

European Commission

**General Report
on the Activities of
the European Union
1994**

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CORRIGENDUM

General Report on the Activities of the European Union 1994

Judicial review and fulfilment by the Member States of their obligations

Point 1266 should read as follows:

1266. In the exercise of its duty to monitor the application of Community law, the Commission commenced 974 infringement proceedings in 1994, as against 1 206 in 1993, and issued 546 reasoned opinions (352 in 1993). The Commission referred 89 cases to the Court of Justice (44 in 1993). The breakdown by country of cases referred in 1994 is as follows: Belgium 10, Denmark 0, Germany 5, Greece 17, Spain 9, France 8, Ireland 12, Italy 12, Luxembourg 6, Netherlands 4, Portugal 5, United Kingdom 1.

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

Sir,

We have the honour to present the General Report on the Activities of the European Union for 1994, which the Commission is required to publish by Article 156 of the EC Treaty, Article 17 of the ECSC Treaty and Article 125 of the EAEC Treaty.

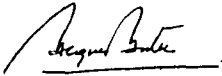
In accordance with the procedure described in the Declaration on the system for fixing Community farm prices contained in the Accession Documents of 22 January 1972, the Commission will shortly be sending Parliament the 1994 Report on the Agricultural Situation in the Community.

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

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

Brussels, 14 February 1995


Jacques SANTER
President



Édith CRESSON



Leon BRITTAN
Vice-president



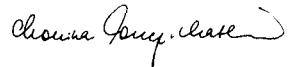
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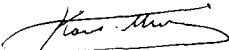
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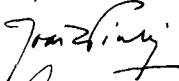
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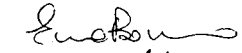
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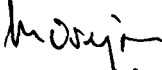
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Christos PAPOUTSIS



NOTE

Legislative instruments proposed by the Commission or adopted by the Council during the year under the co-decision procedure are mentioned in the Report followed by '(Table I)'. Instruments under the consultation, cooperation or assent procedures are followed by '(Table II)'. International agreements are followed by '(Table III)'. No footnotes are given for these instruments, which are listed in three separate tables annexed to the Report. The relevant references (OJ, COM, Bulletin earlier General Reports) for all the stages of the legislative procedure concerning each instrument, together with the appropriate point numbers in text, are given in the tables.

As a rule, no references are given in the text for intermediate stages of procedures which started before 1 January 1994 and were not completed at 31 December 1994. These references also appear in the tables.

The following currency abbreviations are being used in all language versions of the General Report.

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

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The European Union in 1994

'His name is associated with what must be the 10 most successful years of European unification. He was the prime mover in the Single European Act. He helped the Community realize the visionary goal of the completion of the internal market (Europe 92) and in so doing made a decisive contribution to overcoming the period of stagnation at the beginning of the 1980s and to imparting a new dynamism to the integration process. The second great achievement for which we essentially have Jacques Delors to thank is economic and monetary union, the fundamental groundwork of which was his. For this, as well as for the high standards he has set, the Heads of State or Government meeting in the European Council would like to express their thanks and recognition. His achievements for Europe will not be forgotten. President Delors has rendered outstanding service to European unification.'

(From the conclusions of the European Council, Essen, December)

The European Union's most pressing need in 1994 was to respond to two major challenges. The first was to regain the confidence essential for reviving the European economy and to take steps to combat unemployment and social exclusion. Its activities here centred on the policies and operations deriving from the Commission's White Paper on growth, competitiveness and employment and the plan of action adopted by the Brussels European Council in December 1993. The second challenge was to pave the way for a new European architecture while ensuring stability and peace in Europe and in neighbouring regions. The Union secured the accession of Austria, Finland and Sweden and made preparations for the eventual accession of the associated countries of Central and Eastern Europe, at the same time strengthening its preferential relations with other neighbours, in particular the Mediterranean countries.

Signs of economic recovery, bolstered by substantial growth in exports and investment and then an upturn in private consumption, were greater than expected in all the Member States, and the prospect of durable non-inflationary

growth in the medium term was confirmed. The second stage of economic and monetary union, which began on 1 January, introduced closer coordination of the Member States' economic policies and established more binding procedures for analysing budgetary policy and ensuring that it was compatible with the criteria laid down for transition to the final stage of EMU, sharpening Member States' awareness of the need for a policy of sustained stability and for strict budgetary discipline. Substantial progress was made in stabilizing prices and exchange rates as national economies continued to converge; this is an essential precondition for moving to the final stage of EMU. The main economic policy guidelines for the Member States and the Community, approved at the Corfu European Council, were subsequently adopted by the Council.

The first exercise to evaluate excessive deficits began this year, leading to the adoption by the Council of recommendations to 10 Member States calling on them to take appropriate steps to reduce their excessive public deficits. The European Monetary Institute set up on 1 January played a decisive role in monetary integration and preparations for stage three.

Despite economic growth, only limited success was achieved in bringing down unemployment. It was found that economic recovery alone will not be sufficient if unemployment is to be cut substantially. Recovery must not only be consolidated to become a basis for lasting growth: it must also be accompanied by structural reforms at both national and Community level if it is to produce real job-creating growth. At Corfu in June, the European Council had noted that the efforts undertaken by the Member States, though appreciable, still fell a long way short of what was needed and encouraged them to take further steps to win the battle for jobs. In Essen in December, the European Council confirmed that equality of opportunity and the fight against unemployment would remain the paramount tasks of the Union and its Member States and that further efforts must be made to solve structural problems by assigning an important role to dialogue between the two sides of industry and politicians. Endorsing the plan presented by the Commission, the European Council identified five key areas for action: improving employment opportunities for the labour force by promoting investment in vocational training, increasing the employment-intensiveness of growth, reducing non-wage labour costs, improving the effectiveness of labour-market policy and improving measures to help groups which are particularly hard hit by unemployment, in particular the young. It also urged the Member States to transpose these recommendations into their national policies by means of multiannual programmes which take account of the specific features of their economic and social situation and, as suggested by the Commission, set up a mechanism for monitoring progress.

In its White Paper on social policy adopted in July as a basis for discussion of a new social action programme, the Commission, convinced that competitiveness

and social progress are by no means mutually exclusive, advocated integration of social and economic policies in defining a course of action which would preserve the European social model based on solidarity and high social standards. Substantial progress was made in improving living and working conditions in the course of the year, notably through the adoption of a Directive on the protection of young people at work, and in the field of health and safety at work. The Directive on the establishment of a European Works Council, the first legislative instrument adopted by 11 Member States under the Social Protocol, was important for ensuring that employees are informed and consulted more effectively.

The rapid completion of the trans-European networks is one of the major components of the Union's competitiveness, growth and employment strategy. The main objective of Community action in connection with transport, energy, telecommunications and environmental networks has been to promote the interconnection and interoperability of national networks in order to stimulate growth and trade between Member States and develop the internal market. It was also directed at improving access to these networks, reaffirming the need to link islands, enclaves and outlying areas. The Essen European Council adopted the main recommendations of the Group of Personal Representatives of the Heads of State or Government (the Christophersen Group) and added to the conclusions adopted at its Corfu meeting by confirming the launch of 14 priority transport projects and drawing up a revised list of 10 priority energy projects. It also called for the necessary measures to be adopted to guarantee full financing of the trans-European networks.

The information society, another priority in the Union's strategy, opens up tremendous prospects for economic progress, employment and quality of life. On the basis of the report by the Bangemann Group, the Heads of State or Government meeting in Corfu stressed the role of the private sector, the need for a stable legal framework and the importance of language and culture. At Essen, they welcomed both the Commission action plan adopted in July and the Council's basic decision to liberalize the telecommunications infrastructure by 1 January 1998 as decisive steps towards establishing information infrastructures for the future.

The single market, essential for economic recovery in Europe, remained central to the Union's efforts to maintain industrial competitiveness, create jobs and stimulate economic growth. The purpose of much of this year's activities was to ensure that the internal market operated more effectively and to develop its potential in partnership with the Member States. The Commission stepped up dialogue with the public and with business to improve the way the single market works in practice.

In the summary report submitted to the Essen European Council, the Commission noted that the legislative measures adopted were now producing their full effect, especially as regards free movement of goods and capital and better access to public contracts, but there was still room for progress on the elimination of border checks on individuals, the reduction of the time needed to transpose measures adopted into national law and the liberalization of certain sectors such as energy and telecommunications.

It will not be possible to restore growth and consolidate recovery unless they are based on efficient and innovatory European industrial competitiveness on open and competitive markets. This prompted the Commission to adopt a communication specifying practical measures to strengthen industrial competitiveness, identifying four priorities: promotion of intangible investment, development of industrial cooperation, encouragement of fair competition and modernization of the role of the public authorities in industry. It gave a new dimension to small business policy, a chief factor in the battle for competitiveness, by adopting an integrated programme in support of small and medium-sized enterprises and the craft sector which sets the panoply of existing measures in a comprehensive and consistent framework and proposes new measures to ease transfers of businesses and reduce the time taken for payment. This approach was backed by the European Council, which asked the Commission, with the help of a high-level group, to examine any obstacles to job creation and competitiveness in Community and national legislation and to suggest possible solutions and simplifications. The European Council also welcomed the Commission's plan to set up a competitiveness council as a forum for dialogue between industry and the public authorities.

Research and technological development are also essential to reviving growth, enhancing competitiveness and increasing employment. The European Union has been active in this area: Parliament and the Council adopted the fourth framework programme for R&TD (1994-98) and all of the specific programmes to implement it, and the Commission presented a strategic document with the objective of gradually achieving better coordination of research activities and policies in Europe by intensifying cooperation so that the fragmentation of policies and the resulting dispersal of effort will not penalize European industry in the face of international competition.

The Union has also endeavoured to develop the European dimension of education, strengthen links between education and working life and promote vocational training, which are all decisive factors for the restoration of growth and the improvement of competitiveness. A new generation of Community programmes for vocational training (Leonardo da Vinci), youth (Youth for Europe III) and education (Socrates) is intended to boost existing Community measures and supplement operations conducted by the Member States with due

regard for their cultural diversity and their responsibility for content and organization.

Looking towards the new model for sustainable development, which is to make a positive link between the economy and the environment, the European Union, in conjunction with many of those concerned in industry and society at large, continued to implement the fifth action programme on the environment, incorporate environmental considerations in other Community policies and provide further information and education in this area. The Commission adopted a communication analysing the interrelationship between economic growth and the environment. The Council, concerned at the effects of transport on the environment, recommended that activities in this sector be redirected towards less polluting forms of transport. Following the guidelines established by the Essen European Council, it also concluded that tax measures were needed as part of the strategy to reduce CO₂ emissions. Wishing to base its environmental policy on reliable scientific data, the Commission also played an active role in the establishment of the European Environment Agency, which was officially inaugurated in Copenhagen on 31 October.

Economic and social cohesion, which is intended to promote the harmonious development of the Union as a whole, was further strengthened in partnership with the Member States and the regions. Under the second stage of the reform of the Structural Funds (1994-99), Community support frameworks and single programming documents were adopted for a large number of regions and Community initiatives were launched for cross-frontier cooperation, rural development, the most remote regions, employment and human resources, industrial change, urban policy and fisheries. The temporary cohesion financial instrument set up in 1993 was replaced by the Cohesion Fund, which in 1994 financed 51 projects to improve transport infrastructures and environmental protection in Ireland, Greece, Portugal and Spain. The European Council welcomed the progress made in the peace process in Northern Ireland and agreed on the principle of a multiannual programme and the allocation of additional funding, as proposed by the Commission. This programme is in addition to current assistance from the Structural Funds. It pursues the central objective of reconciliation and benefits both communities in an equitable and balanced way, especially those areas and sections of the population suffering most acute deprivation.

The process of reform adopted in 1992, essential for the future of the common agricultural policy, was consolidated, producing satisfactory results at the end of the first of the three years in which it is to be applied. Tougher measures to combat fraud were also an important factor. The CAP was at the centre of the accession negotiations with the EFTA countries, and Community activity in the fisheries sector too was dominated by the forthcoming enlargement because of

the socio-economic importance of the industry in some of the applicant countries as well as in certain Member States.

After the entry into force on 1 January of the European Economic Area, the largest integrated economic entity in the world, the accession of Austria, Finland and Sweden to the Union represents an important new step in the history of European integration. It will allow the Union to expand operations, notably in social and environmental matters, and profit from the experience of the new Member States in these fields.

The Union is eager to secure lasting stability and peace throughout Europe and with this in mind made active preparations for the eventual accession of the associated countries of Central and Eastern Europe. The Commission, at the request of the Corfu European Council, drew up a strategy to pave the way for these countries' membership by gradually bringing them into the internal market and establishing structured political relations. In adopting this strategy when it met in Essen, the European Council decided to boost and improve the process of preparing the six associated countries for membership and their Heads of Government in fact attended the Essen meeting. The European Union has also endeavoured to pave the way for full and constructive cooperation with the Independent States of the former Soviet Union by negotiating a new generation of partnership and cooperation agreements with them. This determination is reflected in the signature of partnership agreements with Russia and Ukraine, the adoption of a common position setting out the Union's objectives and priorities in connection with Ukraine and the signature of the European Energy Charter Treaty.

The Union recognizes the need for balanced relations with all its neighbours and has endeavoured to intensify those with the Mediterranean countries. The Commission has framed a new strategy based on the development of existing social, political and economic links. This was endorsed by the Essen European Council: it recommended the establishment of a Euro-Mediterranean partnership which could ultimately lead to a free-trade area that would help to ensure peace, stability, prosperity and cooperation in the region. In practical terms the strategy includes substantial financial assistance, the conclusion of partnership agreements and the completion of customs union with Turkey. The Heads of State or Government also confirmed that the next phase of enlargement would involve Cyprus and Malta.

As the leading donor to the Palestinian territories, the European Union also continued to support the peace process in the Middle East. Alongside its political and humanitarian operations in support of Bosnia-Herzegovina, the Union strengthened its links with some of the Republics of former Yugoslavia and continued to provide financial and technical assistance.

The signature of the Uruguay Round Final Act in Marrakesh on 15 April paves the way for further trade liberalization and the harmonious development of world trade. Another important outcome of the negotiations was the establishment of the World Trade Organization, which is to replace GATT in 1995 and will play a more distinct role in monitoring and management. The strengthening of the multilateral trade system, together with the problems of growth and employment, was a crucial aspect of the Union's relations with the other industrialized countries. These issues were discussed at the Western Economic Summit in Naples in July.

The Commission also drew up broad strategic guidelines for its relations with two parts of the world which are major poles of attraction and new growth areas — Latin America and Asia. The Essen European Council approved this strategy, based in particular on the promotion of relations between the European Union and regional integration organizations such as Mercosur and ASEAN.

As part of the 10-year guidelines proposed by the Commission to revise the generalized scheme of preferences to make it more favourable to the less-developed countries, the Council adopted a Regulation for industrial products covering 1995-98. The European Union, determined to support South Africa's historic commitment to democracy, strengthened its political and economic ties with this country, in particular by allowing it to benefit from the GSP. South Africa also attended, as an observer, the meetings of the ACP-EU Council on the mid-term review of the Lomé Convention. The Union stepped up its humanitarian aid activities and made a particular effort to assist the war victims in Rwanda.

In 1994, the first year in which the common foreign and security policy was actually implemented, the Union undertook a number of joint actions in connection with former Yugoslavia, the Middle East peace process, Russia, South Africa, the introduction of a stability pact in Europe, nuclear non-proliferation and the control of exports which can be used for both civil and military purposes. It endeavoured to maintain some consistency between the objectives of CFSP operations and those of operations under its traditional external relations.

The provisions on justice and home affairs cooperation in Title VI of the Union Treaty were also applied for the first time in 1994. Resolved to make full use of the opportunities opened up by this new dimension of the Union, the Commission presented two communications — one on immigration and asylum and the other on the fight against drugs. It also sought to consolidate the protection of the Community's financial interests by framing a draft international convention which went further than the legislative action planned at

Community level on fraud prevention and attempts to approximate the Member States' criminal laws in this area. Although encouraged by both the Corfu and Essen European Councils, implementation of the action plan and priority programme approved by the Brussels European Council in December 1993 encountered a number of difficulties connected both with the sensitive nature of the matters discussed and with the interpretation of the institutional framework provided by the Treaty.

Throughout the year, the institutions tried to bring the European Union closer to its citizens, making it more open and more transparent. Under rights conferred by Union citizenship, the Commission proposed the introduction of a uniform visa and nationals of one Member State who are resident in another were given the opportunity to play a direct part in political life: they were able to vote in this year's European Parliament elections in their host country and from 1996 they will be able to vote in local elections too. The institutions, in particular the Commission, tried to make their activities more transparent by targeting and decentralizing their communication arrangements and allowing easier access to documents. Throughout the year the Commission also made sure that the principle of subsidiarity was respected when drafting and revising Community legislation. Making use of its new powers under the Union Treaty to improve the quality of life of its citizens, the Commission adopted measures to achieve a higher level of protection as regards public health and consumers and to derive maximum benefit from Europe's cultural heritage.

As 1995 approached, the European Union, strengthened by its increased membership, the prospect of renewed growth and a budget based on a financial perspective which provides resources to match its ambitions, prepared to face the challenges which awaited it in the new year: unemployment, review of the Union Treaty in the run-up to the Intergovernmental Conference in 1996, further enlargement, transition to the final stage of EMU, development of the information society, and external and internal security.

Chapter I

Citizens' rights

Section 1

Priority activities and objectives

1. *In line with the undertakings given at the Edinburgh European Council in 1992, the institutions endeavoured throughout the year to bring the Community closer to the people and make it more open and more transparent for its citizens. Action proceeded on three fronts: consolidating the concept of European citizenship, improving transparency and providing broader access to information, and continuing implementation of the principle of subsidiarity. The Essen European Council in December reaffirmed the importance of this approach for strengthening the European Union's democratic legitimacy.*

A great deal of effort was made to put into effect the rights conferred by European citizenship and give people more opportunity to play a direct part in political life in Europe. Nationals of a Member State were able to vote in the Member State in which they were resident in the elections to the European Parliament in June and from 1996 will also be able to vote in local elections. To facilitate the free movement of people within the Union, the Commission has proposed the introduction of a uniform format for visas. The institutions, and in particular the Commission, have concentrated on making their work more transparent, by developing targeted and decentralized communication and by making access to documentation easier. In this connection, the Commission and Council's code of conduct was put into effect and a practical guide for users was published. The Commission has also continued implementing the principle of subsidiarity. The results of this were summarized in a report submitted to the European Council in Essen.

Section 2

Union citizenship

Freedom of movement and right of residence

2. On the basis of Article 100c(3) of the EC Treaty and following on from its proposal for a Regulation of December 1993¹ determining the third countries whose nationals must be in possession of a visa when crossing the external frontiers of the Union (Table II) and its proposal for a Decision of December 1993¹ establishing a convention on controls on persons crossing these frontiers, the Commission adopted on 13 July a proposal for a Council Regulation on the introduction of a uniform format for visas (Table II) to facilitate free movement of persons within the Union. The Commission proposes a single and clearly identifiable format for visas issued by the Member States in the form of a standard sticker glued into the holder's travel document, which would contain all the necessary information and meet high technical standards, notably as regards safeguards against counterfeiting and falsification.

3. On 11 March, Parliament adopted a resolution on the incompatibility with Article 7a of the EC Treaty of the passport checks still carried out by certain airlines.²

Right to vote and stand in elections

4. On 23 February, the Commission adopted a proposal for a Council Directive laying down detailed arrangements for the exercise of the right to vote and stand as candidates in municipal elections by Union citizens residing in a Member State of which they are not nationals (Table II). In accordance with the principle of equality and non-discrimination, the aim of the proposal is to ensure that, as far as possible, the conditions governing the right to vote and stand as a candidate are the same for all Union citizens, whether or not they are nationals of the country concerned. In the interests of proportionality, the proposal does not go beyond what is strictly necessary for the implementation of Article 8b(1) of the EC Treaty and refers wherever possible to the legislation of the individual Member States. The proposal applies only to elections by direct universal suffrage at local government level and does not affect the right to vote and stand

¹ Twenty-seventh General Report, point 100.

² OJ C 91, 28.3.1994; Bull. 3-1994, point 1.1.1.

as a candidate in elections in the home Member State, where this is allowed under national legislation. The Member State of residence may take into account ineligibility in the country of origin and Member States may also reserve for their own nationals the posts of mayor and deputy mayor, which involve participation in an official authority or in the election of a parliamentary assembly. Provision is made for exceptions to the general rule, subject to certain conditions, to take into account the specific problems of certain Member States where there is a particularly high proportion of nationals of other Member States (more than 20%). The proposal received a favourable opinion from the Committee of the Regions. In its opinion of 26 October 1994, Parliament called for bureaucracy and exceptions for particular countries to be kept to a minimum while ensuring maximum openness and bringing implementation of the directive forward. The Directive adopted by the Council on 19 December (Table II) reflects these opinions and sets the deadline of 1 January 1996 for its transposal into national law.

5. Council Directive 93/109/EC on the right of European Union citizens residing in a Member State of which they are not nationals to vote in elections to the European Parliament¹ was applied for the first time in June.² Parliament adopted two resolutions on this Directive. In the first, adopted on 20 January, it called on the Member States to transpose the Directive and to organize, together with the Commission, an awareness and information campaign on the European elections.³ In the second resolution, adopted on 21 April, Parliament pointed out the existence of discrimination and bureaucratic obstacles and the lack of information on registration and participation in the elections.⁴

Right to diplomatic protection, right to petition and right to access to the Ombudsman

6. After its previous Decision⁵ had been approved by Council Decision 94/114/EC, ECSC, Euratom of 7 February,⁶ Parliament finally adopted the regulations and general conditions governing the performance of the Ombudsman's duties in Decision 94/262/ECSC, EC, Euratom of 9 March.⁷ It was not however possible to appoint an Ombudsman this year. The Ombudsman will be empowered to accept complaints from any citizen of the Union or any physical or legal person in respect of cases of maladministration in the activities of Community institutions or agencies.

¹ OJ L 329, 30.12.1993; Twenty-seventh General Report, point 590.

² Point 1180 of this Report.

³ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.1.2.

⁴ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.1.1.

⁵ OJ C 329, 6.12.1993; Twenty-seventh General report, point 8.

⁶ OJ L 54, 25.2.1994; Bull. 1/2-1994, point 1.1.3.

⁷ OJ L 113, 4.5.1994; Bull. 3-1994, point 1.1.2.

Section 3

Democracy, openness and subsidiarity

7. In accordance with the Declaration annexed to the Treaty on European Union and the conclusions of the 1993 European Councils,¹ the Commission adopted a number of initiatives aimed at making its policies more transparent and bringing them closer to the people by concentrating on the following three elements: more openness, easier access to administrative documents and a new information and communication policy. On the question of subsidiarity, the Commission submitted its first annual report on implementation of the principle to the European Council in Essen.²

8. The Commission adopted a number of measures to make its work more transparent and to increase the involvement of interested parties in the preparation of its decisions and proposals. It accordingly identified in its annual legislative programme³ those proposals which might be preceded by broad discussions and published a list of topics on which Green or White Papers would be prepared. It also introduced a procedure for giving notice of its initiatives and published in the Official Journal a summary of draft texts and practical arrangements for obtaining documents. Parliament, for its part, adopted two resolutions, in April⁴ and in May,⁵ on the transparency of Community legislation and the need for it to be consolidated; one of the proposals was that a coherent and gradual approach be adopted in the matter. On 20 June, the Council adopted a resolution on the electronic dissemination of Community law and national implementing laws and on improved access conditions.⁶

9. As part of its work programme for 1993 and 1994⁷ and in line with the interinstitutional declaration of 25 October 1993 on democracy, transparency and subsidiarity,⁸ the Commission drew up a legislative programme for 1994⁹ designed to ensure implementation of the Treaty on European Union and the sound operation of the single market. The 1994 programme reflects the main themes of the joint Parliament/Commission declaration which was adopted on

¹ Twenty-seventh General Report, points 1017 to 1020.

