the Annex to Directive 85/73/EEC on the financing of veterinary inspections and controls of animal products covered by Annex A to Directive 89/662/EEC and by Directive 90/675/EEC  
OJ C 12, 17.1.1996

*Point 1.3.26*

Proposal for a Council Directive amending Directive 90/539/EEC on animal health conditions governing intra-Community trade in and imports from third countries of poultry and hatching eggs

Proposal for a Council Directive amending Directive 91/494/EEC on animal health conditions governing intra-Community trade in and imports from third countries of fresh poultry meat  
OJ C 15, 20.1.1996

*Point 1.3.27*

Common position (EC) No 30/95 of 27 November 1995 adopted by the Council with a view to adopting a Regulation of the European Parliament and of the Council concerning the creation of a supplementary protection certificate for plant protection products  
OJ C 353, 30.12.1995

*Point 1.3.58*

Assent No 11/95 given by the Council, acting unanimously pursuant to Article 95 of the Treaty establishing the European Coal and Steel Community, in respect of a State aid (Austria) to Voest Alpine Erzberg GmbH  
OJ C 310, 22.11.1995

*Point 1.3.61*

Council resolution of 27 November 1995 on the industrial aspects for the European Union in the development of the information society  
OJ C 341, 19.12.1995

*Point 1.3.64*

Council resolution of 27 November 1995 on the strengthening of the competitiveness of the European mechanical engineering industry  
OJ C 341, 19.12.1995

*Point 1.3.68*

Council resolution of 27 November 1995 on small and medium-sized industrial enterprises (SMEs) and technological innovation  
OJ C 341, 19.12.1995

*Point 1.3.76*

Common position (EC) No 31/95 of 30 November 1995 adopted by the Council with a view to adopting a Decision of the European Parliament and of the Council on adapting Decision No 1110/94/EC concerning the fourth framework programme of the European Community activities in the field of research and technological development and demonstration (1994 to 1998) following the accession of the Republic of Austria, the Republic of Finland and the Kingdom of Sweden to the European Union  
OJ C 353, 30.12.1995

*Point 1.4.42*

Proposal for a Council Regulation (EC) on protection against injurious pricing of vessels  
OJ C 13, 18.1.1996

*Point 1.4.85*

Proposal for a Council Decision providing further macro-financial assistance for Moldova  
OJ C 15, 20.1.1996

*Point 1.10.23*

Report on the accounts and management for the financial year 1994 of the European Centre for the Development of Vocational Training (Cedefop-Berlin), accompanied by the reply of the Centre  
OJ C 354, 30.12.1995

*Point 1.10.24*

Report on the 1994 accounts and management of the European Foundation for the Improvement of Living and Working Conditions (Dublin Foundation), accompanied by the reply of the Foundation  
OJ C 354, 30.12.1995

## 4. Corrigenda

2.4.1. This section lists the corrigenda to earlier issues of the Bulletin. The corrections are shown in bold.

### **Bull. 11-1995**

#### *Point 1.3.56*

The first sentence of the second paragraph to read: 'On the other hand, the Commission initiated proceedings under **Article 6(4) of the steel aid code** in respect of ...'.



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