² Point 13 of this report.

³ Point 9 of this Report.

⁴ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.1.3.

⁵ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.1.1.

⁶ OJ C 179, 1.7.1994; Bull. 6-1994, point 1.1.2.

⁷ Twenty-seventh General Report, point 995; Supplement 1/93 — Bull.

⁸ Twenty-seventh General Report, point 12; Bull. 10-1993, points 1.6.2 and 2.2.1.

⁹ Bull. 12-1993, point 1.7.9.

9 February¹ and translates them into action designed to boost growth in the economy of the Union and improve its competitiveness. The aim is to foster job creation by mobilizing all available means to combat unemployment and social deprivation. Both the Greek and the German Presidencies devoted considerable attention to the priorities contained in the 1994 legislative programme. Following the precedent set in 1993,² the 1994 legislative programme was published in the *Official Journal of the European Communities*³ together with other documents relating to planning for 1994 (Parliament resolution of 19 January;⁴ Council declaration of 7 February;⁵ joint declaration by the European Parliament and the Commission of 9 February) once again helping to make the Community's decision-making process more democratic and more open.

10. In the interests of openness, the Commission has tried to give the public the widest possible access to its documents. The code of conduct on public access to Council and Commission documents, approved in December 1993,⁶ was put into effect by Commission Decision 94/90/ECSC, EC, Euratom of 8 February.⁷ This code, which will be reviewed after two years, sets out certain minimum requirements and fundamental principles governing the fair processing of applications, reasonable reply times and exceptions. The underlying principle is to give the public the widest possible access to documents held by the Commission and the Council. The institutions may, however, refuse access to any document where disclosure could undermine the protection of the public or private interest, commercial and industrial secrecy, the Community's financial interests, or an institution's interest in the confidentiality of its proceedings. On 4 March, the Commission also adopted a communication summarizing the measures taken to improve public access to documents⁸ and in October published a users' question and answer guide which explains how to go about getting hold of documents.⁹

11. Information and communication policy is dealt with in the 'Information, communication, audiovisual media and culture' section of Chapter II.¹⁰

12. The Commission has also taken steps to intensify its dialogue with interest groups,¹¹ notably by setting up a database on such groups and asking them to

¹ Bull. 1/2-1994, point 1.7.4; Supplement 1/94 — Bull.

² Twenty-seventh General Report, point 997.

³ OJ C 60, 28.2.1994.

⁴ Bull. 1/2-1994, point 1.7.2; Supplement 1/94 — Bull.

⁵ Bull. 1/2-1994, point 1.7.3; Supplement 1/94 — Bull.

⁶ Twenty-seventh General Report, point 611.

⁷ OJ L 46, 18.2.1994; Bull. 1/2-1994, point 1.1.4.

⁸ OJ C 67, 4.3.1994; Bull. 3-1994, point 1.1.3.

⁹ Bull. 10-1994, point 1.1.2.

¹⁰ Point 696 *et seq.* of this Report.

¹¹ Point 703 of this Report.

introduce a self-regulation policy. In the course of this year, one category of interest group has adopted a code of practice.

13. Acting on the undertakings it has been constantly restating since the Lisbon European Council in June 1992, the Commission has pressed on with its implementation of the subsidiarity principle. It has included in the explanatory memorandum accompanying its proposals a 'subsidiarity recital' summarizing the objectives of the proposed measure, its effectiveness and why it is necessary. In accordance with the undertakings given at the Edinburgh European Council¹ and the Brussels European Council,² the Commission has also fulfilled its promise to review its proposals and adapt existing legislation. The results of this work were set out in a report on the application of the subsidiarity principle which the Commission adopted on 25 November³ and presented to the Essen European Council on 9 and 10 December, as requested by the Edinburgh Council and in accordance with the interinstitutional agreement of 25 October 1993.⁴ The first section of the report concerns adherence to the subsidiarity principle when Community legislation is being drafted, while the second section describes progress in revising existing legal instruments. On 10 June, the Commission also adopted a position on the list of instruments and proposals which the German Government wished to see revised or withdrawn in the light of the subsidiarity principle.⁵

14. In a resolution⁶ passed on 20 April, Parliament delivered its opinion on the Commission's November 1993 report to the European Council on the adaptation of existing Community legislation to the subsidiarity principle.⁷ The Committee of the Regions passed a resolution on 15 November, in which it called for the principle of subsidiarity to take account of regional and local levels. The resolution also supported *ex ante* checking and the right to institute legal proceedings in order to safeguard compliance.⁸

¹ Bull. 12-1992, points I.4, I.15 and I.21; Twenty-sixth General Report, point 10.

² Bull. 12-1993, point I.14; Twenty-seventh General Report, point 11.

³ COM(94) 533; Bull. 11-1994, point 1.1.1.

⁴ Twenty-seventh General Report, point 13.

⁵ Bull. 6-1994, point 1.1.1.

⁶ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.1.2.

⁷ Twenty-seventh General Report, point 11.

⁸ Bull. 11-1994, point 1.1.2.

Section 4

Protection of citizens

15. On 13 June, the Commission adopted an amended proposal for a Parliament and Council Directive (Table I) concerning the protection of personal data and privacy in the context of digital telecommunications networks, in particular the integrated services digital network (ISDN) and digital mobile networks.¹ On 8 December, the Council reached agreement on the 1992 proposal for a Directive on protection of the individual regarding the processing of personal data, (Table I) which is designed to secure the free movement of such data while guaranteeing an equivalent and high level of protection throughout the Community.¹

16. The protection of citizens in the field of human rights is dealt with in Chapter V, Section 1, 'Inside the Community'.²

¹ Point 406 of this Report.

² Point 1090 *et seq.* of this Report.

Chapter II

The single market and the Community economic and social area

Section 1

Implementation of the White Paper on growth, competitiveness and employment

17. The policies and measures arising from the White Paper on growth, competitiveness and employment¹ and from the unemployment action plan decided by the European Council in December 1993² were a focus for European Union activity in 1994.

18. The proposals put forward in the White Paper made a useful contribution to the debate going on in the Member States, where further action was taken to reform employment arrangements and to improve competitiveness in the economy. Economic policies in the Member States developed broadly in line with the White Paper's proposals, as reflected in the economic policy guidelines for 1993 and 1994.³ The resumption of economic growth this year was free of inflationary pressure, thanks to monetary policies aimed at price stability and to wage moderation. It should enable rapid progress to be made towards fulfilment of the economic convergence criteria.

19. At Community level, the Council and the Commission reviewed throughout the year progress with the implementation of the White Paper. In a resolution adopted on 9 March, Parliament welcomed the approach advocated in the White Paper.⁴ On 1 December, it adopted for the European Council meeting in Essen a resolution — drawn up by its temporary Committee on Employment⁵ — on an action plan for employment which is designed to implement the suggestions

¹ Bull. 12-1993, point 1.2.44; Supplement 6/93 — Bull; Twenty-seventh General Report, point 16.

² Bull. 12-1993, point 1.2.43.

³ Point 34 of this Report.

⁴ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.1.

⁵ Bull. 12-1994.

contained in the White Paper.¹ On 1 June, the Economic and Social Committee adopted a resolution supporting the long-term strategy outlined in the White Paper;² this resolution reproduces the key elements of its opinions on the White Paper's industrial, economic and financial, and social aspects.³ In an opinion delivered on 27 September, the Committee of the Regions likewise gave its support to the proposals in the White Paper,⁴ stressing the importance of the integrated programme for SMEs⁵ and the need to involve regional and local authorities in the development of the private sector.

20. Implementation of the White Paper's recommendations received new impetus at the European Council meeting in Corfu in June, which placed particular emphasis on six points: encouragement of reforms in Member States intended to improve the efficiency of employment systems; specific measures to exploit fully the employment potential of small and medium-sized businesses; reinforced coordination of research policy; rapid implementation of high-priority trans-European projects in the fields of transport and energy; full exploitation of the opportunities offered by the information society; and encouragement of the new model of sustainable development.⁶ At its meeting in Essen⁷ on 9 and 10 December, the European Council continued its discussions on these issues and adopted a number of important guidelines for achieving the objectives set out in the White Paper.

21. With regard to the overall economic situation, the European Council, at its meeting in Corfu, endorsed the economic policy guidelines for 1994⁸ and stressed the importance of a resumption of economic growth and the need for further measures to foster employment. At its meeting in Essen, it called for the benefits gained both from establishing price and exchange-rate stability and from restoring growth to be used to achieve the objective of budgetary consolidation, thereby facilitating strict compliance with the convergence criteria as the foundation for economic and monetary union.

22. On the basis of an interim report from Mr Flynn, Member of the Commission, on the results of his tour of capital cities,⁹ the European Council, at its meeting in Corfu, reviewed the steps taken to improve the employment situation in the Member States. It encouraged the reforms undertaken in Member

¹ Point 560 *et seq.* of this Report.

² OJ C 295, 22.10.1994; Bull. 6-1994, point 1.2.5.

³ OJ C 295, 22.10.1994; Bull. 6-1994, point 1.2.2 to 1.2.4.

⁴ Bull. 9-1994, point 1.2.1.

⁵ Point 188 of this Report.

⁶ Bull. 6-1994, point 1.2.

⁷ Bull. 12-1994.

⁸ Point 34 of this Report.

⁹ Point 560 of this Report.

States to improve the efficiency of employment systems, with particular reference to education and training, young people, the reduction of non-wage labour costs, new formulas for the organization of work, and the creation of jobs in connection with meeting new requirements linked to the quality of life and protection of the environment. At its meeting in Essen in December, the European Council adopted, as proposed by the Commission,¹ recommendations for national employment measures in five key areas: improving employment opportunities for the labour force through initial and further training; increasing the employment intensiveness of growth through more flexible organization of work, wage restraint to encourage job-creating investment and the promotion of local employment initiatives; reducing non-wage labour costs sufficiently to ensure a real impact on recruitment decisions; improving the effectiveness of labour-market policies by making them less dependent on passive support and by facilitating and encouraging access to employment; improving measures to help groups particularly hard hit by unemployment, such as young people or the long-term unemployed. The European Council urged Member States to incorporate these recommendations into their individual policies as part of multiannual programmes. The Council (Social Affairs, and Economic and Financial Affairs) and the Commission will regularly review progress made and will report annually to the European Council, starting in December 1995. These recommendations are a follow-up to the resolution adopted by the Council on 22 September,² the Commission document dealing with action to turn growth into jobs¹ and the report on employment³ adopted by the Council on 5 December.

23. On the question of the internal market and competitiveness, the European Council, at its meeting in Corfu, said it was essential that the basic principles of the single market should be extended to areas such as energy and telecommunications, and stressed the key contribution to growth and job creation made by SMEs.⁴ It emphasized here the importance of local employment and development initiatives. At its meeting in Essen, the European Council called for effective and uniform application of the internal market rules, endorsed the setting-up of a high-level group to examine the competitiveness of the European economy and requested further work on improving the regulatory framework for biotechnology. It concluded its discussions on a possible CO₂ energy tax, noting the Commission's new approach of proposing common parameters for any Member States wishing to apply such a tax. It also called for

¹ COM (94) 529; Bull. 11-1994, point 1.2.197.

² Bull. 9-1994, point 1.2.181.

³ Bull. 12-1994.

⁴ Point 187 of this Report.

greater and systematic coordination of Community and national research policies.¹

24. On the basis of a report on trans-European networks drawn up by the Group of personal representatives of the Heads of State or Government, known as the Christophersen Group,² the European Council, at its meeting in Corfu, agreed on lists of priority transport and energy projects,² and called for further study of the possibility of extending the trans-European networks to neighbouring countries and of the question of relevant networks in the environmental field.² At its meeting in Essen, the European Council adopted the operational conclusions of the Christophersen Group's final report, two innovative aspects of which are the proposed management vehicles for implementing individual projects and the examination of a 'network approach' for environmental projects. It confirmed a revised list of 14 priority transport projects and 10 priority energy projects which have started or which could be started shortly and stressed the importance of traffic management systems, particularly in the case of air traffic. With regard to funding, the European Investment Bank is to create a special window for financing the networks, and the European Council called on the Council to adopt the necessary decisions to top up the funds currently available for the trans-European networks. On the basis of a report from the Bangemann Group,² the European Council, at its meeting in Corfu, called for measures to facilitate the establishment of an information society.³ At its meeting in Essen, it welcomed the progress made towards liberalizing telecommunications infrastructures and laid stress on the role of the private sector, the strengthening of international cooperation, and the importance of new services and of the audiovisual sector. It called on the Council to coordinate the necessary measures, particularly regarding the legal framework, and welcomed the Commission's organization of the G7 ministerial conference on the information society to be held in February 1995.

25. The main steps along the path mapped out in the White Paper to be taken at Community level in 1994 included the following: the integrated programme in favour of SMEs and the craft sector⁴ and the Community initiative for SMEs;⁵ a number of Commission proposals⁶ for implementing the Community initiatives on employment and the development of human resources, which include the Youthstart programme;⁷ the setting-up of a working party of

¹ Point 230 of this Report.

² Point 321 of this Report.

³ Point 327 of this Report.

⁴ Point 188 of this Report.

⁵ Point 466 of this Report.

⁶ In particular, those relating to the taxation of SMEs, transfers of enterprises and late payment. Point 191 of this Report.

⁷ Bull. 1/2-1994, point 1.2.105; point 308 of this Report.

independent specialists to consider the simplification and relaxation of regulatory requirements with a view to creating jobs and improving competitiveness;¹ the approval of lists of 14 priority transport projects² and 10 priority energy projects,³ including a number in the new Member States; the approval of the main features of a regulatory framework and an action plan for the establishment of an information society,⁴ and in particular the Council's agreement in principle to a timetable for the liberalization of telecommunications infrastructures;⁵ the coordination of national and Community research policies;⁶ the Council's agreement on the implementation of an industrial competitiveness policy;⁷ the launching of a detailed analysis of the links between economic growth and the environment;⁸ and, finally, the Commission's 1 June communication on biotechnology.⁹

¹ Point 1178 of this Report.

² Point 324 of this Report.

³ Point 322 of this Report.

⁴ Point 328 of this Report.

⁵ Point 397 of this Report.

⁶ Point 232 of this Report.

⁷ Point 203 of this Report.

⁸ Point 489 of this Report.

⁹ Point 218 of this Report.

Section 2

Economic and monetary policy

Priority activities and objectives

26. *Clear signs of an economic recovery emerged in all Member States in 1994, and the prospects of achieving durable non-inflationary growth over the medium term improved, creating a more favourable environment for attaining the objectives of economic and monetary union (EMU). Despite this upturn, little progress was made in combating unemployment. In the medium term, employment will remain one of the major challenges facing the Community. In its White Paper on growth, competitiveness and employment,¹ the Commission set out an overall strategy for establishing a stable macroeconomic framework and implementing structural reforms with a view to boosting the Community economies and increasing their capacity to create jobs.*

The second stage of EMU, which began on 1 January, requires close coordination of Member States' economic policies and entails more stringent procedures for examining national fiscal policies and monitoring their compatibility with the conditions for moving to the third stage, such as the broad guidelines of economic policies and the Member States' convergence programmes setting out the economic policy plans that will enable them to satisfy the EMU criteria.

Generally speaking, foreign-exchange markets were more stable than in 1993 despite the widening of the fluctuation margins in the exchange-rate mechanism on 2 August 1993. Last year also saw the setting-up of the European Monetary Institute, which is responsible, among other things, for preparing for the move to the third stage of EMU.

The economic situation

27. The economic situation in the European Union improved appreciably in 1994. Aggregate Community GDP rose by 2.6% in real terms, following a decline of 0.4% in 1993. However, this recovery was not strong enough to prevent a further increase in unemployment.

¹ Point 117 of this Report.

28. The improved growth performance is taking place against the background of favourable international circumstances and, on the domestic front, a rebalancing of the policy mix. This led to a reduction in interest rates made possible by the easing of strains on foreign-exchange markets, by the progress achieved in reducing inflation and by Member States' commitment to fiscal balance. These factors caused confidence indicators to improve markedly.

29. While, at the outset, the recovery was supported by an inventory swing, the main contributory factors in recent quarters have been export and investment growth. Stockbuilding provided a strong stimulus to activity, especially during the first half of the year (accounting for about 1% of GDP growth), but, once uncertainties over future prospects had been dispelled and the recovery was firmly established, output expanded to meet the higher level of sales, the restoration of consumer and business confidence having resulted in an appreciable increase in consumption.

30. The unemployment rate rose for the fourth consecutive year, up from 10.6% of the labour force in 1993 to 10.9%, while the rate of fall in employment moderated (0.6% as against 1.8% in 1993 and 1.2% in 1992).

31. The slowdown in GDP growth in the Community and the fact that the gap between potential and actual output has widened markedly in the last three years go a long way towards explaining the progress made in combating inflation. The fall in inflation (3.1% compared with some 4% in 1993) is making a major contribution towards achieving persistently low prices over the medium term.

32. The Community's budgetary position improved slightly following the marked deterioration in the previous year. The overall general government borrowing requirement was cut by half a percentage point, to some 5.5% of GDP. This improvement stemmed from the combined effect of the growth in economic activity and the implementation of a less expansionary fiscal policy. The increased fiscal restraint reflects not only the realization that budgetary positions were seriously threatening the recovery but also the prospects for medium-term economic prosperity and Member States' commitment to fiscal consolidation.

33. Despite the improvement in the budgetary position, the public finance situation is still worrying. The budgetary consolidation efforts made prior to 1989 have proved to be insufficient, necessitating new structural consolidation measures. The scale of the necessary adjustment will undoubtedly be considerable. The commitment to fiscal rectitude made by all the Member States in their

convergence programmes¹ represents the first step towards the application over the medium term of a fiscal policy which does not threaten economic growth. These commitments will have to be observed, however, if confidence in government policies is to be strengthened and the budgetary criteria governing participation in EMU met.

Economic and monetary union

Implementation of the second stage

34. The second stage of EMU began on 1 January.² The procedures for reinforcing convergence have been applied in accordance with the provisions of the EC Treaty and with the recommendations on their implementation adopted by the Council on 14 February.³ On 25 May the Commission approved recommendations for the broad guidelines of the economic policies of the Member States and for multilateral surveillance in accordance with Article 103(2) of the EC Treaty.⁴ After being endorsed by the European Council in Corfu, those broad guidelines led to the adoption of Recommendation 94/480/EC by the Council on 11 July.⁵

35. The Council continued its assessment of the convergence programmes presented by Member States (Portugal,⁶ Denmark,⁷ Greece,⁸ Ireland,⁹ Spain,¹⁰ and the Netherlands¹¹) of their implementation.

36. An initial assessment of excessive deficits got under way in the first half of the year. In accordance with the procedures and definitions laid down by Council Regulation (EC) No 3605/93,¹² Member States transmitted data to the Commission on their public finances (deficits and debt) by 1 March. The Commission drew up reports on 10 Member States (Ireland and Luxembourg not having excessive deficits) and sent to the Council on 19 September opinions and recommendations for decisions under Article 104c(5) and (6) of

¹ Point 35 of this Report.

² Bull. 1/2-1994, point 1.2.2.

³ Bull. 1/2-1994, point 1.2.3.

⁴ COM(94) 217; Bull. 5-1994, point 1.2.3.

⁵ OJ L 200, 3.8.1994; Bull. 7/8-1994, point 1.2.2. The full text of this recommendation is set out in point 2.2.1 of Bull. 7/8-1994.

⁶ Bull. 1/2-1994, point 1.2.4.

⁷ Bull. 3-1994, point 1.2.6.

⁸ Bull. 9-1994, point 1.2.12.

⁹ Bull. 9-1994, point 1.2.13.

¹⁰ Bull. 10-1994, point 1.2.4.

¹¹ Bull. 12-1994.

¹² OJ L 332, 31.12.1993; Twenty-seventh General Report, point 22.

the EC Treaty which were adopted by the Council on 26 September.¹ On that basis, the Commission adopted on 5 October draft recommendations designed to put an end to those situations.² The recommendations were adopted by the Council on 7 November.³ In accordance with Article 104c(8), they will be published only if, within a specified time-limit, the Member States concerned have failed to take effective action to reduce their deficits or if a Member State itself takes the initiative of publishing the recommendation relating to it. Parliament adopted a resolution on the excessive-deficit procedure on 13 December.⁴

37. As the secondary legislation necessary for implementing the second stage of EMU was adopted in full in 1993, certain restrictions on financing public deficits came into force on 1 January, including the bans on direct financing of deficits by central banks (Article 104 of the EC Treaty) and on any form of privileged access by the public sector to financial institutions (Article 104a). Member States have adopted the bulk of the legislative amendments required. In accordance with Article 109e(5), a number of Member States (notably France and Spain) have also adopted legislative amendments designed to make their central banks independent.

38. The European Monetary Institute (EMI),⁵ which was set up on 1 January, steadily built up its staff and resources. In the context of the reinforcement of monetary policy coordination, it carried out *ex post* and *ex ante* assessments of central banks' monetary policies. In May, it published a report on prepaid electronic cards for general use which concluded that the right to issue such cards should be restricted to credit institutions. It was also consulted on a number of occasions about draft national legislation and proposals for Community instruments within its fields of competence. On 22 November, the Council of the EMI met for the first time in Frankfurt.⁶

39. Parliament expressed its views on monetary policy issues on a number of occasions, and in particular on 6 May in a resolution on the objectives and instruments of monetary policy⁷ and in a resolution on the supervision of commercial banks and financial institutions.⁸

¹ Bull. 9-1994, point 1.2.11.

² Bull. 10-1994, point 1.2.3.

³ Bull. 11-1994, point 1.2.11.

⁴ OJ C 18, 23.1.1995; Bull. 12-1994.

⁵ Point 1236 of this Report.

⁶ Bull. 11-1994, point 1.7.48.

⁷ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.4.

⁸ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.5.

Preparations for the third stage

40. In a communication adopted on 6 April, the Commission proposed that a study group be set up to examine the practical problems involved in introducing the ecu as the single currency.¹

41. The EMI embarked on a number of studies dealing with the technical and legislative preparations for the third stage and covering bank notes, statistical data, payment and information systems, the harmonization of monetary policy instruments and techniques, and harmonization in the accounting field.

Policy coordination

42. Alongside existing measures, and in order to reinforce the coordination of economic policies still further, Article 103(2) of the EC Treaty provides for the preparation of broad economic policy guidelines which are adopted by the Council and against which Member States' economic policies are assessed annually. The broad economic policy guidelines for 1994, adopted on 11 July,² set out the policy coordination recommendations considered to be appropriate for the Community at the current stage of the economic cycle. They concentrate mainly on price and exchange-rate stability, sound public finances, efforts to implement the White Paper on growth, competitiveness and employment,³ the action plan adopted by the European Council in December 1993,⁴ and the structural measures to be taken to help create jobs. In addition, since the beginning of the second stage, budget deficits have been monitored under the excessive deficits procedure.⁵

43. The Annual Economic Report for 1994, which was adopted by the Commission on 23 March⁶ and on which the Economic and Social Committee and Parliament delivered their opinions on 29 April⁷ and 6 May,⁸ emphasized the inconsistency between the price objectives set by the monetary authorities, on the one hand, and fiscal policy and wage trends, on the other. It was argued that this inconsistency represented the first macroeconomic obstacle to growth, the second being the low potential output of the Community. It was therefore necessary to change the economic policy mix and to place greater emphasis on

¹ OJ C 153, 4.6.1994; Bull. 4-1994, point 1.2.4.

² OJ L 200, 3.8.1994; Bull. 7/8-1994, point 1.2.2.

³ Point 17 of this Report.

⁴ Twenty-seventh General Report, point 16.

⁵ Point 36 of this Report.

⁶ COM(94) 90; Bull. 3-1994, point 1.2.7.

⁷ OJ C 195, 18.7.1994; Bull. 4-1994, point 1.2.8.

⁸ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.8.

fiscal consolidation and lower interest rates if sustained, job-creating growth was to be achieved. The Annual Economic Report for 1995 was adopted¹ by the Commission on 13 December. The Commission's economic forecasts are markedly more favourable than at the beginning of the year, with both output and exports increasing more strongly than anticipated. As a result, investment is expected to grow vigorously in 1995 and 1996. This recovery should pave the way for a slight reduction in unemployment and create conditions conducive to a resumption of the catching-up process in the least-favoured countries and regions of the Community. However, if growth is to lead to a substantial reduction in unemployment and if the economic convergence needed for the transition to the third stage of EMU is to be achieved, it will be necessary to apply the measures and policies set out in the Commission's White Paper on growth, competitiveness and employment and in the broad economic policy guidelines of 1993 and 1994. Budgetary consolidation and policies for reducing public deficits will also have to be maintained.

44. On 15 September, the Economic and Social Committee adopted two own-initiative opinions on monetary policy² and the role of savings.³

Thrust of economic policies in 1994 and 1995

45. In the broad economic policy guidelines of December 1993, on which Parliament delivered an opinion in April,⁴ the Council had set out a strategy for sustaining the recovery that was broadly confirmed in the July guidelines.⁵ Given the strong performance of Member States' economies, economic policies should be geared towards the medium-term goal of promoting sustained and non-inflationary growth and towards bringing about a significant reduction in unemployment, in line with the objectives of the White Paper on growth, competitiveness and employment. Application of this strategy calls for a stable macroeconomic framework, the consolidation of budgetary positions, an upturn in investment and the implementation of the structural reforms proposed in the White Paper.

46. With the help of the economic upturn, most Member States initiated a process of fiscal consolidation in 1994 which will last for a number of years and will be consistent with the recommendations of the broad guidelines. Over the medium term, fiscal policy will aim to boost national saving and, if necessary,

¹ COM(94) 615; Bull. 12-1994.

² Bull. 9-1994, point 1.2.10.

³ Bull. 9-1994, point 1.2.9.

⁴ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.3.

⁵ Bull. 7/8-1994, point 1.2.2.

to ensure that actual growth does not overshoot potential growth, thereby guaranteeing sustainable economic expansion.

47. The general environment also became more conducive to a reduction in short-term interest rates, which actually fell during the year. The decline in inflation, the moderation of wage settlements and Member States' commitment to fiscal consolidation prepared the ground for an easing of monetary policy. Owing to the unexpected strength of the recovery, however, this easing of policy came to a halt at the beginning of the summer. While short-term interest rates have generally remained stable since then, long-term rates have risen considerably. Against this background, the main task is to ensure that inflation remains under control and that inflationary expectations do not deteriorate.

Medium-term economic developments in the Community

48. Despite the more favourable prospects, economic growth will be sustained only if the endogenous forces of growth are strengthened by improving the competitiveness and enhancing the dynamism of the national economies, which will in turn require fiscal consolidation. A stable macroeconomic framework is also essential if growth potential is to be translated into actual growth. This means that economic growth should not be impeded over the medium term either by a poor policy mix or by insufficient growth potential. It will therefore be essential to increase national savings and to boost potential output growth from 2.5% to around 3.5%. To achieve this objective, the share of investment in Community GDP would need to rise from 19% to 23% or 24%.

49. However, even if such growth were realized, it would be insufficient to reduce the rate of unemployment over the medium term to the target level set in the White Paper on growth, competitiveness and employment. Structural reforms of the labour market and active labour-market policies are therefore essential. The debate on these issues has been greatly stimulated by the White Paper, and many Member States have already implemented measures based on it.¹

Operation of the EMS

50. Following the period of general turbulence on foreign-exchange markets, which led on 2 August 1993 to the temporary widening of the fluctuation margins (to 15% in either direction),² the exchange-rate mechanism was spared

¹ Point 17 of this Report.

² Twenty-seventh General Report, point 33.

further strains, although some currencies occasionally came under pressure. This occurred against the background of a weakening dollar, a gradual lowering of short-term interest rates in Europe and a cautious approach to the management of short-term interest-rate differentials.

51. Parliament adopted a resolution on exchange-rate policy within the Union on 6 May.¹

Wider use of the ecu

52. On 22 December, following the opinions delivered by the Monetary Committee, the EMI and Parliament, the Council adopted Regulation (EC) No 3320/94 (Table II) on the consolidation of the existing legislation on the definition of the ecu, the aim being to make that definition compatible with Article 109g of the EC Treaty. On 19 April, the Commission adopted a recommendation² — following on from the 1992 White Paper on the legal obstacles to use of the ecu,³ which the Economic and Social Committee had endorsed on 22 February⁴ — calling on Member States to give the ecu the status of a foreign currency and urging those concluding contracts denominated in ecus to take account of its economic and legal continuity in those contracts; it also issued an explanatory note⁵ — published in the context of the legal conditions governing the ecu-denominated loans and bonds of the European Communities — concerning the insertion of clauses guaranteeing legal continuity into contracts previously drawn up in national currencies or ecus. Such clauses have been incorporated into the prospectuses for ecu- and national currency-denominated bonds issued by the European Communities⁶ since the Treaty on European Union came into force.

53. The entry into force of the Treaty on European Union, the signs of economic recovery, the fall in short-term interest rates and the general rise in long-term rates in Europe, together with the greater stability on European foreign-exchange markets, all affected the ecu markets. An unmistakable upturn was discernible from the beginning of the year, with the level of activity again rising almost to that reached in the first half of 1991. An estimate of the overall consolidated ecu market — all instruments included (but excluding the Community budget, commercial transactions and secondary markets) — put

¹ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.6.

² Bull. 4-1994, point 1.2.6.

³ Twenty-sixth General Report, point 37.

⁴ OJ C 133, 15.6.1994; Bull. 1/2-1994, point 1.2.5.

⁵ OJ C 130, 12.5.1994; Bull. 4-1994, point 1.2.7.

⁶ The ECSC issue of FF 900 million on 18 November 1993; the European Community issues of ECU 475 million on 22 November 1993 and ECU 220 million on 26 July 1994.

the volume of ecus in circulation at some ECU 200 billion (compared with ECU 100 billion in 1989). A new instrument — the 'global bond' — made its appearance on the ecu bond market and was successfully issued by Portugal and then by the EBRD, attracting European, US and Japanese operators. Despite the severe turbulence on bond markets during the second quarter and the renewed interest of operators in their domestic markets, the flow of sovereign issues (including by France, the United Kingdom and Italy) was not affected and was followed fairly regularly by private issues.¹ Between January and the end of the year, the volume of issues totalled almost ECU 21 billion (73% of which were sovereign issues, 21% were private and 6% stemmed from international institutions). However, activity on the primary market was not sufficient to cover the volume of securities reaching maturity (some ECU 22 billion over that same period). As a result, on the secondary market ecu-denominated bonds maintained the relatively low market share recorded in 1993 (5.2%) but with a higher turnover.

54. In Germany the structure of the ecu markets was improved in order to prepare the domestic capital market for monetary union and the future development of the ecu market. The Frankfurt Stock Exchange, the only German stock exchange on which ecu-denominated bonds are listed, introduced quoting, clearing and settlement in ecus² through special accounts opened with one of the three authorized German banks.³ A new clearing system linked to the ecu entered its initial operational phase on 18 April. Administered by the Clearing Bank Association, which was set up for this purpose in Moscow in 1992, this system covers commercial banks in Central and Eastern Europe.

55. The Commission frequently uses the ecu when it wishes to raise capital on private markets (ECU 1 326 million on average per month in 1994), using the proceeds to finance specific programmes. In 1994, the Commission's ecu-denominated bond issues totalled only ECU 432 million, including ECU 70 million under the NCI and ECU 362 million for loans to non-member countries.⁴ The ecu is also increasingly used in the implementation of the Community budget. The EIB, by contrast, made only limited use of the ecu in its borrowing operations in 1994, although it remained an active ecu user through its commercial-paper issuing programmes (volume of issues outstanding of some ECU 1 300 million throughout the year) and as a lender (ECU 1 010 million disbursed, the ecu being the second most disbursed currency).

¹ 29 out of 75 in 1994, as against 15 out of 73 in 1993.

² Ecu-denominated bonds were previously quoted, cleared and settled in German marks.

³ Deutsche Bank, Dresdner Bank and Commerzbank.

⁴ This low figure is due partly to the fact that neither Italy nor Greece took up in 1994 the final tranches of the global loans granted to them by the Council in 1993 and 1991. Point 1153 of this Report.

56. On 6 May Parliament adopted a resolution on the international dimension of the ecu.¹

International monetary and financial matters

57. At its 42nd meeting,² held in Washington in April and attended by Mr Papantoniou, President of the Council, and Mr Christophersen, Vice-President of the Commission, the Interim Committee of the International Monetary Fund (IMF) noted the improvement in the world economic environment, particularly following the successful conclusion of the Uruguay Round negotiations.³ It encouraged the industrialized countries to implement forcefully their plans for medium-term fiscal consolidation with a view to boosting national savings, improving growth and employment prospects and making real progress towards reforming the labour market. The Committee welcomed the launching of operations under the enlarged and extended ESAF (Enhanced Structural Adjustment Facility), which will permit continued concessional support for low-income developing countries implementing sound adjustment and reform programmes. It also called for official bilateral creditors to adopt a flexible approach to debt reductions and recommended continued external assistance on concessional terms for low-income countries. It also stressed that the guiding principle for assistance to countries in the process of transition to market economies should be that appropriate financial support would be mobilized only in cases where recipient countries could demonstrate that they were implementing sufficiently sound policies. The Committee encouraged the Fund to play a central role in this process by granting, where necessary, increased access to its own resources.

58. At its 43rd meeting,⁴ held in Madrid on 2 October under the chairmanship of Mr Maystadt and attended by Mr Waigel, President of the Council, and Mr Christophersen, the IMF Interim Committee, noting the improved world economic outlook for the short term, underlined the need to concentrate on economic policies aimed at sustaining non-inflationary growth, reducing unemployment and increasing world living standards. It stressed the contribution that economic policy cooperation had made to world economic progress since the Bretton Woods agreement and reaffirmed the growing importance of such cooperation in a highly integrated world economy. It also emphasized its intention to reinforce its role in the economic policy cooperation and coordination process and the role of the Fund in the international monetary system and, in

¹ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.7.

² Bull. 4-1994, point 1.2.10.

³ Point 985 of this Report.

⁴ Bull. 10-1994, point 1.2.6.

that context, adopted a declaration on the implementation of such a cooperation strategy. In addition, the Committee examined measures designed to boost the financial assistance the Fund gives to its member countries, including a temporary increase in the annual access limits, an extension of, and easier access to, the Systemic Transformation Facility (STF), and an allocation of special drawing rights (SDRs). The Committee also stressed the importance it attached to the specific problems and needs of the countries in transition and of the poorest countries.

59. At the G7's annual summit meeting,¹ the participants stressed the importance of the political and economic transformation so far achieved by Central and East European countries and by the countries which made up the former Soviet Union and reaffirmed their support for the efforts being made by those countries. They welcomed the recovery now under way in the G7 economies against the background of historically low inflation rates and called for multilateral surveillance and economic policy cooperation to be stepped up. They underlined the need to implement appropriate structural measures in order to reduce the high levels of unemployment.

Community initiatives and financial activities

Growth initiative

60. The growth initiative was launched by the European Council in Edinburgh² in December 1992 and was reinforced by it in Copenhagen³ in June 1993. It advocates, besides action at national level, Community measures such as the following: (i) the setting up of the European Investment Fund (EIF)⁴ (with a subscribed capital of ECU 2 billion); (ii) the Edinburgh facility,⁵ a temporary lending arrangement to encourage investment in trans-European network projects (by raising the authorized participation ceiling for EIB loans from 50% of the total project cost to 75% for eligible projects). The total size of this facility, originally set at ECU 5 billion by the European Council in Edinburgh, was raised to ECU 8 billion in 1993, ECU 1 billion of which was earmarked for the SME facility⁶ for strengthening the competitiveness of small and medium-sized enterprises.

¹ Point 818 of this Report.

² Twenty-sixth General Report, point 20.

³ Twenty-seventh General Report, point 16.

⁴ Twenty-sixth General Report, point 54; Twenty-seventh General Report, point 54; point 79 of this Report.

⁵ Twenty-sixth General Report, point 54; Twenty-seventh General Report, points 52 and 53; point 61 of this Report.

⁶ Twenty-seventh General Report, point 42; point 61 of this Report.

Development of financing techniques

61. The SME facility, which was set up in the first half of the year following the Council's adoption of Decision 94/217/EC on 19 April (Table II), provides for Community interest subsidies of two percentage points on a total volume of EIB loans to SMEs of ECU 1 billion. A cooperation agreement¹ between the Commission and the Bank that was signed on 14 June specifies how the facility is to be implemented. The subsidized EIB loans will be allocated to SMEs under the Bank's standard global loan procedures, i.e. through a network of financial intermediaries in the different Member States. On 19 October, the Commission presented its first annual report to Parliament and to the Council on the implementation of this facility.²

Community borrowing and lending

62. On 18 July, the Commission adopted its annual report on the Community's borrowing and lending activities in 1993.³ It also adopted on 18 July and 17 November the reports on the rate of utilization of the New Community Instrument.³

63. On 21 March, the Council adopted a decision authorizing Euratom to help fund safety improvements at nuclear power stations in certain non-member countries.⁴

European Bank for Reconstruction and Development (EBRD)

64. The volume of the EBRD's operations stabilized in 1994: 91 new projects were financed costing ECU 1 870 billion, compared to ECU 1 642 billion in 1993 (+ 14%). However, this apparent stability conceals a marked change in the composition of the Bank's operations: the private sector accounted for a greater proportion of commitments — 70%. As a result, the share of infrastructure projects in the Bank's operations is tending to fall, amounting to ECU 355 million in 1994 compared to ECU 723 million in 1993. More operations were carried out in conjunction with local financial intermediaries, particularly with a view to financing small and medium-sized enterprises. The Bank also took on increased risks, especially by setting up in Russia regional investment funds and a fund for financing SMEs. From a geographical viewpoint, the Bank's operations

¹ Bull. 6-1994, point 1.7.44.

² COM(94) 434; Bull. 10-1994, point 1.2.5.

³ Point 1151 of this Report.

⁴ Point 1161 of this Report.

also changed significantly in the direction of wider distribution and a better balance. These changes, which were welcomed by Parliament¹ on 18 January, reflect the new strategy defined at the beginning of the year, which was supported by the Bank's governors at the annual general assembly² held in St Petersburg from 16 to 19 April. As forecast, the Bank should still show a slight net loss for 1994, mainly because of less favourable conditions on financial markets for treasury operations. However, the Bank could balance its books in 1996.

65. The European Community maintained its support for the EBRD, particularly by providing almost ECU 35 million from the PHARE and TACIS budgets for financing technical assistance operations. Parliament, in its resolution of 11 March on the democratic control of the EIB and the EBRD,³ called for the latter to be subject to supervision by the Court of Auditors.

Macro-financial assistance for the countries of Central and Eastern Europe and for other non-member countries

66. The Community continued to grant financial assistance to the countries of Central and Eastern Europe within the framework of the Group of 24⁴ and in the form of loans or — exceptionally in the case of Albania — grants. The Commission paid out a total of ECU 70 million⁵ on the basis of the decision taken in 1992 to assist Bulgaria. Consideration was also given to new funding for Romania, Albania, Slovakia and Bulgaria. In this connection, the Council adopted Decision 94/369/EC of 20 June granting financial assistance of ECU 125 million to Romania (Table II) and Decision 94/773/EC of 28 November granting financial assistance of ECU 35 million to Albania (Table II). It also adopted on 22 December a Decision granting ECU 130 million to Slovakia (Table II). Finally, following the dissolution of the Czech and Slovak Federal Republic, the Council decided on 24 January (Table II) to split the loan granted in 1991.⁶ On 21 April, the Commission proposed granting an additional medium-term loan to Bulgaria (Table II).

67. Within the framework of Council Decision 91/688/EEC granting a medium-term loan of ECU 1 250 million to the former Soviet Union,⁷ new loan contracts were signed with a number of the Independent States.⁸ On 13 June,

¹ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.3.95.

² Bull. 4-1994, point 1.3.62.

³ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.7.36.

⁴ Point 787 of this Report.

⁵ Point 1155 of this Report.

⁶ OJ L 56, 2.3.1991; Twenty-fifth General Report, point 74.

⁷ OJ L 362, 31.12.1991; Twenty-fifth General Report, point 844.

⁸ Point 1156 of this Report.

the Council adopted Decision 94/346/EC granting financial assistance of ECU 45 million to Moldova (Table II), the first ECU 25 million tranche of which was paid over.¹ On 22 December, the Council decided to grant assistance of ECU 85 million for Ukraine (Table II).

68. Further financial assistance was also given to Algeria, including payment of the second tranche of ECU 150 million of the loan granted to that country² in 1991. The Council also decided on 22 December to grant additional macro-financial assistance of ECU 200 million (Table II) for Algeria.

69. The Commission's report on the implementation of financial assistance was adopted on 7 June.³

European Investment Bank (EIB)⁴

70. The EIB continued to support the aims of the European Union. All in all, it granted loans totalling ECU 19 928 million in 1994, including ECU 2 246 million within the framework of Community cooperation with non-member countries, compared to ECU 19 611 million in 1993.

71. In addition to its normal activities, the EIB continued to implement the measures adopted in connection with the growth initiative.⁵ It committed to 138 projects virtually all of the ECU 7 billion available under the temporary lending facility (Edinburgh facility) designed to speed up the financing of trans-European networks and environmental protection infrastructures.

72. Following Parliament's opinion and the Council's decision to grant interest subsidies from budgetary resources for loans to small and medium-sized job-creating enterprises,⁶ the EIB concluded global loans and subsidy agreements with intermediary institutions in all Community countries.

73. The EIB took an active part in the work of the Christophersen Group,⁷ contributing, given its experience of funding large-scale infrastructure projects, to finding effective solutions to the problems posed by the development of

¹ Point 1155 of this Report.

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

³ OJ C 182, 2.7.1994; COM(94) 229; Bull. 6-1994, point 1.2.14.

⁴ Copies of the EIB's Annual Report and of other publications relating to the Bank's work and its operations can be obtained from the main office (100 Boulevard Konrad Adenauer, L-2950 Luxembourg, tel. 4379-1) or from its external offices.

⁵ Point 60 of this Report.

⁶ Point 61 of this Report.

⁷ Point 321 of this Report.

the trans-European networks. In order to support the development of the Community's less-favoured regions, it helped to vet a number of projects for the Cohesion Fund¹ and administered the financial assistance mechanism set up under the EEA Agreement,² which provides for ECU 1.5 billion in EIB loans, accompanied by interest subsidies of two percentage points, and ECU 500 million in grants for investment projects in the Community's least-favoured regions. On 8 April the EIB's Board of Governors gave its approval to the granting of loans and guarantees in EFTA countries up to a maximum of ECU 500 million per year for two years.

TABLE 1
Contracts signed in 1994 and from 1990 to 1994

	1994		1990-94	
	Amount	%	Amount	%
Belgium	615.3	3.5	1 705.4	2.2
Denmark	849.7	4.8	3 519.4	4.5
Germany	2 407.9	13.6	8 332.1	10.6
Greece	534.7	3.0	1 966.5	2.5
Spain	3 011.5	17.0	14 321.7	18.2
France	2 477.4	14.0	10 187.1	13.0
Ireland	291.1	1.6	1 437.4	1.8
Italy	3 099.5	17.5	18 114.8	23.0
Luxembourg	5.1	0.0	88.2	0.1
Netherlands	399.5	2.3	1 354.3	1.7
Portugal	1 109.7	6.3	5 625.7	7.2
United Kingdom	2 454.7	13.9	10 774.4	13.7
Austria	89.5	0.5	162.0	0.2
Finland	60.2	0.3	60.2	0.1
Sweden	15.3	0.1	15.3	0.0
Other ¹	260.8	1.5	984.6	1.3
Community total ²	17 681.9	100.0	78 649.0	100.0
ACP-OCTs	461.6	20.6	1 485.3	22.3
Mediterranean	607.0	27.0	2 194.3	33.0
Central and Eastern Europe	957.0	42.6	2 659.0	39.9
Latin America, Asia	220.0	9.8	319.0	4.8
Non-Community total ³	2 245.6	100.0	6 657.5	100.0
Overall total	19 927.5		85 306.6	

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

² Includes guarantees amounting to ECU 26 million in 1994 and ECU 205 million from 1990 to 1994.

³ Includes risk capital from budgetary resources:

(i) ACP-OCTs: ECU 239.1 million in 1994 and ECU 597.9 million from 1990 to 1994;

(ii) Mediterranean: ECU 28 million in 1994 and ECU 58.9 million from 1990 to 1994.

¹ Point 435 of this Report.

² Twenty-seventh General Report, point 55.

74. Loans granted for projects in the Community totalled ECU 17 682 million in 1994, compared with ECU 17 724 million in 1993 and ECU 16 141 million in 1992, this against the background of a still difficult economic situation. The EIB was active in the 12 Community countries and in the three applicant countries.

75. In accordance with the task assigned to it, the EIB gave priority to channelling the savings it borrows on the financial markets to investment projects contributing to the development of the less-favoured regions. This assistance accounted for some 72% of financings in the Community. Loans for Community communication infrastructures amounted to ECU 5 698 million; financing for environmental protection or improvements totalled ECU 4 866 million and that for the energy-supply sector, ECU 3 526 million. In the industrial and service sectors, which are more vulnerable at times of economic slowdown, assistance totalled ECU 3 594 million, including ECU 1 693 million for some 6 770 investment projects undertaken by small and medium-sized firms and provided in the form of global loans to a large number of partner banks.

76. Operations outside the Community amounted to ECU 2 246 million (compared with ECU 1 887 million in 1993 and ECU 894 million in 1992). In the Central and East European countries, the authorization given by the EIB's Board of Governors in May to provide loans amounting to ECU 3 billion, backed by Community guarantees,¹ resulted in a level of assistance of ECU 957 million, including, for the first time, loans in Latvia and Lithuania. In the Mediterranean area, financings amounted to ECU 607 million, including ECU 210 million within the framework of the non-protocol additional operations, which can include assistance in the occupied Palestinian territories. In the ACP countries and the OCTs, and for the first time in Eritrea, financings, principally under the Fourth Lomé Convention, totalled ECU 462 million, including ECU 239 million of risk capital. Finally, the EIB extended its lending to new countries in Latin America (ECU 121 million) and in Asia (ECU 99 million).

77. The EIB obtained the funds needed for its lending activities by borrowing a total of ECU 14 148 million on the capital markets, mainly in the form of fixed-rate issues: 75% was raised in Community currencies and in ecus.

78. In June, the Board of Governors replaced part of the Bank's Management Committee members: Mr Gennimatas, Mr Ponzellini, Mr Marti and Mrs Obolensky were appointed Vice-Presidents in place of Mr Duborg, Mr Izzo, Mr De Oliveira Costa and Mr Prate.

¹ Point 1150 of this Report.

European Investment Fund (EIF)

79. The European Investment Fund, the establishment of which was agreed as part of the growth initiative¹ at the European Council meeting in Edinburgh, held its inaugural general meeting in Luxembourg on 14 June; representatives of the EIB, the Commission and 58 financial institutions contributing to its capital took part. The addition to the Statute of the EIB came into force on 1 May² following ratification by the 12 national parliaments.³ On the basis of that amendment, the EIB's Board of Governors set up the EIF on 25 May and adopted its Statutes.³ The EIF's shareholders include the EIB (40% of the capital), the European Community (30% of the capital) and financial and banking institutions in the Member States. Council Decision 94/375/EC on the Community's share in the Fund was adopted on 6 June (Table II).

80. The Fund's activities will be based on the financing of investment projects associated with the trans-European networks (TENs) and on funding for small and medium-sized enterprises (SMEs). The Fund's capital will serve as a basis for providing loan guarantees, and the Fund will subsequently also be able to provide equity capital. The Fund operates on a commercial basis and therefore seeks to obtain an appropriate return on its operations. By the second half of the year, all the preparatory work necessary to ensure a swift development of its activities had been completed, and the first guarantee contract was signed on 23 September. By the end of the year, loan guarantees worth ECU 711 million had already been approved for 12 projects, while guarantees worth ECU 471 million had been signed for seven projects.

¹ Twenty-sixth General Report, point 54; Twenty-seventh General Report, point 54; point 60 of this Report.

² Bull. 5-1994, point 1.2.9.

³ OJ L 173, 7.7.1994.

Section 3

Statistical area

Priority activities and objectives

81. Eurostat continued the implementation of its framework programme for priority action in the field of statistical information (1993-97),¹ particularly, in line with the principle of subsidiarity, through increased dialogue with the national statistical institutes. On 10 March, the Commission submitted to the Council a Regulation (Table II) on Community action in the field of statistics, specifying the arrangements for partnership between Eurostat and the statistical authorities of the Member States, reiterating the underlying principles (scientific independence, transparency, impartiality, reliability and relevance) and establishing the rules for safeguarding statistical confidentiality. In addition, on 17 November, the Commission adopted a proposal for a Council Decision setting out the conditions for cooperation between the European Monetary Institute and the Committee on Monetary, Financial and Balance-of-payments Statistics (Table II). It also adopted, on 4 February,² a communication on progress in the harmonization of gross national product (GNP). Furthermore, with a view to improving the comparability of national economic results, Eurostat participated in the revision of the European System of Accounts (ESA), which is designed for the compilation, within the various national accounts systems, of comparable accounts and tables which can thus be used by the Community. On 16 December, the Commission accordingly adopted a proposal for a Council Regulation (Table II) on the application of the ESA. The Commission also took part, with the assistance of the national statistical offices, in work aimed at the complete harmonization of consumer price indices.

Externally, cooperation with the EFTA countries was stepped up and further efforts were also directed at the Central and East European countries³ and the Independent States of the former Soviet Union to assist them in implementing statistical systems which are compatible with the requirements of a market economy. In this context, statisticians' training was encouraged and significantly extended. In particular, a seminar was organized in Alma Ata (Kazakhstan) on the use of product classifications in external trade statistics. Eurostat also

¹ Twenty-seventh General Report, point 62.

² COM(94) 16; Bull. 1/2-1994, point 1.6.1.

³ Agreement on statistical matters between the European Commission on the one hand and the governments of Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia on the other — Bull. 1/2-1994, point 1.6.3.

assisted in the continued training of students at the school for statisticians in Kigali (Rwanda) and in the population census in the former Yugoslav Republic of Macedonia, conducted under international supervision.

Among Eurostat's new publications,¹ mention should be made in particular of a publicity brochure giving a statistical summary of the main aspects of the European Union,² an edition of Sigma dealing with statistical information and trans-European networks,³ and a publication on the Russian Federation.²

Statistical information relating to the provisions of the Single Act

82. Eurostat continued its task of compiling statistical indicators to monitor the entire internal market. In particular, it was involved in introducing a new legislative framework for indicators on the structure of enterprises.

83. Council Decision 94/445/EC⁴ on inter-administration telematic networks for statistics relating to the trading of goods between Member States (Edicom) should improve the functioning of the Intrastat statistical system,⁵ which covers such movements of goods.

84. In the field of steel statistics, the Commission adopted, on 16 November, Recommendation 94/780/ECSC on statistics relating to the activities of dealers in steel products.⁶

85. As regards social statistics, Eurostat created a European panel of households in order to make the best possible assessment of incomes and living conditions across the Member States of the Union and obtain the information needed to monitor the social implications of the Single Act.

Statistical information linked to the support of other Community policies

86. As part of the follow-up to the White Paper on the future development of the common transport policy⁷ and of the White Paper on growth, competitiveness and employment,⁸ Eurostat endeavoured to provide the European Union with

¹ See the Bulletins for the year, under 'Statistical system'.

² Bull. 5-1994, point 1.5.4.

³ Bull. 6-1994, point 1.6.6.

⁴ Point 331 of this Report (Trans-European networks).

⁵ Council Regulation (EEC) No 3330/91 on statistics relating to the trading of goods between Member States (Intrastat) - OJ L 316, 16.11.1991; Twenty-fifth General Report, point 1232.

⁶ OJ L 315, 8.12.1994; Bull. 11-1994, point 1.6.2.

⁷ Point 363 of this Report.

⁸ Point 17 of this Report.

reliable transport statistics and also worked on the preparation of a Regulation on air transport statistics. The CARE project on statistics on road traffic accidents was implemented. In addition, on 4 July, the Commission adopted a draft Directive on statistics relating to the transport of goods and passengers by sea (Table II).

87. On 24 January, by Decision 94/78/EC, Euratom, the Council established a multiannual programme for the development of Community statistics on research, development and innovation (Table II).

88. In connection with environment policy, on 15 December the Council adopted Decision 94/808/EC on a four-year programme (1994-97) for developing regular official statistics on the environment in cooperation with the European Environment Agency. In addition, a database was made available to users for calculating emissions, particularly CO₂ (Table II).

89. In the field of energy, apart from the provision of traditional data such as quantitative flows and prices, special surveys were conducted on renewable sources of energy and combined heat and power production. Work also started on the collection of data on transport and energy networks.

90. Changes were made to agricultural statistics, in particular following the reform of the common agricultural policy. A new set of statistics on 'agricultural unit values' was developed. The tabular database on the structure of agricultural holdings, 'Eurofarm', became operational. In addition, on 14 November, the Council adopted, on the basis of the pilot project introduced by Decision 88/503/EEC,¹ Decision 94/753/EC on continuing the use of remote sensing for agricultural statistics during the period 1994-98 (Table II).

91. In the field of fisheries, on 9 September the Commission adopted a proposal for a Council Regulation on the submission of nominal catch statistics by Member States fishing in certain areas other than those of the North Atlantic (Table II).

92. The promotion of education and training statistics was the subject of a resolution, adopted by the Council on 5 December,² in which the Member States were urged to step up their cooperation in this field.

¹ OJ L 273, 5.10.1988; Twenty-second General Report, point 72.

² Bull. 12-1994.

Section 4

Internal market

Priority activities and objectives

93. *The European Council at its meeting in Brussels¹ recalled that the single market was one of the main instruments for achieving the objectives of competitiveness, growth and employment. It was in this spirit that the strategic programme 'Making the most of the Internal Market'² was published in December 1993, with Parliament giving its opinion on 20 April.³ This programme served as a basis for activity in the area of the internal market in 1994. Special attention was focused on its practical functioning and a number of initiatives were taken to determine the reaction of private individuals and economic operators. In addition to completing certain aspects of the legislative framework, a good deal of activity was focused on management of the single market. Action was also undertaken in several fields in order to develop even further the single market's potential.*

With a view to ensuring the transposal and effective application of the directives concerning the establishment and functioning of the single market, the Commission adopted on 16 February a communication on administrative cooperation which was subsequently endorsed by the Council and Parliament.⁴

The free movement of goods was the subject of constant monitoring by the Commission — where appropriate, in close cooperation with the EFTA Surveillance Authority. The abolition of border controls on individuals remains an area in which progress is running well behind schedule. As part of its strategy to achieve this objective, and in order to comply with the timetable laid down in Article 100c(3) of the EC Treaty, the Commission proposed a standard model for the visa to be issued to third-country nationals.⁵ It also continued its work to ensure implementation of the freedom to provide services essentially on the basis of the principle of mutual recognition, in accordance with the guidelines set out in its 1993 interpretative communication on the subject.⁶ Significant progress was made in the area of financial services. The single market in insurance was completed with the entry into force on 1 July of the Third

¹ Bull. 12-1993, point I.3.

² Twenty-seventh General Report, point 104.

³ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.11.

⁴ Point 95 of this Report.

⁵ Point 2 of this Report.

⁶ Twenty-seventh General Report, point 103.

Directives on life and non-life insurance.¹ A Directive on deposit-guarantee schemes² was also adopted, together with a Directive amending the Directive on admission prospectuses for stock-exchange listings³ and a Directive on the prudential supervision of financial institutions.⁴ The Commission also adopted a proposal for a Directive designed to improve the conditions in which cross-border transfers are carried out.⁵

On the matter of indirect taxation, activities were geared essentially towards improving the new common systems and ensuring that they are effectively implemented, in particular by means of additional simplification measures, and towards setting in train work on the definitive VAT system. As for direct taxation, the Commission adopted several proposals aimed at improving the fiscal environment of SMEs.⁶

In the area of industrial property, the Council adopted a common position on a proposal for a Directive on the legal protection of biotechnological inventions.⁷

In the field of public procurement, the Commission has concentrated on measures designed to improve the operation of the legislation. On the external front, a major step was taken with the signing, within the GATT, of the Government Procurement Agreement.⁸

The Commission pressed ahead with its efforts to promote a two-way flow of information on the single market. 'Internal Market Weeks' were held in all Member States. It also continued to listen to the views of businesses, trade unions and individuals. For example, organizations representing a wide range of interests were invited to contribute to the preparation of the annual report on the internal market,⁹ and hearings organized both by the Commission and by the Economic and Social Committee gave interested parties further opportunities to provide feedback on their experience of the single market.

Management of the internal market

94. The level of transposal of Community legislation reached 89% by the end of 1994. However, this figure masks substantial differences between sectors. In a number of important areas such as public procurement, intellectual property

¹ OJ L 228, 11.8.1992; OJ L 360, 9.12.1992; Twenty-sixth General Report, point 131.

² Point 129 of this Report.

³ Point 136 of this Report.

⁴ Point 130 of this Report.

⁵ Point 134 of this Report.

⁶ Point 190 of this Report.

⁷ Point 152 of this Report.

⁸ Point 158 of this Report.

⁹ Point 98 of this Report.

and insurance, the level of transposal is significantly below this average. The Commission has intensified its efforts to speed up transposal and to examine the conformity of national measures.

95. Effective enforcement of the single market depends to a large extent on the development of administrative cooperation between Member States. In its Resolution of 16 June,¹ which follows on from the Commission's communication of 16 February on administrative cooperation,² the Council welcomed the Commission's approach.

96. The 'Internal Market Weeks' held in all the Member States were preceded by the installation of a telephone 'hotline' which enabled individuals and firms alike to make better known their views. These events gave them the opportunity to learn about the single market and to relate their experiences.

97. Considerable preparatory work was undertaken for the study on the business and economic implications of the internal market requested by the Council. The basic framework for research has been established and calls for tender launched. This study will be the first major attempt to evaluate the impact of the internal market across a wide range of sectors.

98. The first annual report on the internal market (1993) was adopted by the Commission on 14 March.³ Parliament and the Economic and Social Committee adopted their opinions on 22 April⁴ and 14 September.⁵ On 30 November, the Commission also adopted a summary report for 1994⁶ which it presented to the European Council meeting in Essen. Although its assessment was broadly positive, it highlighted the need for progress in transposing legislation, liberalizing certain sectors and monitoring the way in which legislation is implemented.

Free movement of goods

Implementation of Articles 30 to 36 of the EC Treaty⁷

99. As part of the completion of the process of removing controls at internal frontiers and abolishing barriers to trade, the Commission continued its monitoring of compliance by Member States with the principles of Articles 30,

¹ OJ C 179, 1.7.1994; Bull. 6-1994, point 1.2.16.

² COM(94) 29; Bull. 1/2-1994, point 1.2.7.

³ COM(94) 55; Bull. 3-1994, point 1.2.8.

⁴ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.12.

⁵ OJ C 295, 22.10.1994; Bull 9-1994, point 1.2.15.

⁶ COM(94) 553.

⁷ Further information is contained in the 12th annual report to Parliament on Commission monitoring of the application of Community law (1994) (to be published in 1995) — point 1268 of this Report.

34 and 36 of the EC Treaty. The number of cases under examination as at 31 December 1994 was 603, and 240 new complaints have been received. As in previous years, the Commission was guided by the principles of equal treatment, proportionality and mutual recognition both when examining complaints, cases detected by the Commission itself and infringements and in the context of regular meetings with representatives of the various Member States. The Commission also acted on its own initiative by conducting general enquiries to examine the state of Member States' legislation in a particular sector, this being part of the necessary cooperation between the Commission and the Member States. This year, for example, it concerned itself in particular with the question of the marketing and installation of parabolic television aerials and the marketing of infant formulae.

100. The Commission departments responsible for applying Articles 30 *et seq.* of the EC Treaty acted in close cooperation with the departments of the EEA Surveillance Authority responsible for monitoring compliance with Articles 11 *et seq.* of the EEA Agreement.¹

Technical sector

101. Pursuant to Directive 83/189/EEC,² which lays down a procedure for the provision of information in the field of technical standards and regulations, the Commission received 389 notifications of draft technical regulations, compared to 385 notifications in 1993. Since the information procedure came into force, the Commission has received a total of 2 890 notifications. During the year, the Commission issued detailed opinions on account of the breaches of Community law to which draft regulations might give rise in 79 cases.³ The Member States did so in 69 cases.³

102. The number of notifications under the procedure for the exchange of information in the field of technical regulations provided for in the Agreement on the European Economic Area dropped from 82 in 1993 to 60 in 1994, a reduction of 27%. For its part, the Commission, acting on behalf of the Community, issued a total of 55 observations⁴ to the EFTA countries which are signatories to the EEA Agreement.³ The same procedure also applies informally to Switzerland. The number of notifications by Switzerland went

¹ Point 778 of this Report.

² OJ L 109, 26.4.1983; Seventeenth General Report, point 150.

³ Figures as at 30 January 1994. The time limit for issuing detailed opinions (or observations in the case of the EFTA countries) concerning drafts notified in 1994 is 31 March 1995.

⁴ Of which, 15 detailed opinions sent to the three new Member States.

from 28 in 1993 to 43 in 1994. The Commission, acting on behalf of the Community, issued 26 observations to these countries.¹

103. On 23 March, the European Parliament and the Council adopted Directive 94/10/EC² amending Directive 83/189/EEC for the second time to define its scope in more detail and to clarify the Member States' obligations under the Directive.

104. In order to make it easier for Member States to apply the Directives adopted under the new approach,³ to encourage a consistent interpretation of their provisions and to ensure uniform application of the conformity assessment procedures laid down in them, the Commission organized sectoral meetings with the parties concerned (Member States, industry) and between the notified certification bodies.

105. The legislative work in the framework of the new approach also continued and the European Parliament and the Council adopted Directive 94/9/EC (Table I) on the approximation of the laws concerning equipment and protective systems intended for use in potentially explosive atmospheres, and Directive 94/11/EC on footwear (Table I). The Council adopted a common position on a proposal concerning lifts in June (Table I).

106. In the foodstuffs sector, on 30 June the European Parliament and the Council adopted Directive 94/36/EC on colourings (Table I) and Directive 94/35/EC (Table I) on sweeteners, on 15 December the Council approved a proposal for a Directive (Table I) on additives other than colourings and sweeteners, and on 7 December they adopted Directive 94/52/EC (Table I) on extraction solvents. The implementation of these texts, which cover an area in which there are particularly large differences between the national laws, will make it possible to abolish a substantial number of the barriers which still exist. The Member States will nevertheless be authorized, under certain conditions, to maintain bans concerning the use of additives in certain traditional food products pursuant to Directive 94/34/EC (Table I) which was adopted by the European Parliament and the Council on 30 June. Furthermore, on 24 January, the Council decided (Table III) to open negotiations on the Community's accession to the *Codex Alimentarius*. The Commission adopted proposals on foodstuffs intended for a particular nutritional use (Table I), mineral waters (Table I), and the labelling of foodstuffs (Table I). With regard to scientific cooperation, it laid down, following the adoption on 29 June of management rules for cooperation

¹ Figures as at 30 January 1994. The time limit for issuing detailed opinions (or observations in the case of the EFTA countries) concerning drafts notified in 1994 is 31 March 1995.

² Point 206 of this Report.

³ OJ C 136, 4.6.1985; Nineteenth General Report, point 210.

in the food sector,¹ the first detailed inventory of tasks² requiring the participation of specialized research institutes in the Member States.

107. The legislative work in the chemical products sector in particular concerned the adaptation of Directive 76/769/EEC on the marketing and use of certain dangerous substances and preparations.³ It comprised Parliament and Council Directive 94/27/EC of 30 June amending the Directive for the 12th time by extending its scope to include nickel (Table I), Directive 94/48/EC of 7 December (Table I) amending it for the 13th time with regard to the use of flammable gases in certain aerosols, and Directive 94/60/EC of 3 December (Table I) amending the Directive for the 14th time so as to include creosote, carcinogenic, mutagenic and teratogenic substances and certain chlorinated solvents. For its part, on 14 December, the Commission adopted a proposal for a 16th amendment to the Directive (Table I) to extend its scope to include hexachlorohexane. In accordance with Article 100a(4) of the EC Treaty, on 14 September the Commission also adopted a Decision authorizing Germany to derogate from Directive 91/338/EEC.⁴

108. The measures needed for the completion of the single market in the pharmaceuticals sector have now all been adopted. Two market access procedures will apply from 1 January 1995, either the single authorization procedure, which will be used for some new medicinal products and will be compulsory for biotechnology or a decentralized procedure based on the mutual recognition of national authorizations and, should a conflict arise, on binding Community arbitration which will apply to most medicinal products. The European Agency for the Evaluation of Medicinal Products set up under Regulation (EEC) No 2309/93⁵ will supervise the authorizations. The Agency, which was created in 1994, will start work on 1 January 1995. In addition, on 16 June, the Council adopted Decision 94/358/EC (Table II) accepting the Convention on the Elaboration of a European Pharmacopoeia.

109. In the motor vehicles sector, the European Parliament and the Council adopted Directive 94/12/EC, which is aimed at reducing pollutant emission limit values.⁶ On 30 May, they also adopted Directive 94/20/EC (Table I) on coupling devices and approved the proposal for a Directive on the maximum power of vehicles (Table I). Furthermore, on 13 December, the Commission adopted two proposals (Table I) on the safety of motor vehicles, one concerning resistance to

¹ OJ L 189, 23.7.1994.

² OJ L 253, 29.9.1994.

³ OJ L 262, 27.9.1976.

⁴ OJ L 186, 12.7.1991; Twenty-fifth General Report, point 138.

⁵ OJ L 214, 24.8.1993; Twenty-seventh General Report, point 77.

⁶ Point 530 of this Report.

frontal collisions (Table I) and the other concerning lateral impacts (Table I), and on 16 December, it adopted two proposals for Directives on measures to be taken to combat pollution caused by diesel engines (Table I) and motor vehicle emissions (Table I). It also adopted a Directive on windscreen wipers and washers. On 8 December, the Council adopted a common position on the proposal for a Directive on the fire behaviour of materials used in the interior fittings of buses and coaches (Table I).

110. For their part, on 16 June the European Parliament and the Council adopted Directive 94/25/EC (Table I) on recreational craft, which lays down safety, health and consumer and environmental protection requirements.

111. On 31 January, the Commission adopted a proposal for a Directive (Table I) on the safety of cableway installations designed to carry passengers.

112. Lastly, in the textile products sector, on 25 January the Commission adopted a proposal for a Directive (Table I) on textile names, aimed at consolidating Directive 71/307/EEC¹ and the successive amendments to it.

Veterinary and plant health legislation

113. This year some important decisions were adopted in the veterinary and zootechnical field. In particular, on 23 June, the Council adopted Directive 94/28/EC (Table II) on the zootechnical and genealogical conditions applicable to imports of animals, their semen, ova and embryos, and amending Directive 77/504/EEC² on pure-bred breeding animals of the bovine species, and on 27 July, it adopted Directive 94/42/EC (Table II) amending Directive 64/432/EEC³ on health problems affecting intra-Community trade in bovine animals and swine. It also adopted Decision 94/117/EC⁴ on certain small establishments ensuring the distribution of fishery products in Greece, Decision 94/370/EC⁵ amending Decision 90/424/EEC⁶ on expenditure in the veterinary field, and Decision 94/371/EC⁵ on the putting on the market of certain types of eggs.

114. The Council extended until 1 July 1998 Decision 90/218/EEC⁷ concerning the administration of bovine somatotrophin (BST) (Table II). In an own-initiative

¹ OJ L 185, 16.8.1971.

² OJ L 206, 12.8.1977.

³ OJ L 121, 29.7.1964.

⁴ OJ L 54, 25.2.1994; Bull. 1/2-1994, point 1.2.23.

⁵ OJ L 168, 2.7.1994.

⁶ OJ L 224, 18.8.1990; Twenty-fourth General Report, point 96.

⁷ OJ L 116, 8.5.1990; Twenty-fourth General Report, point 100.

opinion on 15 November, the Committee of the Regions had already called for an extension of the moratorium and further reflection and research concerning the biological, environmental, technological and ethical implications of the use of BST.¹

115. The Commission adopted various proposals for directives, on 28 January on trade in equidae intended for competitions (Table II), on 10 June on conditions for drawing up provisional lists of third-country establishments (Table II), on 23 September on the control of diseases affecting bivalve molluscs (Table II), on 5 December on the certification of animals and animal products (Table II), and on 10 January laying down health rules for the production and marketing of fresh meat and milk products (Table II). Parliament considered the problem of the transport of animals in two resolutions, one adopted on 21 January² and the other on 30 September.³

116. On the international front, the Commission proposed on 28 April (Table III) that the Council should sign a draft agreement with New Zealand on health protection measures applicable to trade in animals, animal products, fish, fish products and live bivalve molluscs.

117. The scope of the new plant health arrangements that came into force on 1 June 1993⁴ was widened to cover the Canary Islands, where the arrangements will be applicable from 1 January 1995 following the adoption of Directive 94/13/EC (Table II) on 29 March. This Directive also includes provisions applicable to the Community as a whole, completing the present arrangements.

118. In the pesticides sector, the arrangements concerning the placing of plant protection products on the market introduced by Directive 91/414/EEC⁵ were supplemented after the adoption by the Council on 27 July of Directive 94/43/EC,⁶ laying down uniform principles to be applied by the Member States for authorization of such products; a resolution on these principles was passed by Parliament on 22 April.⁷ In the framework of the programme for fixing maximum levels of pesticide residues in agricultural products, the Council adopted on 23 June two Directives⁸ establishing Community tolerances for new groups of residues, while the Commission on 11 November adopted two new proposals under the same programme.⁹

¹ Bull. 11-1994, point 1.2.19.

² OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.18.

³ OJ C 305, 31.10.1994; Bull. 9-1994, point 1.2.19.

⁴ Twenty-seventh General Report, point 91.

⁵ OJ L 230, 19.8.1991; Twenty-fifth General Report, point 116.

⁶ OJ L 227, 1.9.1994; Bull. 7/8-1994, point 1.2.14.

⁷ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.23.

⁸ OJ L 189, 23.7.1994; Bull. 6-1994, point 1.2.34.

⁹ COM(94) 482; Bull. 11-1994, point 1.2.20.

119. On 20 June, the Council adopted Regulation (EEC) No 1468/94 (Table II) extending for one year the application of present provisions on the labelling of agricultural products produced by producers converting to organic farming.

120. On 27 July, the Council adopted Regulation (EC) No 2100/94 on Community plant variety rights (Table II), introducing a special system of industrial property rights, to be granted by a Community Office, for direct and uniform application throughout the Community.

121. With regard to animal nutrition, the Council continued its examination of Commission proposals (Table II) relating respectively to the amendment of the procedure for authorizing additives in feedingstuffs, the official control of feedingstuffs, and the approval of certain establishments operating in the animal feed sector. On 20 July, the Commission adopted a proposal for a Directive (Table II) on the circulation of feed materials and on 18 July, a proposal to adapt the Directive (Table II) on compound feedingstuffs in line with the legislation on raw materials.

122. The Community's Veterinary and Phytosanitary Inspections Office (OICVP) organized inspections of establishments producing fresh meat or meat products, both in the Member States and in third countries and missions in the Member States to take stock of the situation as regards low-capacity establishments or those producing fresh meat that had been granted temporary derogations. Special missions were also organized in several Member States affected by epizootics. Inspection visits were made to fishery product establishments in third countries with a view to establishing the necessary health conditions for fishery products to be imported into the Community. In the field of plant health, the main purpose of inspection, control and investigation measures in the Member States was to check on the proper application of the Community's new plant health strategy. There were also inspection missions in various third countries, in particular those which had exported to member countries of the European Union plants and plant products that did not comply with Community plant health requirements.

Free movement of persons

Abolition of internal frontier checks

123. On 13 July, the Commission adopted a proposal for a Regulation laying down a uniform format for visas.¹

Right of entry and residence

124. Information concerning the right of entry and residence is given in Section 2 of Chapter I under the heading 'Citizenship of the Union'.²

Right of establishment

125. A proposal for a Directive to facilitate practice of the profession of lawyer on a permanent basis in a Member State other than that in which the qualification was obtained was adopted by the Commission on 21 December (Table I).

126. On 16 December, the Commission also adopted a proposal for a Parliament and Council Directive (Table I) amending Directive 93/16/EEC³ on the free movement of doctors.

127. On 18 January, Parliament adopted a resolution on the state and organization of the profession of notary⁴ in which it advocates reforms with a view to removing the nationality requirement for those wishing to enter the profession.

Mutual recognition of qualifications

128. On 26 July, the Commission, with a view to revising the classification of certain training courses, adopted Directive 94/38/EC⁵ amending Annexes C and D to Council Directive 92/51/EEC⁶ on a second general system for the

¹ Point 2 of this Report.

² Point 2 *et seq.* of this Report.

³ OJ L 165, 7.7.1993; Twenty-seventh General Report, point 102.

⁴ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.26.

⁵ OJ L 217, 23.8.1994.

⁶ OJ L 209, 24.7.1992; Twenty-sixth General Report, point 167.

recognition of professional education and training to Supplement Directive 89/48/EEC.

Freedom to provide services

Financial services

129. On 30 May, Parliament and the Council adopted (Table I) Directive 94/19/EC on deposit-guarantee schemes, which provides for deposit cover of ECU 20 000 per depositor in the event of a financial crisis within an approved credit institution. Until December 1999, various transitional provisions will allow this cover to be limited to ECU 15 000 in some Member States.

130. On 6 June, the Council adopted a common position (Table I) on the proposal to strengthen prudential supervision in the various financial-services sectors (credit institutions, non-life insurance, life assurance, investment firms and undertakings for the collective investment of transferable securities (UCITS)).

131. On 27 April (Table I), the Commission adopted a proposal for a Parliament and Council Directive amending Directive 89/647/EEC¹ with respect to the supervisory recognition of contracts for novation and netting agreements.

132. The list of approved credit institutions in the Community, published in 1993,² was updated.³

133. In a resolution on the completion of the internal market in financial services adopted on 18 January,⁴ Parliament suggested certain lines of action concerning the sectors which it wishes to see harmonized as a matter of priority.

134. The Commission also continued its policy of improving cross-border payment systems in accordance with the approach set out in its 1992 working document.⁵ Further to its communication of 14 December 1993,⁶ the Commission carried out a study evaluating the transparency and quality of the services available. In the light of the results of that study, it adopted on 19 October a communication containing a proposal for a Directive concerning

¹ OJ L 386, 30.12.1989.

² Twenty-seventh General Report, point 108.

³ OJ C 156, 7.6.1994.

⁴ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.28.

⁵ Twenty-sixth General Report, point 130.

⁶ Twenty-seventh General Report, point 109.

cross-border transfers and a draft notice on the application of the competition rules in this sector.¹ The proposal for a Directive (Table I) would require banks to comply with contractual obligations concerning the time taken to carry out transfers, make dual charging illegal, require lost payments to be refunded and increase transparency. The draft notice aims to facilitate the establishment of the interbank systems necessary in this field. These matters were also dealt with in an Economic and Social Committee own-initiative opinion of 6 July.²

135. On 7 December, the Commission also withdrew its proposal for a Directive relating to the freedom of management and investment of funds held by institutions for retirement provision.³ On the same date, it adopted a communication⁴ in which it stressed that the principles of the freedom to provide services and freedom of capital movements nevertheless apply to the management and investment of assets held by institutions for additional retirement provision and defined the basic prudential principles.

136. On 30 May, Parliament and the Council adopted Directive 94/18/EC (Table I) amending Directive 80/390/EEC⁵ coordinating the requirements for the drawing-up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock-exchange listing. The Commission adopted on 13 December, an amended proposal for a Parliament and Council Directive on investor compensation schemes (Table I).

Media

137. On 5 October, the Commission adopted⁶ a communication on the follow-up to the consultation process relating to the Green Paper on 'Pluralism and media concentration in the internal market — an assessment of the need for Community action'.⁷ This is an interim report which presents the results of the consultation process launched following publication of the Green Paper on whether Community action was necessary in this area. The communication states that a Community initiative on media ownership might be necessary and that further work should be undertaken in this connection. For its part, Parliament adopted resolutions advocating such action on 20 January⁸ and 27 October.⁹

¹ Bull. 10-1994, point 1.2.11.

² Bull. 7/8-1994, point 1.2.15.

³ OJ C 312, 3.12.1991.

⁴ COM(94) 591; Bull. 12-1994.

⁵ OJ L 100, 17.4.1980.

⁶ COM(94) 353; Bull. 10-1994, point 1.2.13.

⁷ Twenty-sixth General Report, point 184.

⁸ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.30.

⁹ OJ C 323, 23.11.1994; Bull. 10-1994, point 1.2.14.

Free movement of capital

138. Following the entry into force of the Treaty on European Union, the principle of the free movement of capital and payments is now expressly laid down in the EC Treaty (Article 73b). The main change as compared to the previous situation is the extension in all but a few cases of the obligation to liberalize capital movements to and from third countries. Nevertheless, Article 73f of the EC Treaty authorizes temporary safeguard measures to be taken where they are justified on serious political grounds or where capital movements to or from third countries cause serious difficulties for the functioning of economic and monetary union.

139. On 16 May, Greece removed the last remaining restrictions on capital movements, which, under Council Directive 92/122/EEC,¹ it had been authorized to maintain until 30 June. As a result, the arrangements for the free movement of capital are now applicable throughout the Union.

Taxation

Direct taxation

140. On 19 April, Parliament approved,² subject to a reservation concerning the proposed uniform rate of withholding tax on dividends, the approach recommended by the Commission in its 1992 communication on the guidelines on company taxation linked to the further development of the internal market.³

141. In the context of the White Paper on growth, competitiveness and employment,⁴ the Commission adopted on 25 May a communication on the improvement of the fiscal environment of small and medium-sized enterprises (SMEs),⁵ a recommendation concerning the taxation of SMEs⁶ and on 29 June a communication on the transfer of businesses.⁷

142. On 30 November, it also decided to withdraw⁸ its proposal of November 1990⁹ on a common system of taxation applicable to interest and royalty

¹ OJ L 409, 31.12.1992; Twenty-sixth General Report, point 138.

² OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.39.

³ Twenty-sixth General Report, point 147.

⁴ Point 17 of this Report.

⁵ Point 187 of this Report.

⁶ Point 190 of this Report.

⁷ Point 192 of this Report.

⁸ Bull. 11-1994, point 1.2.23.

⁹ OJ C 53, 28.2.1991; COM(90) 571; Twenty-fourth General Report, point 154.

payments made between parent companies and subsidiaries in different Member States.

Indirect taxation

143. On 14 February, the Council adopted Directive 94/5/EC (Table II) supplementing the common system of value-added tax and amending Directive 77/388/EEC¹ — Special arrangements applicable to second-hand goods, works of art, collectors' items and antiques. The special arrangements established by this Directive include *inter alia* an exemption from VAT and administrative formalities for sales between private individuals and stipulate that, in the case of transactions by taxable dealers, the tax should be calculated on the basis of the profit margin and no longer on the basis of the total price.

144. On the same date, the Council also adopted Directive 94/4/EC (Table II) amending Directives 69/169/EEC² and 77/388/EEC¹ and increasing the level of allowances for travellers from third countries and the limits on tax-free purchases in intra-Community travel, together with Regulation (EC) No 355/94 (Table II) amending along similar lines Regulation (EEC) No 918/83 setting up a Community system of reliefs from customs duty.³

145. On 24 October, the Council also adopted conclusions on the essential criteria for the establishment of the definitive VAT system.⁴

146. For its part, the Commission adopted on 2 March a proposal for a Directive (Table II) amending Directive 77/388/EEC¹ and introducing new simplification measures with regard to VAT under the transitional arrangements in force since 1 January 1993.⁵ The transitional arrangements were the subject of a Commission report which was adopted on 23 November⁶ pursuant to Directive 91/680/EEC⁷ and indicated that the overall assessment of its operation is positive, although the arrangements do not enable businesses or consumers to enjoy all the expected benefits of the single market.

147. On 23 June, the Commission transmitted to the Council and Parliament a report⁸ on the application of Regulation (EEC) No 218/92⁹ on administrative cooperation in the field of indirect taxation (VAT).

¹ OJ L 145, 13.6.1977.

² OJ L 133, 4.6.1969.

³ OJ L 105, 23.4.1983; Seventeenth General Report, point 217.

⁴ Bull. 10-1994, point 1.2.15.

⁵ Twenty-seventh General Report, point 122.

⁶ COM(94) 515; Bull. 11-1994, point 1.2.25.

⁷ OJ L 376, 31.12.1991; Twenty-fifth General Report, point 195.

⁸ COM(94) 262.

⁹ OJ L 24, 1.2.1992; Twenty-sixth General Report, point 149.

148. On 15 September, it adopted a proposal for a Directive (Table II) laying down the conditions for exemption from VAT on importation.

149. On 2 November, the Commission adopted a communication and a report to the Council and Parliament with a view to simplifying the arrangements for the charging of VAT on transactions carried out by non-established taxable persons.¹ In accordance with Directive 92/77/EEC,² it also adopted on 13 December a report in which it examines the application of the VAT rates in force with regard to the proper functioning of the single market, together with a proposal for a Directive (Table II) concerning the VAT rates applicable to certain agricultural products (in particular horticultural products).

150. The Commission continued to monitor, in conjunction with national administrations, the functioning of the new arrangements for excise duties. It adopted on 28 June (Table II), a proposal for a Directive intended to clarify and simplify the structure and rates of excise duties on mineral oils and the general arrangements for the holding, movement and monitoring of products subject to excise duty and on 3 October, a proposal for the consolidation of the rules on taxes affecting the consumption of manufactured tobacco (Table II).

Company law

151. On 21 March, the Council adopted Directive 94/8/EC³ amending Directive 78/660/EC⁴ in order to incorporate the results of the five-yearly revision of the amounts expressed in ecus and used to define the SMEs to which Member States grant derogations regarding annual accounts.

Intellectual and industrial property

152. In the area of intellectual policy, the Council on 7 February adopted a common position concerning the Directive on the legal protection of biotechnological inventions (Table I), the purpose of which is to abolish obstacles to the free movement of biotechnological products and to provide the Union with a legal framework which guarantees the competitiveness of its industry.

153. By decisions of 16 June and 27 June, the Council appointed the President and Vice-Presidents of the Office for Harmonization in the Internal Market

¹ COM(94) 471; Bull. 11-1994, point 1.2.24.

² OJ L 316, 31.10.1992; Twenty-sixth General Report, point 148.

³ OJ L 82, 25.3.1994; Bull. 3-1994, point 1.2.32.

⁴ OJ L 222, 14.8.1978.

(trade marks and designs). These decisions followed on from the entry into force on 15 March of Regulation (EC) No 40/94 on the Community trade mark.¹

154. For its part, the Commission adopted on 9 December a proposal for a Regulation concerning the creation of a supplementary protection certificate for plant protection products (Table I) that would take effect at the time of the expiry of the basic patent.

155. In the field of intellectual property, the Council adopted on 27 June, as part of the implementation of Directive 87/54/EEC on the legal protection of topographies of semiconductor products,² Decision 94/373/EC³ renewing on a reciprocal basis the extension to persons and companies from the United States of America of the legal protection for topographies of semiconductor products until 1 July 1995. Decision 94/700/EC, adopted by the Council on 24 October,⁴ extends this protection to Canada. On 7 December, the Commission also proposed an extension of the protection enjoyed by the territories which have a special link with the Netherlands or the United Kingdom.⁵ Its proposal was adopted by the Council on 19 December.

156. On 11 March, Parliament adopted a resolution⁶ approving the Commission's 1992 communication on intellectual property rights and standardization.⁷ The information relating to the protection of personal data is contained in Chapter I, Section 4: 'Protection of citizens'.⁸

Public procurement

157. The Commission continued its efforts to facilitate the implementation of the Community rules on public procurement. On 14 and 15 January, it organized a conference attended by more than 500 public-sector purchasers, lawyers, trainers and business managers. It also worked on developing the SIMAP information system:⁹ calls for tenders¹⁰ were published with a view to launching pilot applications.

¹ OJ L 11, 14.1.1994; Twenty-seventh General Report, point 117.

² OJ L 24, 27.1.1987; Twenty-first General Report, point 295.

³ OJ L 170, 5.7.1994; Bull. 6-1994, point 1.2.39.

⁴ OJ L 284, 1.11.1994; Bull. 10-1994, point 1.2.18.

⁵ COM(94) 574; OJ L 351, 31.12.1994; Bull. 12-1994.

⁶ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.33.

⁷ Twenty-sixth General Report, point 145.

⁸ Point 15 of this Report.

⁹ Twenty-seventh General Report, point 114.

¹⁰ OJ C 189, 12.7.1994.

158. On the external front, the year was marked by the conclusion on 15 April of the GATT Government Procurement Agreement,¹ which will provide European suppliers with bidding opportunities for some USD 350 billion worth of contracts in the United States, Japan, South Korea, Israel and the EFTA countries. The negotiations leading to the conclusion of this Agreement were the subject of a Parliament resolution of 11 March.² The Commission also proposed the conclusion of a bilateral agreement with the United States (Table III) covering certain contracts which fall outside the scope of the GATT Agreement.³ The Council has authorized the negotiation of similar agreements with South Korea and Switzerland.⁴

Training in Community law

159. In the context of the strategic programme for the internal market, the Commission has taken a series of measures to improve training in Community law for the legal professions (judges and practitioners), facilitate consumer access to justice⁵ and speed up the conclusion of several conventions currently being discussed.⁶ For the purpose of drawing up the 'Joint programme on training and the dissemination of information in the area of Community law', intended for the legal professions, it launched in November, a survey to identify the difficulties encountered and requirements identified by lawyers in this area in all Member States.

¹ Bull. 4-1994, point 1.3.61.

² OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.34.

³ Point 823 of this Report.

⁴ Point 784 of this Report.

⁵ Point 669 of this Report.

⁶ See Chapter IV of this Report.

Section 5

Competition¹

Priority activities and objectives

160. *In implementing competition policy, the Commission took account of the following: the effects of the slowdown in economic activity in 1993, which continued to make itself felt this year despite the signs of economic recovery; the restructuring process set in train in response to this situation in 1993 and continued in 1994; and the measures taken by Member States to assist firms in economic difficulties. In line with its previous policy, however, the Commission authorized such measures only where they were limited to what was necessary for the restructuring of the firms concerned. So as to make clear its position in this respect, it adopted on 27 July guidelines on State aid for rescuing and restructuring firms in difficulty,² in which it stressed that a restructuring plan must be drawn up and that the conditions of competition must not be unduly affected if public assistance was to be authorized. The same approach was adopted in the steel industry, where the Commission accepted plans for the restructuring and privatization of firms in a number of Member States.*

Competition policy has a key role to play in promoting economic recovery. It can influence market structure, both by establishing a framework that will enable consumers to benefit from the advantages of a system of competition and by screening types of corporate conduct in order to authorize those which are favourable to competition and to prohibit the others. The liberalization process begun in some industries was thus pursued this year, in order to ensure that the objectives set, notably in telecommunications, were achieved by the deadlines laid down. The Commission also authorized certain forms of cooperation (strategic alliances) between firms, taking the view that, provided certain guarantees were given that competition would not be distorted, such cooperation between firms could help them adjust to their new economic environment. In addition, vigorously pursuing all forms of corporate conduct that cause serious restrictions of competition and deprive other firms and consumers of the benefits of an open market economy, the Commission imposed heavy penalties on several cartels.

¹ For further details see the *Twenty-fourth Report on Competition Policy* (1994), to be published by the Office for Official Publications of the European Communities in 1995 in conjunction with this General Report.

² Point 176 of this Report.

The Commission was concerned to increase transparency and speed up procedures so as to make them more effective and prevent them from hampering the adjustment of firms to their economic environment. It accordingly adopted this year a number of general instruments covering mergers,¹ State aid and the rules applicable to firms.

Lastly, the international dimension of the economy and the growing internationalization of trade prompted the Commission to take account of these factors in applying competition policy. The Commission developed effective cooperation with the EFTA Surveillance Authority.² A satisfactory solution was also achieved in the Microsoft case³ thanks to collaboration between the US Department of Justice and the Commission.

On 5 May, the Commission adopted the Twenty-third Report on Competition Policy,⁴ on which the Economic and Social Committee gave its opinion on 21 December.⁵ On 8 February, Parliament delivered its opinion⁶ on the Twenty-second Report on Competition Policy.⁷

Competition rules applying to businesses

161. New cases under Articles 85 and 86 of the EC Treaty totalled 392, comprising 237 notifications, 139 complaints and 16 cases where the Commission acted on its own initiative. More than one third of these cases entailed the simultaneous application of Articles 53 and 54 of the Agreement on the European Economic Area (EEA). The figure of 1 126 cases pending at 31 December 1993 was reduced to 1 058 by 31 December 1994. New cases under Articles 65 and 66 of the ECSC Treaty totalled 63, comprising 44 notifications, 12 complaints and 7 cases where the Commission acted on its own initiative. The Commission received 37 notifications under Article 66 of the ECSC Treaty. Of these, 10 culminated in a decision and 17 in the sending of an exemption letter under High Authority Decision No 25-67 and 10 in no action being taken. The main decisions here were: *Mannesmann/Vallourec/Ilva*,⁸ *Sidmar/KS*,⁹ *Thyssen*

¹ Namely, a revised Implementing Regulation, a revised administrative form, a new notice on concentrative and cooperative joint ventures, and three interpretative notices on the concepts of 'control', 'undertakings concerned' and 'calculation of turnover'.

² Point 184 of this Report.

³ Point 185 of this Report.

⁴ COM(94) 161; Bull. 5-1994, point 1.2.21.

⁵ Bull. 12-1994.

⁶ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.37.

⁷ COM(93) 162; Twenty-seventh General Report, point 134.

⁸ Bull. 1/2-1994, point 1.2.44; OJ L 102, 21.4.1994.

⁹ Bull. 7/8-1994, point 1.2.26.

Stahl/Krupp-Hoesch,¹ *Coopers/Sheppard*,² *Anglo/Coal Products*,³ *CFF/Ferrero* and *Thyssen Handel/Rheinbraun*.

General rules

162. On 8 June, the Commission adopted a report on the application of the competition rules to maritime transport, especially the inland section of multimodal transport operations.⁴ On 30 September, it adopted a draft block exemption Regulation applicable to certain categories of technology transfer agreements.⁵ On 5 October, it approved⁶ a draft Regulation on the application of Article 85(3) of the Treaty to certain categories of motor vehicle distribution and servicing agreements with a view to replacing Regulation (EEC) No 123/85,⁷ which expires on 30 June 1995.

163. On 21 December, the Commission adopted a notice⁸ updating its 1986 notice on agreements of minor importance which do not fall under Article 85(1) of the EC Treaty.⁹ Its purpose is to increase from ECU 200 million to ECU 300 million the turnover threshold below which enterprises can enjoy the benefits inherent in being covered by the notice.

164. On 21 December, the Commission finally adopted a new Regulation on the form, content and other details of applications and notifications pursuant to Council Regulation No 17, together with a new form, the aim being to speed up considerably its procedures in the field of restrictive practices.

Prohibited horizontal agreements

165. Following an investigation under Article 65(1) of the ECSC Treaty, the Commission ordered a cartel involving price fixing, market sharing and the exchange of confidential information set up by 17 Community and Scandinavian producers and distributors of steel beams to terminate its activities. Fines totalling ECU 100.4 million were imposed on 14 of the firms.¹⁰ The Commission took a similarly strict approach in prohibiting (under Article 85(1) of the EC

¹ Bull. 7/8-1994, point 1.2.24.

² Bull. 7/8-1994, point 1.2.27.

³ Bull. 9-1994, point 1.2.34.

⁴ Bull. 6-1994, point 1.2.43.

⁵ OJ C 178, 30.6.1994.

⁶ Bull. 10-1994, point 1.2.20.

⁷ OJ L 15, 18.1.1985; Eighteenth General Report, point 212.

⁸ Bull. 12-1994.

⁹ OJ C 231, 12.9.1986; Twentieth General Report, point 423.

¹⁰ OJ L 116, 6.5.1994; Bull. 1/2-1994, point 1.2.39.

Treaty) price-fixing and market-sharing agreements in the carton-board industry and imposing fines totalling ECU 132.15 million on the 19 producers operating the cartel.¹ At the end of the year, by its Decision on the cement industry cartel, the Commission imposed very heavy fines totalling ECU 248 million on 33 producers, eight associations of undertakings and the European Cement Association for being party to a general market-sharing agreement.²

166. On 27 July, the Commission re-enacted the Decision against PVC producers originally adopted on 21 December 1988 and subsequently annulled on a technicality by the Court of Justice on 15 June.³ The re-adoption of this Decision,⁴ which imposes a fine of ECU 23.5 million on 14 PVC producers participating in a market-sharing and price-fixing cartel, demonstrates the Commission's determination to take action against such restrictive agreements, which infringe the basic rules of competition, by imposing substantial fines on those involved.

Permissible forms of cooperation

167. The Commission's attitude to strategic alliances and, in particular, to cooperative joint ventures was demonstrated in the adoption of a number of formal exemption decisions, including Decision 94/579/EC concerning the United Kingdom telecommunications operator British Telecom and the United States long-distance telecommunications company MCI, which granted both negative clearance and individual exemption under Article 85(3) of the EC Treaty and Article 53(3) of the EEA Agreement.⁵ In the petrochemicals industry, by Decision 94/322/EC, the Commission authorized the setting-up by Exxon and Shell of a joint venture to produce linear low-density polyethylene.⁶ In the brick industry, by Decision 94/296/EC concerning Stichting Baksteen, it authorized an agreement to reduce structural overcapacity⁷ which complied with the principles spelt out in the Twelfth Competition Report and restated in the Twenty-third Competition Report.⁸ In October, the Commission authorized the agreements setting up a joint venture between the US company Merck and the French company Pasteur Mérieux. The joint venture will combine the human vaccine operations of both parties in the European Economic Area.⁹ In the

¹ Bull. 7/8-1994, point 1.2.20.

² Bull. 11-1994, point 1.2.30.

³ Judgment of 15 June 1994 in Case C-137/92P, not yet reported; point 1286 of this Report.

⁴ Bull. 7/8-1994, point 1.2.21.

⁵ OJ L 223, 27.8.1994; Bull. 7/8-1994, point 1.2.22.

⁶ OJ L 144, 9.6.1994; Bull. 5-1994, point 1.2.22.

⁷ OJ L 131, 26.5.1994; Bull. 4-1994, point 1.2.46.

⁸ Point 160 of this Report.

⁹ OJ L 309, 2.12.1994; Bull. 10-1994, 1.2.25.

computer industry, the Commission authorized in November a technological cooperation agreement between the US manufacturer Digital and the Italian manufacturer Olivetti concerning computers based on RISC (reduced instruction set computer) technology.¹ In December, it adopted three favourable decisions concerning the formation of joint ventures: Fujitsu AMD Semiconductor,² IPSP³ and Philips/OSRAM.³

Dominant positions

168. In its Decision of 29 March concerning HOV-SVZ/MCN, the Commission showed its determination to impose severe penalties on any form of abuse by firms enjoying a monopoly in the supply of services, particularly in transport.⁴ Having found that Deutsche Bahn (DB) was using its monopoly on the market in rail services in Germany to impose combined transport tariffs favouring transport to and from German ports, which is entirely in its hands, as opposed to services to and from Belgian and Dutch ports, the Commission imposed a heavy fine of ECU 11 million on DB for infringement of Article 86 of the EC Treaty.

169. In July, in the computer software industry, the Commission obtained an important undertaking from Microsoft, the world's leading software producer.⁵ The undertaking, which enabled the Commission to close the file on the case involving practices pursued by Microsoft in granting software licences to microcomputer manufacturers, is the result of close cooperation between the Commission and the US Department of Justice.⁶ The undertaking states that Microsoft will limit the duration of its licence agreements to one year, will no longer impose a 'minimum commitment' under which the microcomputer producer is obliged to make royalty payments for a minimum fixed number of covered products, regardless of actual sales, and will no longer use the 'per processor licence' clause, under which a royalty had to be paid for all personal computer systems that contained a particular microprocessor sold by the manufacturer even if no Microsoft product had been incorporated.

Mergers

170. In 1994, the Commission received 95 notifications, 21 of which led to the cooperation procedure with the EFTA Surveillance Authority being set in train, and it took 111 decisions under Regulation (EEC) No 4064/89.⁷ As in previous

¹ OJ L 309, 2.12.1994; Bull. 11-1994, point 1.2.29.

² OJ L 341, 30.12.1994; Bull. 12-1994.

³ Bull. 12-1993.

⁴ OJ L 104, 23.4.1994; Bull. 3-1994, point 1.2.35.

⁵ Bull. 7/8-1994, point 1.2.23.

⁶ The full text of Microsoft's undertaking is published in Bull. 7/8-1994, point 2.4.1.

⁷ OJ L 395, 30.12.1989; Twenty-third General Report, point 376.

years, it was able to clear the great majority of cases at the first stage of examination, though in a small number of cases it made its authorization subject to compliance with the amendments and undertakings proposed by the notifying parties during the examination.¹ On six occasions, however, the Commission took the view that it was necessary to initiate the second stage of examination.

171. In the *Mannesmann/Vallourec/Ilva* case, the Commission took the view that the risk of establishing a duopolistic dominant position between the new joint venture DMV and the Swedish producer Sandvik on the western European market for seamless stainless steel tubes was limited, given the capacity of current Japanese competitors or potential western European competitors to react to any artificial price rise by the two market leaders.²

172. In the *Procter & Gamble/VP Schickedanz*³ and *Shell/Montecatini*⁴ cases, the Commission made its authorization subject to structural changes being undertaken. It authorized Procter & Gamble to acquire Schickedanz on condition that P&G sell off the latter's 'Camelia' feminine hygiene products business to a third party capable of competing in the market. The sale, which has now taken place, was the only way to resolve the problem of the creation of a dominant position on the part of P&G in the German and Spanish markets for sanitary towels. The Commission likewise gave conditional clearance for the formation of a joint subsidiary between Shell and Montedison in the polypropylene sector. Having established that there were two separate markets, one for polypropylene production technology and the other for the production and sale of polypropylene, the Commission found that the operation could lead to the creation of a dominant position. Only the structural changes proposed by the parties (steps to keep Montedison's production technology outside the joint subsidiary and Montedison's withdrawal from its joint production subsidiary with Petrofina) enabled the Commission to declare the operation compatible with the common market.

173. In the *MSG Media Service* case, the Commission decided to prohibit the proposed formation of a joint venture which was to provide various services to digital pay-television operators in Germany. The proposal would have led to the creation or strengthening of a dominant position in three markets, including those for pay-TV and cable networks.⁵

¹ Bull. 3-1994, point 1.2.42; Bull. 7/8-1994, point 1.2.32.

² OJ L 102, 21.4.1994; Bull. 1/2-1994, point 1.2.44.

³ Bull. 1/2-1994, point 1.2.49; Bull. 6-1994, point 1.2.53.

⁴ Bull. 1/2-1994, point 1.2.46; Bull. 6-1994, point 1.2.48.

⁵ Bull. 11-1994, point 1.2.34.

Public enterprises and national monopolies

174. On 13 October, the Commission adopted Directive 94/46/EC¹ amending Directives 88/301/EEC² and 90/388/EEC³ as regards satellite communications in particular, thus paving the way for liberalization in this sector and marking the completion of an important stage in the process leading up to the information society.⁴ On 21 December, it approved a draft Directive amending Directive 90/388/EEC with a view to abolishing restrictions on the use of cable television networks for the supply of telecommunications services.⁵

State aid

General policy

175. During the year, the Commission received 526 notifications of new aid schemes or amendments to existing aid schemes and registered 68 cases of unnotified aid schemes. In 440 cases, it decided not to raise any objections; in 40 cases, it decided to initiate proceedings under Article 93(2) of the EC Treaty or Article 6(4) of Decision 3855/91/ECSC, as a result of which it took 15 positive final decisions, 3 negative final decisions and 2 conditional final decisions. It decided to propose appropriate measures under Article 93(1) of the EC Treaty in respect of 10 existing aid schemes.

176. On 27 July, the Commission adopted Community guidelines on State aid for rescuing and restructuring firms in difficulty,⁶ which set out its approach to examining aid of this type: in particular, there must be a restructuring plan capable of ensuring the viability of the firm, aid must be limited to the strict minimum needed for implementing the plan, criteria ensuring that the distortion of competition will be strictly limited must be met, and aid to cover the financing of social measures for the benefit of employees who are displaced by restructuring will be given sympathetic consideration.

Industry schemes

177. As regards derogations from Community policy on aid to the steel industry, the Commission, having received the Council's assent in December 1993,⁷ adopted on 12 April under Article 95 of the ECSC Treaty the decisions

¹ OJ L 268, 19.10.1994; Bull. 10-1994, point 1.2.19.

² OJ L 131, 27.5.1988; Twenty-second General Report, point 419.

³ OJ L 192, 24.7.1990; Twenty-fourth General Report, points 209 and 312.

⁴ Point 401 of this Report.

⁵ Bull. 12-1994.

⁶ Bull. 7/8-1994, point 1.2.42.

⁷ Twenty-seventh General Report, point 155; Bull. 12-1993, points 1.2.91 to 1.2.97.

authorizing aid for the restructuring and, in some cases, privatization of steel undertakings in Germany (*EKO Stahl* and *Sächsische Edelstahlwerke Freital*), Italy (*Ilva*), Spain (*CSI and Sidenor*) and Portugal (*Siderurgia Nacional*).¹ A system was set up for monitoring compliance with the conditions imposed on the steel companies. The withdrawal in May of the private Italian group Riva led to the collapse of EKO Stahl's restructuring plan. In July, the Commission initiated two sets of proceedings under Article 6(4) of the Steel Aid Code, one concerning the financing of EKO Stahl by the Treuhandanstalt² and the other the payment to it of regional investment aid.³ On 25 October, the Commission proposed to the Council that it give its unanimous assent to the payment of just under DM 910 million in aid to EKO Stahl to help the company implement a new restructuring plan in partnership with the Belgian steelmaker Cockerill Sambre SA.⁴ The Council gave its assent on 8 December.⁵

178. The Commission extended⁶ until 30 June 1995 the code on aid to the synthetic fibres industry.⁷

179. On 19 December, the Council adopted Directive 94/73/EC (Table II) amending the seventh Directive on aid to shipbuilding⁸ and the Commission set the aid ceiling for 1995 at 9%. Negotiations within the OECD led to the conclusion in July of an agreement aimed at ensuring normal conditions of competition in the commercial shipbuilding sector as from 1 January 1996.⁹ The agreement was signed by all the parties on 21 December.

180. The Commission continued its monitoring of the operations of the Treuhandanstalt (THA) in Germany. With the THA due to be wound up by the end of the year, negotiations took place on the procedures and criteria that will be applicable in 1995 to the THA's remaining enterprises.

181. Following the Commission's decisions in the EFIM case,¹⁰ a working group was set up to monitor the restructuring and privatization of a number of public undertakings in Italy. Thanks to the close cooperation which has been established between the Italian authorities and the Commission, any difficulties that arise are being dealt with speedily and efficiently.

¹ Decisions 94/256/ECSC to 94/261/ECSC; OJ L 112, 3.5.1994; Bull. 4-1994, points 1.2.57 to 1.2.62.

² OJ C 274, 1.10.1994.

³ OJ C 303, 29.10.1994.

⁴ Bull. 10-1994, point 1.2.45.

⁵ OJ C 360, 17.12.1994; Bull. 12-1994.

⁶ Bull. 7/8-1994, point 1.2.43.

⁷ OJ C 186, 18.7.1991; Twenty-fifth General Report, point 253.

⁸ OJ L 380, 31.12.1990; Twenty-fourth General Report, point 205.

⁹ Point 215 of this Report.

¹⁰ Twenty-seventh General Report, point 159.

Regional schemes

182. As part of its preparatory work in the run-up to enlargement, the Commission examined regional aid schemes and assisted area maps in Austria, Finland, Sweden and Norway. On 1 June, it decided¹ to amend the method for the application of Article 92(3)(c) of the EC Treaty to regional aid² so as to adapt it to the specific regional problems faced by the Nordic countries.³

183. As part of a periodic general review of aid schemes in force in the Member States, the details of several such schemes and the assisted area maps were examined with a view to reducing the proportion of the population covered and ensuring greater consistency with the maps of areas eligible for aid from the Structural Funds. Decisions were adopted for Germany⁴ and France.⁵ The review has reached an advanced stage in the case of Italy, Spain, the Netherlands, Belgium and Luxembourg. The Commission also examined the compatibility of Structural Fund assistance for various objectives with Articles 92 and 93 of the EC Treaty.

International aspects

184. The main event at international level was the entry into force of the Agreement establishing the European Economic Area,⁶ which provides for extensive cooperation on competition matters between the Commission and the EFTA Surveillance Authority. The exchange of information between the competition authorities functioned satisfactorily.

185. The Court of Justice delivered its judgment⁷ in the action brought against the cooperation agreement on competition matters concluded between the Commission and the United States Government,⁸ ruling that the power to conclude such an agreement belonged to the Council and not to the Commission. The Court's judgment does not, however, have the effect of annulling the agreement itself, which remains valid in international law. On 19 December, the Council authorized the Commission to negotiate an exchange of letters interpreting this agreement concerning the application of the competition rules (Table III). The cooperation established between the Commission and the US

¹ Bull. 6-1994, point 1.2.59.

² OJ C 212, 12.8.1988; Twenty-second General Report, point 438.

³ Point 726 of this Report.

⁴ Bull. 1/2-1994, point 1.2.57; Bull. 3-1994, point 1.2.52.

⁵ Bull. 9-1994, point 1.2.55.

⁶ Point 778 of this Report.

⁷ Judgment of 9 August 1994 in Case C-327/91, OJ C 275, 1.10.1994; Bull. 10-1994, point 1.7.15.

⁸ Twenty-fifth General Report, point 246.

Department of Justice in the *Microsoft* case¹ demonstrated that, in dealing with problems having an international dimension, only effective and efficient collaboration between competition authorities could achieve satisfactory results.

186. On 12 October, the Commission adopted a recommendation for a Decision on a draft agreement between the European Community and Canada on the application of competition laws (Table III).

¹ Point 169 of this Report.

Section 6

Enterprise and services policy

Priority activities and objectives

187. *In emphasizing the vital role of small and medium-sized enterprises (SMEs) for giving a new impetus to growth and employment and ensuring the efficient working of the internal market, the European Union has added a new dimension to enterprise policy based on the White Paper on growth, competitiveness and employment.¹ The integrated programme in favour of SMEs and the craft sector, adopted by the Commission in June² and welcomed by the European Council in Corfu,³ marks the beginning of a second-generation enterprise policy. The European Council in Essen reaffirmed the importance of improving the environment for SMEs.⁴ The European Union has also continued its efforts to promote tourism, to integrate trade and distribution more closely in the internal market and to create a favourable climate for firms in the cooperative, mutual and non-profit sector.*

Improving the business environment

188. The integrated programme in favour of SMEs and the craft sector⁵ aims to assemble, in a global and coherent framework, the various initiatives which already exist, such as the multiannual programme in favour of enterprises,⁶ and to propose new measures at Community, national and regional levels to be implemented in a partnership between all parties concerned with the development of SMEs. These new measures include, firstly, efforts to promote mutual consultation between Member States and, secondly, contributions by the European Union towards the development of enterprises (improving the business environment and support measures). The aim of this programme, which was welcomed by the Council,⁷ the Economic and Social Committee⁸ and the European Parliament,⁹ is to give concrete form to the objectives identified by

¹ Point 17 of this Report.

² COM (94) 207; Bull. 6-1994, point 1.2.79.

³ Bull. 6-1994, points 1.6 and 1.2.78.

⁴ Bull. 12-1994.

⁵ COM(94) 207; Bull. 6-1994, point 1.2.79.

⁶ Council Decision 93/379/EEC — OJ L 161, 2.7.1993; Twenty-seventh General Report, point 164.

⁷ Bull. 6-1994, point 1.2.79, OJ C 294, 22.10.1994; Bull. 10-1994, point 1.2.56

⁸ Bull. 9-1994, point 1.2.72.

⁹ OJ C 323, 23.11.1994; Bull. 10-1994, point 1.2.54.

the White Paper,¹ both in the short term (alleviating the tax, social-security, administrative and financial constraints) and in the medium term (supporting the development of these SMEs and job creation). It was as part of this programme that the second European Conference on the craft sector and small enterprises, organized by the Commission, was held in Berlin² in September. For the successful completion of its task of improving the business environment, the Commission relies particularly on a statistical tool, 'Enterprises in Europe', and on the work of the 'European Observatory for SMEs', whose second annual report, published in May, was the subject of a Communication from the Commission on 7 September.³ On the same day the Commission also adopted a report on Community activities in favour of SMEs and the craft sector,⁴ which outlines a panorama of measures under both enterprise policy and other Community policies with an impact on SMEs, i.e. environment policy, regional policy, research and technological development and vocational training.

Improving the administrative environment

189. The Commission has adopted practical provisions to reduce the cost burden on enterprises, in particular SMEs, and to simplify the administrative formalities governing them. On 9 December, the Committee for the Improvement and Simplification of the Administrative Environment met for the first time in Brussels.

Improving the legal and fiscal environment

190. On 25 May,⁵ the Commission adopted a communication on improving the fiscal environment of SMEs. It likewise adopted Recommendation 94/390/EC, addressed to the Member States,⁶ on the method of taxing SMEs depending on whether they are incorporated or not. The Commission's approach was approved by the European Parliament in a Resolution of 24 October.⁷

191. Following broad consultation of interested circles,⁸ the Commission adopted, on 30 November, a Recommendation addressed to the Member States

¹ Point 17 of this report.

² Bull. 9-1994, point 1.2.71.

³ COM(94) 352; Bull. 9-1994, point 1.2.74.

⁴ COM(94) 221; Bull. 9-1994, point 1.2.73.

⁵ COM(94) 206; Bull. 5-1994, point 1.2.46.

⁶ OJ L 177, 9.7.1994; Bull. 5-1994, point 1.2.47.

⁷ OJ C 323, 21.11.1994; Bull. 10-1994, point 1.2.55.

⁸ Twenty-seventh General Report, point 166.

on payment deadlines in commercial transactions¹ aimed at reducing the burden on SME liquidity caused by late payments.

192. To facilitate the continuity of enterprises and the jobs which go with them and after extensive consultation based on its communication of 29 June² on the transfer of enterprises, on 7 December the Commission adopted a Recommendation³ which advocated changes in the law on succession and easing the taxation burden.

Support measures for enterprises

Improving access to finance and credit

193. On the basis of the report of the Round Table of leading representatives of the banking sector, on 28 October the Commission adopted a communication outlining the European Union's intended follow-up to this Round Table.⁴ It continued its support for financing mechanisms suited to SMEs: venture capital, mutual guarantees and seed capital funds. Since 1989, such mechanisms have led to the creation of 161 enterprises and 1 700 jobs. Community aid to SMEs has been stepped up with the creation of a European Investment Fund,⁵ EIB interest rate subsidies for SMEs⁶ and the launching of a Community initiative in favour of SMEs.⁷ Lastly, as part of the multiannual programme in favour of enterprises,⁸ the Commission conducted a feasibility study on the development of secondary financial markets. The Economic and Social Committee has expressed a favourable opinion⁹ on the 1993 Commission communication on the problems of financing SMEs.¹⁰

Developing cooperation between enterprises

194. The BC-Net (Business Cooperation Network), a confidential European network promoting cooperation and contact between enterprises, now has some 400 members following the regular review of the network's composition. BCEs

¹ Bull. 11-1994, point 1.2.60.

² OJ C 204, 23.7.1994; Bull. 6-1994, point 1.2.80.

³ Bull. 12-1994.

⁴ COM(94); Bull.10-1994, point 1.2.53.

⁵ Point 60 of this Report.

⁶ Decision 94/217/EC — OJ L 107, 28.4.1994; Bull.4-1994, point 1.2.9; point 61 of this Report.

⁷ OJ C 180, 1.7.1994; Bull. 1/2-1994, point 1.2.105; point 466 of this Report.

⁸ OJ L 161, 2.7.1994; Twenty-seventh General Report, point 164.

⁹ Bull. 7/8-1994, point 1.2.75.

¹⁰ COM(94) 528; Twenty-seventh General Report, point 166.

(Business Cooperation Centres), which aim to promote non-confidential business contacts, are now located in 60 countries spread across most continents.

195. As each year since 1991,¹ 'Europartenariat' direct partnership events were held — in June in Gdańsk (Poland) and in November in Bilbao (Spain). These contacts made it possible for thousands of SMEs from some 50 countries to forge stronger ties. Subcontracting measures were accorded greater priority — particularly the pilot programme in the consumer electronics sector and the SCAN project (Subcontracting Assistance Network) for interconnecting databanks.

Supporting the adjustment of SMEs and improving management quality

196. As part of the 'Euromanagement' pilot project, audit/consultancy measures have been undertaken in 842 enterprises in order to identify the impact of European policy in the fields of standardization, certification, quality and safety in SMEs. Furthermore, in order to encourage and assist industrial SMEs to participate in measures under the fourth community R&TD framework programme,² the Commission has launched a second Euromanagement R&TD³ project, enabling SMEs wishing to engage in transnational technological cooperation to benefit from the services of specialized consultants.

Improving information

197. The work of the Euro-Info Centres (EIC) continued, with more than 200 EICs established in Europe. With this network they can provide rapid, reliable and specialized assistance to SMEs.

Small enterprises and the craft sector

198. The Commission launched a pilot project to deal with the problems encountered by small enterprises and the craft sector in border areas as well as an experimental programme supporting cooperation.

¹ Twenty-fifth General Report, point 293.

² Point 236 of this Report.

³ OJ C 99, 8.4.1994.

Cooperatives, mutual societies, associations and foundations

199. On 16 February, the Commission adopted a proposal for a Decision relating to a multiannual programme (1994-96) of work for cooperatives, mutual societies, associations and foundations in the Community (Table II) to enable them to survive and develop within the internal market. Furthermore, the Council continued its examination of the Commission proposals on European statutes for associations, cooperative societies and mutual societies (Table I). The European Parliament adopted a resolution on the contribution of cooperatives to regional development on 11 February,¹ a resolution on foundations and their place in Europe on 9 March² and a resolution on the alternative, social economy on 6 May.³

Trade

200. In 1994, as part of the second phase of the 'Commerce 2000'⁴ project, the Commission selected, from the 210 projects for encouraging cooperation between commercial SMEs, 55 which were based mainly on the use of new technologies. The European Conference on trade and distribution networks in Europe, held in Athens in June, resulted in a modernization strategy for the sector based on vertical and horizontal cooperation between trade enterprises and their suppliers.

Tourism

201. While promoting cooperation with the national authorities and professional circles, the Commission continued to implement the priority measures set out in Council Decision 92/421/EEC⁵ on a Community action plan in favour of tourism. In this context, a report outlining those Community activities which have an impact on tourism, which means in particular environment policy, was adopted by the Commission on 6 April,⁶ favourably received at the informal meeting of the Council of Ministers responsible for tourism on 15 April and endorsed by Parliament on 15 December.⁷ With an eye to the 1996 Intergovernmental Conference⁸ and the report it is to present on that occasion, the Commission is also drawing up a Green Paper on the rôle of the European

¹ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.77.

² OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.67.

³ OJ C 205; 25.7.1994; Bull. 5-1994, point 1.2.50.

⁴ OJ C 277, 15.10.1993; Twenty-fifth General Report, point 303.

⁵ OJ L 231, 13.8.1992; Twenty-sixth General Report, point 248.

⁶ COM(94)74; Bull. 4-1994, point 1.2.67.

⁷ OJ C 18, 23.1.1995; Bull. 12-1994.

⁸ Point 1176 of this Report.

Union in connection with tourism. On 18 January,¹ the European Parliament also adopted a resolution on tourism in the approach to the year 2000 and, in its own-initiative opinion of 15 September,² the Economic and Social Committee stressed the economic importance of tourism and its capacity to generate employment. The Committee also supported the idea that tourism was not necessarily incompatible with protecting the environment.

¹ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.78.

² Bull. 9-1994, point 1.2.75

Section 7

Industrial policy

Priority activities and objectives

202. *A fourth phase was embarked upon in the field of industrial policy. In its 1990 communication,¹ the Commission stressed the responsibility of the public authorities in creating a favourable environment for industry, facilitating structural adjustment and ensuring that markets function properly by coordinating policies that have implications for industry. With the entry into force, in November 1993, of the Treaty on European Union, industrial competitiveness became one of the stated objectives of European integration. In its White Paper on growth, competitiveness and employment,² presented to the European Council in December 1993, the Commission proposed practical solutions for achieving dynamic, job-creating growth based, among other things, on development of the information market and action to gear up European businesses for competition on world markets. In the communication it adopted on 14 September this year on an industrial competitiveness policy for the European Union, the Commission endeavoured to pinpoint the steps to be taken to achieve these objectives and thereby strengthen the competitiveness of European industry.*

Industrial competitiveness

203. While there has been a substantial improvement in industrial competitiveness in recent years, European firms, which are now facing fresh challenges, have yet to overcome the handicaps with which they are having to contend as a result of insufficient penetration of fast-growing markets, lower manufacturing productivity than their US or Japanese competitors and an inadequate research effort. As the Commission stresses in its communication of 14 September,³ the competitiveness of industry on world markets hinges increasingly on a set of intangible competitive advantages, such as knowledge and human resources, product quality, the ability to exploit information,⁴ more rational organization of production, the availability of trans-European networks,⁵ innovation, a

¹ COM(90) 556; Twenty-fourth General Report, point 212.

² Point 17 of this Report.

³ COM(94) 319; Supplement 3/94 — Bull.; Bull. 9-1994, point 1.2.67.

⁴ Point 327 of this Report.

⁵ Point 321 of this Report.

positive relationship between the aim of competitiveness and that of economic and social cohesion, the efficient operation of markets, and a dynamic SME base.¹ In order to create a favourable environment for targeting industrial policy on such growth areas as the markets in knowledge and culture, health care, biotechnology, environmental protection and top-of-the-range products, the Commission advocates promoting intangible investment (e.g. by exploiting the competitive advantages associated with better protection of the environment), developing industrial cooperation, ensuring fair competition and modernizing the role of the public authorities. In the resolution² it adopted on 21 November, the Council stressed the progress made so far, particularly on the basis of the White Paper,³ and the need to take action to create stable economic conditions, relieve businesses of unnecessary burdens, safeguard competition and step up cooperation with third countries.

Cooperation

204. In line with the strategies set out in the White Paper on growth, competitiveness and employment⁴ and with the Council conclusions of 22 April,⁵ the Commission, in its September communication, highlights cooperation as one of the keys to boosting the competitiveness of European industry. Closer industrial cooperation, between the European Union and Japan particularly, has improved economic relations between firms and contributed to more balanced trade and investment flows. Following the Commission's communication of 12 July 1990 on industrial cooperation with Central and Eastern Europe,⁶ a round table of industrialists was held in Riga.

205. As part of work on the information society, the Commission developed scientific and technological cooperation in the information technology field, notably with the countries of Central and Eastern Europe, the developing countries, the United States and Japan.⁷

Standardization

206. The further development of Union-wide standardization policies again loomed large among the priorities of the Community institutions. Parliament and the Council thus adopted on 23 March (Table I), a second set of amendments

¹ Point 187 of this Report.

² Bull. 11-1994, point 1.2.58.

³ Point 17 of this Report.

⁴ Twenty-seventh General Report, point 16; Supplement 6/93 — Bull.

⁵ Bull. 4-1994, points 1.2.63 and 2.2.1.

⁶ Twenty-fourth General Report, point 212.

⁷ Point 431 of this Report.

to Directive 83/189/EEC¹ designed to streamline the information procedure for national standardization activities, thereby alleviating the administrative burden and improving efficiency.²

207. Following on from the 1992 Council resolution on the role of standardization in the European economy,³ the Commission initiated work outside the main policy areas where the use of standards is well established and is currently preparing a communication on wider use of standardization in Community policy. ETSI (the European Telecommunications Standards Institute) was recognized as a European standards body. The links between standardization and research were strengthened.

Quality policy

208. Quality policy, which is one aspect of implementation of the White Paper on growth, competitiveness and employment, brings together the different strands of quality, certification and standardization in order to give political impetus to the drive to place European industry on a higher growth path. In the specific area of certification and on the regulatory front, the Commission monitored national transposal measures closely and held sectoral meetings with the parties concerned.⁴ In the non-regulatory field, it continued to strengthen links with the European Organization for Testing and Certification (EOTC).

209. To prepare the way for a new communication on promoting quality in industry, the Commission decided to launch studies on the different aspects of quality, including economic aspects,⁵ the value added by the certification of quality management systems, and the attitude of European consumers towards quality and that of businesses towards the introduction of quality management systems. It also sponsored the European quality prize awarded by the European Foundation for Quality Management (EFQM).

Individual sectors

Basic industries (steel, chemicals, raw materials)

210. Despite the economic upturn and the slight recovery in internal demand for steel, the Commission continued to urge the steel industry to implement a restructuring programme. On 13 April,⁶ it made an interim assessment of the

¹ OJ L 109, 26.4.1983; Seventeenth General Report point 150.

² Point 103 of this Report.

³ OJ C 173, 9.7.1992; Twenty-sixth General Report, point 120.

⁴ Point 104 of this Report.

⁵ Study published in the 1994 edition of *Panorama of EC industry*.

⁶ COM(94) 125; Bull. 4-1994, point 1.2.64.

capacity reductions carried out so far, proposed extending the deadline for submitting the closure programmes still to be implemented, and extended the support measures until November, proposals which were favourably received by the Council on 22 April.¹ Parliament, noting that the first round of capacity reductions (11 million tonnes of hot-rolled products) had been completed, called on the Commission on 5 May to press ahead with its accompanying policies, and in particular the social support measures.² In view of the difficulties encountered in restructuring certain enterprises, the Commission adopted a communication³ on 21 June which, while stressing the importance of the role played by the Member States, reminded the steel industry of its responsibilities and reiterated the minimum objective of achieving through plant closures a total capacity reduction of 19 million tonnes, failing which it would suspend the support measures. In response to this communication, the Council confirmed on 22 June⁴ and again on 28 September⁵ the minimum restructuring target of 19 million tonnes. This not having been achieved within the time allowed, the Commission announced in its communication of 25 October⁶ that it would withdraw most of the planned support measures, except, within the limits of the available funds, for the social measures, to which Parliament reaffirmed its attachment on 28 October.⁷ On the Community market, the Commission will not extend the market-stabilization measures beyond the fourth quarter of 1994. The economic upturn having made quarterly product guidelines superfluous, steel firms will now have to decide individually, on the basis of overall six-monthly forward programmes, on their strategies for production and deliveries on the Community market. On 15 December, the Commission approved, at first reading, the draft forward programme for steel for the first quarter of 1995 and the whole of the year.⁸ It introduced⁹ financial arrangements under Article 53(a) of the ECSC Treaty for producers of hot wide strip, reversing-mill plate and heavy sections, pending the announcement of plant closures by private operators: since the closures did not take place, these arrangements were discontinued. As far as external measures are concerned, the Commission decided to maintain ongoing surveillance but proposed that the tariff quota agreements with the Czech Republic and Slovakia for certain steel products should not be extended for 1995. However, it stressed the need to keep a close watch on trade trends. The Council nevertheless unanimously decided to extend for 1995 the tariff quota arrangements with the Czech Republic and

¹ Bull. 4-1994, point 1.2.64.

² OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.42.

³ COM(94) 265; Bull. 6-1994, point 1.2.74.

⁴ Bull. 6-1994, point 1.2.74.

⁵ Bull. 9-1994, point 1.2.69.

⁶ COM(94) 466; Bull. 10-1994, point 1.2.49.

⁷ OJ C 323, 21.11.1994; Bull. 10-1994, point 1.2.50.

⁸ Bull. 12-1994.

⁹ OJ L 6, 8.1.1994.

Slovakia, after adjusting them to take account of accession of the new Member States. In the State aid field, the Commission will continue to monitor strictly all aid authorized in 1993 and will examine individual aid measures notified in the context of aid for restructuring Italy's private steel industry. The Council endorsed this approach in its conclusions of 8 November.¹ In a resolution it adopted on 16 December, the ECSC Consultative Committee set out its views on appropriate monitoring of the steel market.²

211. Quarterly guidelines³ for 1994 supplemented, as a means of stabilizing the market, the six-monthly forward programmes for steel,⁴ which were endorsed by the ECSC Consultative Committee in December 1993⁵ and June⁶ and December² 1994.

212. In the external relations field, the Commission negotiated, on the basis of directives issued by the Council in July, steel arrangements with Russia, Ukraine and Kazakhstan to replace, from January 1995, the autonomous quotas for all the former Soviet Republics. It persisted in its endeavours to reopen talks with the United States and the other countries concerned on a multilateral steel agreement (MSA) and to arrive at fair solutions to anti-dumping disputes.

Motor industry

213. On 23 February, the Commission adopted a communication on the future of the motor industry which was welcomed by the Council⁷ and by the Economic and Social Committee.⁸ The communication focused on integrating the motor industry into the future environment described in the White Paper on growth, competitiveness and employment⁹ through production of more competitive, cleaner and more 'intelligent' cars, stressing that the responsibility for implementing such an approach lay with the industry, within which close cooperation had to develop between management and workforce, along with a genuine partnership between component suppliers, manufacturers, distributors and consumers. Since the role of the public authorities here is to foster a propitious commercial environment based on open, competitive markets, the

¹ Bull. 11-1994, point 1.2.59.

² Bull. 12-1994.

³ OJ C 341, 18.12.1993; Bull. 3-1994, point 1.2.64; OJ C 178, 30.6.1994; Bull. 6-1994, point 1.2.75; OJ C 286, 14.10.1994; Bull. 10-1994, point 1.2.51.

⁴ OJ C 10, 14.1.1994; Bull. 1/2-1994, point 1.2.72; OJ C 210, 30.7.1994; Bull. 7/8-1994, point 1.2.74; Bull. 12-1994.

⁵ Twenty-seventh General Report, point 187.

⁶ Bull. 6-1994, point 1.2.76.

⁷ OJ C 149, 31.5.1994; Bull. 5-1994, point 1.2.43.

⁸ Bull. 9-1994, point 1.2.68.

⁹ Point 17 of this Report.

single market will be a key factor in boosting competitiveness. Horizontal instruments such as Objective 4 of the Structural Funds¹ and Community initiatives such as ADAPT² and the programme for SMEs³ designed to anticipate transformations in industry and changes in production systems and to help workers adjust to these changes could play an important part in the restructuring of the industry. The industry will have to undertake a sizeable research and technological development effort for which the fourth framework programme⁴ could offer considerable advantages. Development of the motor industry also needs to be supported by an active external trade policy: the arrangement with Japan⁵ functioned satisfactorily and some progress was made in relations with Korea.

Maritime industries

214. At its third plenary meeting on 20 and 21 June in Rotterdam, the Maritime Industries Forum discussed a report by the Commission describing the action taken at both Community and national levels in response to the recommendations made by the Forum in previous years.⁵

215. The multilateral negotiations launched in 1989 under the auspices of the OECD between the main producing countries,⁶ which together account for more than 70% of world shipyard output, led to agreement in July on the elimination of all obstacles to normal conditions of competition in the sector (Table III). To take account of the international commitments entered into under the OECD with a view to ensuring that the public assistance currently allowed in the sector is withdrawn completely by 1 January 1996, and bearing in mind the special vulnerability of the industry, the Council adopted on 19 December a Directive⁷ extending for one year the Seventh Directive on aid to shipbuilding. On 21 December, the Commission set at 9% the maximum level of aid that Member States are allowed to grant their shipyards under Article 4 of the Directive.

Aerospace

216. The European aircraft industry continued to suffer from sluggish ordering and from occasional postponements and cancellations prompted by the difficulties facing airlines. Combined with the contraction of defence

¹ Twenty-seventh General Report, point 384; point 451 of this Report.

² Point 466 of this Report.

³ Point 236 of this Report.

⁴ Point 1049 of this Report.

⁵ Twenty-sixth General Report, point 257; Twenty-seventh General Report, point 192.

⁶ EU Member States, Japan, South Korea, Norway, Finland, Sweden, the United States.

⁷ Point 179 of this Report.

procurement, these factors have caused structural adjustment problems. The Commission continued with the strategy it set out in its 1992 communication¹ of putting together a package of measures implemented jointly by the industry, the Member States and the Union with a view to boosting the industry's long-term competitiveness. It also continued looking into ways of promoting the development of the space industry in cooperation with the Member States and the European Space Agency.

Textiles and clothing

217. In the conclusions it adopted on 22 April on the textile and clothing industry,² the Council endorsed the Commission's analysis in its 1993 report on the reasons for the European industry's loss of competitiveness.³ It considered that a considerable effort had to be made by this sector to adapt to the new conditions of international competition created by the Uruguay Round agreements,⁴ and identified priorities for action both internally (assisting the recovery of the regions worst hit by the crisis, in particular through the RETEX initiative; helping workers to adapt to industrial change; research; improving the transparency of public aid; better communication and information; closer cooperation with the operators concerned) and externally (ensuring compliance with the agreement on textiles; improving access to third-country markets; and working, within the World Trade Organization, for greater interaction between trade and the other policies which have a significant impact on the textile industry). These broad policy lines were endorsed by the Economic and Social Committee on 1 June.⁵ The Commission also began looking into the problems of subcontracting,⁶ particularly in the clothing industry, and adopted in November a specific programme for modernizing Portugal's textile and clothing industry.⁷

Biotechnology

218. The dissemination of biotechnology products has gathered momentum in recent years, particularly in the pharmaceuticals and food industries. As part of the follow-up to the White Paper on growth, competitiveness and employment,⁸

¹ COM(92) 164; Twenty-sixth General Report, point 264.

² Bull. 4-1994, point 1.2.66.

³ COM(93) 525; Twenty-seventh General Report, point 193.

⁴ Point 985 of this Report.

⁵ OJ C 295, 22.10.1994; Bull. 6-1994, point 1.2.77.

⁶ Point 195 of this Report.

⁷ Point 466 of this Report.

⁸ Point 17 of this Report.

the Commission adopted in June a communication on preparing the next stage,¹ which should involve ensuring that the regulatory framework reflects scientific experience, among other things by streamlining procedures for low-risk operations and pressing ahead with efforts to create an integrated product evaluation and licensing procedure. The Commission also proposes setting up research networks, special measures for SMEs, greater use of scientific input in decision-making and improving public understanding.

219. International cooperation and coordination moved forward, through bilateral relations (with the US and other countries) and at multilateral level (through the OECD), on horizontal questions such as intellectual property rights in biotechnological inventions, vertical issues and the safety of foodstuffs derived from biotechnology.

Pharmaceutical industry

220. In implementing its communication of 2 March on the outlines of an industrial policy for the pharmaceutical sector,² the Commission noted signs of weakness in the Community industry, particularly as regards its capacity to finance research and the development of innovative therapeutic drugs, and reviewed the prospects for concentration and restructuring since these were likely to reshape the industry up to the turn of the century.

IT and electronics industry

221. Under its 1991 communication³ and the pilot programme for consumer electronics which it launched in 1993, the Commission supported a number of joint schemes involving cooperation between European and Japanese component manufacturers. In a resolution it adopted on 18 January,⁴ Parliament voiced its concern about the conditions of competition on world markets.

Telecommunications industry

222. The dialogue with the industrial federations and manufacturers was stepped up. Discussions started on revising the regulatory framework governing the marketing and connection to the network of telecommunications terminal

¹ COM(94) 219; Bull. 6-1994, point 1.2.10.

² COM(93) 718; Bull. 3-1994, point 1.2.65.

³ Twenty-fifth General Report, point 278.

⁴ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.74.

equipment and on the industry's role in standards-setting and validation. The last phase of the CTS (conformance testing services) programme, covering terminal equipment for the analog telephone network and the ISDN,¹ was put in place. Work began on putting the EOTC (European Organization for Testing and Certification) in a position to launch projects of this kind and manage their technical aspects. Support for the industrial validation and technological promotion of mobile digital telephony equipment was maintained and confirmed by the recommendations made in the report by the 'Bangemann Group'.²

Other activities

223. On 25 October, the Commission adopted a communication on strengthening the competitiveness of the machinery construction industry,³ which follows on from its September communication on industrial competitiveness.⁴

224. In the environmental protection field, various measures were taken or initiated during the year in connection with the environmental control of industrial products and facilities, emissions and waste management.⁵

Specific development programme for Portuguese industry (PEDIP)

225. In a report⁶ it adopted on 7 January, the Commission took stock of the implementation of PEDIP⁷ from 1988 to 1993. It notes that far-reaching changes have taken place in the business environment, the production system and the attitude of business managers towards competitiveness.

Information technologies

226. R&TD activities in this field focused chiefly on setting in place the necessary infrastructure for the emergence of the information society⁸ and on improving industrial competitiveness and the quality of life. Some 650 projects are currently under way, with the most recent ones (102 in number) coming under the ESSI programme (optimum software development).

¹ Point 331 of this Report.

² Point 321 of this Report.

³ COM(94) 380; Bull. 10-1994, point 1.2.52.

⁴ Point 203 of this Report.

⁵ Point 506 of this Report.

⁶ COM(93) 711; Bull. 1/2-1994, point 1.2.75.

⁷ OJ L 185; 15.7.1988; Twenty-second General Report, point 322.

⁸ Point 327 of this Report.

227. Under the fourth framework programme for research and technological development (1994-98),¹ the Council adopted on 23 November the specific programme for information technologies (Table II), which has a budget of ECU 1 111 million.

Computerized communication of data, information and administrative documents

TEDIS

228. Two calls for proposals² in which the EFTA countries were actively involved were published in connection with the TEDIS programme.³ The first covered projects relating to adoption of the UN/Edifact standard and to the development of EDI (electronic data interchange) and focusing on telecommunications, legal aspects, security and the provision of information for the public, as well as existing or new multisectoral projects, while the second is aimed at assessing how far each of the programme's aims has been achieved. The Commission also continued to provide support for the standardization of EDI through the Edifact Board for Western Europe. Under Directive 83/189/EEC laying down a procedure for the provision of information in the field of technical standards and regulations,⁴ European standards bodies were requested initially to submit proposals concerning the organization of EDI standardization work. On 19 October, the Commission adopted a communication on the legal aspects of EDI, together with a recommendation for a standard European agreement.⁵ An interim report on TEDIS activities in 1993 was also published.

TNA and IDA

229. In March 1993, the Commission adopted a communication⁶ on trans-European data-communications networks between administrations and two proposals for Council Decisions: one on a set of guidelines for trans-European telematics networks between administrations (TNA), and the other on a multiannual programme to support the implementation of networks for the interchange of data between administrations (IDA) (Table II). As part of its

¹ Point 236 of this Report.

² OJ C 19, 22.1.1994; OJ C 24, 28.1.1994.

³ Trade electronic data interchange systems: OJ L 208, 30.7.1991; Twenty-seventh General Report, point 412.

⁴ OJ L 109, 26.4.1983.

⁵ OJ L 338, 28.12.1994; Bull. 10-1994, point 1.2.73.

⁶ COM(93) 69; Twenty-seventh General Report, point 203.

preparatory work on the programme, the Council adopted on 20 June a resolution on information exchange between administrations which stressed the importance of coordination for the effective implementation of the systems concerned. The Commission organized panels of users representing some 10 areas of administration in order to identify their needs; a list of 29 projects of common interest was drawn up. The IDA programme is one of the priority applications proposed in the report by the Bangemann Group on the information society and is included in the action plan¹ proposed by the Commission. As part of the preparatory work, studies have been launched and a pilot project (National Server) to interconnect the national administrations' computer systems has been extended to cover the 12 Member States.² Studies have been carried out and practical measures taken to improve information exchange between the Community institutions in the context of the Community decision-making process.

¹ Point 327 of this Report.

² Point 1251 of this Report.

Section 8

Research and technology

Priority activities and objectives

230. *In the field of research and technological development, 1994 was marked by a series of highly significant developments. On 26 April,¹ Parliament and Council adopted the fourth research and technological development framework programme (1994-98). With a budget of ECU 12.3 billion for the five-year period (with the possibility of a further ECU 700 million in 1996, subject to an evaluation after the first two years), the fourth framework programme was put into immediate operation. In three waves, in July, November and December, all the specific programmes under the fourth framework programme were approved. On 15 December,² calls for proposals were issued for many of these programmes.*

The year 1994 will also be seen as the year of first discussions on the coordination of research policies and activities in Europe. On 19 October,³ the Commission adopted a communication on this subject, following on from the analyses set out in the White Paper on growth, competitiveness and employment⁴ and the conclusions of the Corfu European Council.⁵ The communication pinpoints a number of ways of moving on from the existing type of cooperation to better coordination of research and technological development policies and activities at national and European levels.

On 15 March,⁶ the Commission adopted a Decision creating the European Science and Technology Assembly, a body set up to facilitate dialogue between science and industry at European level. It will assist the Commission in implementing all aspects of the European Union's research and technological development policy and will establish close links between the Commission and the European research community.

¹ Point 236 of this Report.

² OJ C 357, 15.12.1994.

³ Point 232 of this Report.

⁴ Point 17 of this Report.

⁵ Point 1194 of this Report.

⁶ Point 231 of this Report.

Community R&TD policy

General developments

231. Heralded in the White Paper on growth, competitiveness and employment, the European Science and Technology Assembly,¹ which consists of 100 eminent scientists and representatives of the world of industrial research, is a new body whose remit is to advise the Commission on scientific and technological matters. At the Commission's request, the Assembly will give its views on such matters as the framework programme, the specific programmes and the related work programmes. It can also deliver own-initiative opinions on various subjects which are of importance to science and technology in Europe, and will assist the Commission in its efforts to promote a scientific and technical culture in Europe and stimulate debate on science and technology at European level.

232. On 19 October,² the Commission adopted a communication entitled 'Achieving coordination through cooperation', designed to have a real impact on the economic and social fabric of Europe. Against the background of the White Paper on growth, competitiveness and employment, the conclusions of the Corfu European Council and the conclusions of the informal Council of Research Ministers held in Schwerin on 27 July, the Commission emphasizes the need to strengthen coordination between activities at various levels: European Union research programmes, activities conducted by other European science and technology cooperation organizations and national programmes. It sets out ways of implementing Article 130h of the EC Treaty, which requires the Community and the Member States to coordinate their research and technological development activities. To this end, the Commission is proposing a three-pronged approach: formulation of research policies, international scientific and technological cooperation, and implementation of research activities. On the latter point, the proposal is to exploit the latent potential in Articles 130k and 130l of the Treaty, which authorize the European Union to launch supplementary programmes involving the participation of certain Member States only, and to participate in national initiatives. On 6 May,³ Parliament had already adopted a resolution on coordinating the research and technological development policies of the European Community and the Member States.

233. On 21 November, the Council adopted three Decisions (Table II), one of which was concerned with the rules for the dissemination of research findings

¹ OJ L 98, 16.4.1994; Bull. 3-1994, point 1.2.71.

² COM(94) 438; Bull. 10-1994, point 1.2.57.

³ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.52.

from the specific R&TD and demonstration programmes, the other two concerning the rules for the participation of undertakings, research centres and universities in specific programmes dealing with European Community R&TD and with research and training for the European Atomic Energy Community.

234. The Commission continued European Union work on promoting a scientific and technological culture in Europe and stimulating thought and debate on science and technology at European level. The second European Week of Scientific Culture took place from 21 to 25 November, serving as a framework for a new series of scientific communication projects intended for a Europe-wide public and drawn up jointly by organizations in various countries. There were also five conferences under the 'European Science and Technology Forum' banner, dealing with the social, historical and cultural aspects of science and technology in Europe.

Framework programme 1990-94

235. The Commission continued and completed its work on the framework programme for research and technological development (1990-94).¹ Work started on the projects selected as a result of the calls for proposals following the voting on 15 March 1993 of an additional ECU 900 million.²

Framework programme 1994-98

236. On 26 April, Parliament and the Council adopted the framework programme in the field of research, technological development and demonstration (1994-98) (Table I). The framework programme in the field of research and training for the European Atomic Energy Community (1994-98) covering nuclear research activities over the same period (Table II) was adopted by the Council on the same day.

237. On 27 July, the Council adopted two of the specific programmes under the fourth R&TD framework programme (1994-98), concerning advanced communication technologies and services³ and industrial technologies.⁴ On 23 November the Council adopted seven further programmes under the framework programme (1994-98). These concern information technologies;³

¹ OJ L 117, 8.5.1990; Twenty-fourth General Report, point 247.

² Twenty-seventh General Report, point 208.

³ Point 244 of this Report.

⁴ Point 246 of this Report.

telematics applications;¹ standardization, measurement and testing;² marine science and technology;³ agriculture and fisheries;⁴ non-nuclear energy;⁵ and international scientific and technological cooperation.⁶

238. On 8 and 15 December, the Council adopted the remaining 11 specific programmes under the framework programme (1994-98): controlled thermonuclear fusion,⁷ environment,⁸ biotechnology,⁹ biomedicine and health research,¹⁰ nuclear safety,¹¹ transport, targeted socio-economic research, dissemination and exploitation of results,¹² training and mobility,¹³ and the Joint Research Centre's two programmes.¹⁴ On 15 December,¹⁵ calls for proposals were issued for many of the programmes under the fourth framework programme. An invitation to tender had already been published on 15 September¹⁶ for that dealing with advanced technologies and communication services (ACTS).

Joint Research Centre

239. The eight Institutes of the Joint Research Centre (JRC) continued their work in the Centre's four areas of activity: specific research programmes under the framework programme; scientific and technical support for European Union policies, in the form of work undertaken at the request of the Commission departments responsible for those policies; work under contract for public or private-sector outside bodies; exploratory research.

240. In the course of 1994, the final year of the JRC's 1992-94 programme, the Institutes provided input for the third framework programme in the form of contributions to the programmes dealing with industrial and materials technologies, measurement and testing, the environment, nuclear fission safety, controlled thermonuclear fusion, and human capital and mobility.

241. The Institutes continued to provide scientific and technical support for the Commission on the basis of the customer/contractor principle. Work

¹ Point 411 of this Report.

² Point 249 of this Report.

³ Point 257 of this Report.

⁴ Point 261 of this Report.

⁵ Point 267 of this Report.

⁶ Point 285 of this Report.

⁷ Point 272 of this report.

⁸ Point 252 of this Report.

⁹ Point 259 of this Report.

¹⁰ Point 265 of this Report.

¹¹ Point 269 of this Report.

¹² Points 276 and 277 of this Report.

¹³ Point 288 of this Report.

¹⁴ Point 242 of this Report.

¹⁵ OJ C 357, 15.12.1994.

¹⁶ OJ C 258, 15.9.1994.

continued under contract for outside bodies, with the JRC stepping up its efforts to market the results.

242. On 15 December, the Council adopted two new research programmes for the JRC for the period 1995-98, concerned with the Centre's activities in the non-nuclear (Table II) and nuclear (Table II) fields and with a budget of ECU 600 million and ECU 300 million respectively. On 26 April, the Council adopted conclusions¹ on the role of the Joint Research Centre.

243. On 15 April, an agreement was signed by the Commission and the Spanish Government for the creation of an Institute for Prospective Technological Studies in Seville. The Institute commenced operations at its new site in September.

Implementation of the third framework programme

Information and telecommunications technologies

244. Information on research and technological development activities in the field of information and telecommunications technologies is to be found in Section 7 'Industrial policy' in Chapter II, and in Section 13 'Telecommunications, information services and industries', again in Chapter II.

Industrial and materials technologies

Industrial and materials technologies

245. The Commission continued to implement the R&TD programme in the field of industrial and materials technologies (1990-94) (BRITE/EURAM II).² Following the call for proposals in October 1992³ for areas 1 (materials and raw materials) and 2 (design and manufacturing),⁴ the projects receiving funding in 1993 were supplemented in 1994 by 160 new projects. Of the 211 projects in all receiving funding, 157 are concerned with industrial research, 49 with basic research and five are concerted action projects. In response to a call for proposals, open until the end of 1993, for specific projects in favour of small businesses,⁵

¹ OJ C 126, 7.5.1994; Bull. 4-1994, point 1.2.71.

² OJ L 269, 25.9.1991; Twenty-fifth General Report, point 313.

³ Twenty-sixth General Report, point 279.

⁴ OJ C 268, 17.10.1992.

⁵ OJ C 323, 24.12.1991.

100 new projects were added in 1994 to the 60 or so projects selected in phase 2 in 1993. New proposals for feasibility awards were selected from 180 proposals submitted since the start of the programme, making the selection rate approximately 35%.

246. On 27 July (Table II), the Council adopted a new specific programme in the field of industrial and materials technologies for the period 1994-98 with a budget of ECU 1 617 million. The programme covers three areas, namely production technology, product innovation materials and technology; and transport technology. Since the selected projects are required to enhance industrial competitiveness and improve the quality of the environment, this programme will serve as a framework for new CRAFT-type cooperative research measures for small businesses. On 15 December,¹ a first call for proposals was issued under this programme.

247. The JRC's Institute for Advanced Materials continued its work under the JRC's 'industrial technologies and materials' programme. Work continued on materials for use in extreme conditions (study of high-temperature corrosion). A first major project concerned with the validation of surveillance practices and attenuation methods was prepared under the auspices of the network on the ageing of AMES materials. As regards work for outside bodies, the Institute was involved in the construction, in the Basilicata region, of an advanced materials laboratory.

Standardization, measurement and testing

248. The Commission continued its work on implementation of the R&TD programme in the field of measurement and testing (1992-94).² The 48 projects initiated in 1993 following the two calls for proposals which closed in 1992³ were supplemented by 32 new projects. Following a call for proposals on 15 December 1993 for area 2 (standardization support) and area 3 (common means of calibration for the application of standards), 42 projects were selected to receive funding.

249. On 23 November (Table II), the Council adopted a new specific programme in the field of standards, measurement and testing for the period 1994 to 1998. It has a budget of ECU 173 million and covers the following fields: measurement of European quality products; standards-related research; and measurement

¹ OJ C 357, 15.12.1994.

² OJ L 126, 12.5.1992; Twenty-sixth General Report, point 281.

³ OJ C 178, 15.7.1992.

concerned with social needs. On 15 December,¹ a first call for proposals was launched under this programme.

250. The JRC's Institute for Reference Materials and Measurements played its part in implementing the JRC's measurement and testing programme. The shift in its activities from the nuclear to the non-nuclear field, and from basic research to more applied research, continued. The Institute continued to provide support for other Commission departments, more especially through the production of reference materials for biology and the environment.

Environment

Environment and climate

251. The Commission continued its work on implementing the R&TD programme in the field of the environment (1990-94).² Of the 1 401 proposals received in response to the call for proposals on 18 May 1993,³ 258 were selected to receive funding totalling ECU 113 million. The number of projects receiving support under the entire research programme in the field of the environment (1990-94) is thus 355, accounting for ECU 191 million (including the contribution from the EEA countries).

252. On 15 December (Table II), the Council adopted a new research programme in the field of the environment for the period 1994 to 1998. With a budget of ECU 852 million, this programme covers four areas: study of the natural environment, environment quality and global change; environmental technologies; space technologies for environmental monitoring; and the human dimension of environmental change. On 15 December,¹ advance notice of a first call for proposals was published under this programme.

253. The JRC's Institute for the Environment continued its work on the JRC's specific programmes on participation in research into global change, on technologies and engineering for the environment and on the working environment. The results of the first round of measurements for the European project to study biogenic emissions in the Mediterranean area (BEMA) were analysed.

254. The Institute for Remote Sensing Applications continued its work on the environment, contributing in particular to the studies on global change. Methods

¹ OJ C 357, 15.12.1994.

² OJ L 192, 16.7.1991; Twenty-fifth General Report, point 319.

³ OJ C 139, 18.5.1993.

using remote sensing to study the biosphere on land and at sea were developed. The European microwave signature laboratory was calibrated and work continued on the development of methodologies for observing vegetation and environmental conditions in the Mediterranean region.

255. The Commission continued to implement its space policy as set out in its communication 'The European Community and space',¹ setting up an *ad-hoc* Space Advisory Group with an information remit.

Marine science and technology

256. The Commission completed implementation of the research and technological development programme in the field of marine science and technology (1990-94) (MAST II).² Seventeen new research projects were started, accounting for ECU 16 million. On 15 March³ and 15 June,⁴ two calls for proposals were issued concerning, respectively, evaluation of the risks to the marine environment associated with the application of certain technologies and techniques, and concerted action projects for the modelling of the marine environment. In the course of the year, six advanced summer schools were organized and 11 research grants were awarded in specific sectors.

257. On 23 November (Table II), the Council adopted a new programme in the field of marine science and technology for the period 1994 to 1998. With a budget of ECU 228 million, this programme covers four areas: marine science, strategic marine research, marine technology and support initiatives. On 15 December,⁵ a first call for proposals was published under this programme.

Life sciences and technologies

Biotechnology

258. The Commission continued work on implementing the programme of research and technological development in the field of biotechnology (1992-94).⁶ Following two calls for proposals in 1993,⁷ 31 projects got under way in the course of the year, involving 326 participants. Two further calls for proposals

¹ COM(92) 360; Twenty-sixth General Report, point 318.

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

³ OJ C 78, 15.3.1994.

⁴ OJ C 163, 15.6.1994.

⁵ OJ C 357, 15.12.1994.

⁶ OJ L 107, 24.4.1992; Twenty-sixth General Report, point 224.

⁷ OJ C 114, 24.4.1993; OJ C 168, 19.6.1993.

were issued in 1994,¹ as a result of which work started on 45 projects (three cost-sharing projects and 42 studies). In the course of the year, 75 grants were awarded.

259. On 15 December (Table II), the Council adopted a new programme of research and technological development in the field of biotechnology, covering the period 1994 to 1998. With a budget of ECU 552 million, the programme covers the following areas: cell factories; genome analysis; plant and animal biotechnology; cell communication in the neurosciences; immunology and vaccinology; structural biology; pre-normative research, biodiversity and social acceptance; infrastructures. On 15 December,² advance notice of a first call for proposals was published under this programme.

Agriculture and fisheries

260. The Commission continued to implement the programme of research and technological development in the field of agriculture and agro-industry, including fisheries (1991-94).³ Following the third call for proposals published in 1993,⁴ 110 projects were launched, involving a total of ECU 57.5 million, and 200 training and mobility grants were awarded.

261. On 23 November (Table II), the Council approved a new programme of research and technological development in the field of agriculture and fisheries for the period 1994 to 1998. With a budget of ECU 684 million, the programme covers the following areas: integrated production and processing chains; industrial applications and processing methods; generic science and advanced technologies for foods; agriculture, forestry and rural development; fisheries and aquaculture. On 15 December,² a first call for proposals was issued under this programme.

262. The Community programme (1989-93) of research in the field of competitiveness in agriculture and the management of agricultural resources (CAMAR)⁵ came to an end in 1994. The objectives of the 80 research and technological development projects were achieved.

263. Implementation of the AIR programme⁶ continued in 1994. This programme covers research and technological development and demonstration

¹ OJ C 78, 15.3.1994.

² OJ C 357, 15.12.1994.

³ OJ L 265, 21.9.1991; Twenty-fifth General Report, point 329.

⁴ OJ C 251, 15.9.1993; Twenty-seventh General Report, point 227.

⁵ OJ L 58, 7.3.1990.

⁶ OJ L 265, 21.9.1991.

in the fields of agriculture, horticulture, forestry, fisheries and aquaculture. By the end of 1994, 139 projects were in progress.¹ Forty-eight others were identified as qualifying for funding in 1994. In addition, financial support went to the organization of 25 seminars and workshops, and 25 researchers were given a grant to undergo training in another Member State.

Biomedicine and health

264. The Commission continued its work on implementing the programme of research and technological development in the field of biomedicine and health (1990-94).² Following three calls for proposals published in 1991 and 1992,³ a new series of projects were selected, bringing the total number of projects to 400 and the funding to ECU 132 million and involving 6 643 laboratories and teams.

265. On 15 December (Table II), the Council adopted a new programme of research and technological development in the field of biomedicine and health for the period 1994 to 1998. With a budget of ECU 336 million, the programme covers the following areas: pharmaceuticals research; brain research; research into diseases with a major socio-economic impact; human genome research; public health; biomedical ethics. On 15 December,⁴ advance notice of a first call for proposals was published under this programme.

Energy

Non-nuclear energy

266. The Commission continued to implement the programme of research and technological development in the field of non-nuclear energies (1991-94) (JOULE II).⁵ Following a call for proposals, 80 projects were selected, accounting for ECU 24.3 million, under arrangements designed to make a smooth transition from the third to the fourth framework programme and covering five areas: integration of renewable energy sources in the regions; desalination plant in the Mediterranean countries; development of bio-electricity; urban planning making maximum use of renewable energy sources; photovoltaic electricity generation.

¹ 45 going back to 1992, 60 to 1993 and 34 which commenced in 1994.

² OJ L 267, 24.9.1991; Twenty-fifth General Report, point 332.

³ OJ C 268, 25.10.1991; OJ C 324, 10.12.1992.

⁴ OJ C 357, 15.12.1994.

⁵ OJ L 257, 14.9.1991; Twenty-fifth General Report, point 336.

267. On 23 November (Table II), the Council approved a new programme of research and technological development in the field of non-nuclear energies for the period 1994 to 1998. With a budget of ECU 967 million, it covers the following fields: energy R&TD strategy; rational use of energy; renewable energy sources; fossil fuels; dissemination of energy technologies. On 15 December,¹ a first call for proposals was published under this programme.

Nuclear fission safety

268. The Commission continued to implement the research and technological development programme in the field of nuclear fission safety (1990-94),² covering work in the field of reactor safety and radiation protection. It also continued work on the programme of research and technological development in the field of the management and storage of radioactive waste (1990-94).³

269. On 15 December (Table II), the Council adopted a new programme of research and technological development in the field of nuclear fission safety. With a budget of ECU 160 million, it covers the following areas: exploration of innovative approaches; reactor safety; radiological impact on man and the environment; historical liabilities. On 15 December,¹ advance notice of a first call for proposals was published under this programme.

270. The JRC's Institute for Systems Engineering and Information Technology continued its work on nuclear safeguards. A mobile robot system laboratory prototype was tested and a quality assurance study launched on a system for sealing nuclear containers. The Institute for Safety Technology continued its work under the Phebus international programme. Construction of a new facility for studying aerosol deposition and suspension mechanisms (the STORM facility) was completed.

Controlled thermonuclear fusion

271. Activities continued under the Community programme of research and training in the field of controlled thermonuclear fusion (1990-94),⁴ focusing on research into magnetic confinement; substantial progress was made. The modifications to the JET (Joint European Torus)⁵ having been completed, the JET is now once again operational.

¹ OJ C 357, 15.12.1994.

² OJ L 336, 17.12.1991; Twenty-fifth General Report, point 342.

³ OJ L 395, 30.12.1989; Twenty-third General Report, point 340.

⁴ OJ L 375, 31.12.1991; Twenty-fifth General Report, point 346.

⁵ Twenty-sixth General Report, point 333.

272. On 8 December (Table II), the Council adopted a new programme of research and technological development in the field of controlled thermonuclear fusion for the period 1994 to 1998. With a budget of ECU 840 million, it covers the following areas: 'next step' activities; improved concepts, geared mainly to the future demonstration reactor; and long-term technologies.

273. On 21 March (Table III), the Council authorized the Commission to sign Protocol 2 to the Agreement on engineering design activities for the ITER (International Thermonuclear Experimental Reactor) to enable these activities to continue until their scheduled completion date in 1998. The four parties involved in the ITER project (the European Union, Japan, Russia and the United States) signed the Protocol in Vienna on the same day.

274. The JRC's Institute for Systems Engineering and Information Technology and its Institute for Advanced Materials continued their fusion research work. At the Institute for Safety Technology, the European Tritium Handling Experimental Laboratory (ETHEL) became operational.

Transport

275. The Commission continued its work on implementing the research and technological development programme in the field of transport (EURET).¹

276. On 15 December (Table II), the Council adopted a new programme of research and technological development in the field of transport for the period 1994 to 1998.² With a budget of ECU 240 million, it covers the following areas: strategic research; rail transport; integrated transport chains; air transport; urban transport; waterborne transport; road transport. On 15 December,³ advance notice of a first call for proposals was published under this programme.

Targeted socio-economic research

277. On 15 December (Table II), the Council adopted a programme of research and technological development in the field of targeted socio-economic research. With a budget of ECU 138 million, it covers the following areas: evaluation of science policy options; research into education and training; research into social integration and social exclusion. On 15 December,³ advance notice of a first call for proposals was published under this programme.

¹ OJ L 8, 11.1.1991; Twenty-fifth General Report, point 729.

² Point 367 of this Report.

³ OJ C 357, 15.12.1994.

Cooperation with non-member countries and international organizations

278. The Commission continued its work on implementing the programme of research and technological development in the field of life sciences and technologies for developing countries (1990-94).¹ 799 proposals were received in response to the last call for proposals published in 1993² for a limited number of sectors. Forty-eight were selected for funding, representing a Commission input of ECU 18.7 million. A further ECU 1.3 million was allocated to ongoing projects.

279. Scientific and technical cooperation (COST) continued with the entry into force of 36 memoranda of understanding in respect of projects in the fields of telecommunications, transport, the environment, meteorology, agriculture and biotechnology, medical research and forestry research.

280. Following the entry into force of the Agreement on a European Economic Area on 1 January,³ five EFTA countries⁴ took part in the 13 non-nuclear specific programmes under the third framework programme (1990-94).⁵ On 2 August this agreement was extended to the specific programmes under the fourth R&TD framework programme (1994-98). The research organizations in the two EFTA countries which are not members of the EEA (Switzerland and Liechtenstein) continued to participate on a project-by-project basis (without Community funding) in various projects under the specific programmes. On 31 October, the Council authorized the Commission to commence negotiations on a Scientific and Technological Cooperation Agreement with Switzerland (Table III). On 2 March (Table III), the Commission adopted the Regulation (Euratom) concluding the Protocol on the provisional application of the Agreement establishing an International Science and Technology Centre (ISTC).

281. As regards scientific and technological cooperation with the countries of Central and Eastern Europe, 124 projects were selected, totalling ECU 32 million, following a call for proposals ('Copernicus') published on 31 January. In addition, 251 projects concerning participation in the third framework programme (1990-94) by laboratories and companies in Central and Eastern Europe were selected, involving a total value of ECU 11 million. The 509 projects selected in 1993 under the auspices of the International Association for the

¹ OJ L 196, 19.7.1991; Twenty-fifth General Report, point 334.

² OJ C 63, 15.6.1993.

³ Point 778 of this Report.

⁴ Austria, Finland, Iceland, Norway and Sweden.

⁵ OJ L 117, 8.5.1990; Twenty-fourth General Report, point 247.

promotion of cooperation with scientists from the Independent States of the former Soviet Union (INTAS) were implemented.

282. Scientific and technological cooperation with the industrialized countries outside Europe was stepped up. On 21 February (Table III), the Council adopted a Decision on the signature of the Scientific and Technological Cooperation Agreement between the Community and Australia, which entered into force on 25 July. On 21 September (Table III), the Commission adopted a proposal for a Decision concerning the conclusion of a memorandum of understanding with Canada in the field of controlled nuclear fusion, followed, on 5 December, by a recommendation for a Decision (Table III) on the signature of the Scientific and Technical Cooperation Agreement with Canada. On 29 September (Table III), the Council authorized the Commission to negotiate a cooperation agreement with Israel, with the effect of associating Israel in the implementation of the fourth R&TD framework programme. The first meeting, in Tokyo, of the EC-Japan Forum on Science and Technology¹ took place on 8 June. In May, the Commission discussed a proposal for negotiating an outline scientific and technological cooperation agreement between the European Union and the United States. On 18 and 19 October, Brussels was the venue for the fourth meeting of the EC/US task force on research into biotechnology. On 2 and 3 December, Brussels was again the venue for the seventh meeting of the Carnegie Group,² held at the Commission's invitation.

283. Scientific and technological cooperation with the countries of Latin America, Asia and the Mediterranean was strengthened. In the course of the year, 144 joint research projects and 102 grants were financed. The exploratory scheme on the scientific and technological cooperation initiative between the European Union and the non-member Mediterranean countries (Avicenne) was extended for a third year with a budget of ECU 5.3 million. A call for proposals was published on 14 April.³

284. With a view to improving coordination of the activities of European scientific cooperation organizations and making research efforts in Europe more coherent, the Commission decided to strengthen its links with the European Organization for Nuclear Science (CERN), the European Molecular Biology Laboratory (EMBL), the European Space Agency (ESA) and the European Science Foundation (ESF). On 10 October, an administrative arrangement was concluded between the Commission and CERN. Cooperation with the ESA continued under the auspices of the joint working parties dealing with Earth

¹ Bull. 6-1994, point 1.2.101.

² Bringing together the research ministers from the seven industrialized countries.

³ OJ C 106, 14.4.1994.

observation, telecommunications, industrial policy, international relations, and R&TD, education and training. The Commission also continued its cooperation with Eureka, with the joint organization of events in the fields of energy, transport, agro-industry, etc.

285. On 23 November (Table II), the Council adopted a new programme in the field of cooperation with third countries and international organizations. With a budget of ECU 540 million, the programme covers the following areas: scientific and technological cooperation in Europe; cooperation with the other European forums for scientific and technological cooperation; cooperation with the countries of Central and Eastern Europe and the Independent States of the former Soviet Union; cooperation with the other industrialized non-member countries; cooperation with the developing countries. On 15 December,¹ advance notice of a first call for proposals was published under this programme.

Dissemination and utilization of R&TD results

286. Information on activities relating to the dissemination and utilization of R&TD results is to be found in Section 13 'Telecommunications, information services and industries' in Chapter II.

Support for the training and mobility of researchers

287. The Commission continued its work on the programme of research and technological development in the field of human capital and mobility (1990-94).² In the course of the year, 850 individual grants and 136 Euroconferences were organized. Overall, and in response to the calls for proposals published in 1992 and 1993,³ the programme now provides the framework for 1 755 individual grants, 732 institutional grants, 701 research networks, 74 projects to allow easier access to large-scale facilities and 284 Euroconferences.

288. On 15 December (Table II), the Council adopted a new programme in the field of training and mobility covering the period 1994 to 1998. With a budget of ECU 744 million, it covers the following areas: research networks; access to large-scale facilities; training through research; and accompanying measures. On 15 December,¹ a first call for proposals was published under this programme.

¹ OJ C 357, 15.12.1994.

² OJ L 107, 24.4.1992; Twenty-sixth General Report, point 313.

³ Twenty-seventh General Report, point 236.

Other activities

289. Acting under Article 55 of the ECSC Treaty and in accordance with the medium-term guidelines for steel research (1991-95),¹ the Commission granted financial aid totalling ECU 25 million to 34 steel research projects, together with aid totalling ECU 8 million to seven pilot or demonstration projects. Nineteen further projects, requiring ECU 28 million, were placed on the waiting list.

290. Also under Article 55 of the ECSC Treaty and in accordance with the medium-term guidelines adopted for the period 1994-99,² the Commission granted financial aid totalling ECU 17 million to 50 coal research projects.³

291. On 11 March, Parliament adopted a resolution² on the role of the European Centre for the Validation and Development of Alternative Testing Methods (ECVAM), having already adopted, on 11 February, a resolution on the establishment of a European research area and regional planning measures for protection against earthquakes.⁴

¹ OJ C 252, 6.10.1990; Twenty-fourth General Report, point 304.

² OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.74.

³ Point 338 of this Report.

⁴ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.82.

Section 9

Education, vocational training and youth

Priority activities and objectives

292. Following the entry into force of the Treaty on European Union,¹ and in accordance with the White Paper on growth, competitiveness and employment,² the Commission had already adopted, in 1993, two proposals for decisions establishing a new generation of Community programmes on vocational training (Leonardo da Vinci) and youth (Youth for Europe III). In 1994, the Commission adopted a third proposal for a decision establishing a Community action programme in the field of education (Socrates). These three programmes are intended to strengthen existing Community measures and to complement the work of the Member States while at the same time respecting the Member States' cultural diversity and their responsibility for the content and organization of the areas in question.

The Socrates programme is based to some extent on earlier activities, especially under the Erasmus³ and Lingua⁴ programmes, but introduces new measures designed to encourage transnational cooperation in higher and school education, language skills and open and distance learning, and seeks to introduce a European dimension into all levels of education. Drawing on a common frame of objectives, which underpins and supplements the Member States' initiatives in the field of vocational training, the Leonardo da Vinci programme comprises Community measures which seek to enhance the quality of national systems and measures on the vocational training market. It emphasizes the need for a balance between initial training, continuing training and lifelong learning, providing support for the development of language skills and the dissemination of innovation. It also makes provision for a consistent approach along with the Socrates and Youth for Europe programmes, and for complementarity with the fourth research and development framework programme⁵ and the Community initiatives under the Structural Funds.⁶ Finally, Youth for Europe III embraces all the Community's activities so far for young people, widening the scope and facilitating access for disadvantaged young people to the various aspects of the

¹ Articles 126 and 127 of the EC Treaty.

² Point 17 of this Report.

³ Twenty-seventh General Report, point 254.

⁴ Twenty-seventh General Report, point 263.

⁵ Point 236 of this Report.

⁶ Point 466 of this Report.

programme and encouraging exchanges with non-member countries. In addition to youth exchange schemes and training for organizers, the programme provides for initiatives which require creativity and solidarity with a view to promoting a sense of European citizenship among young people and making more information available to them.

On 23 November,¹ the Commission adopted a communication on education and training in the face of technological, industrial and social challenges, setting out, as a follow-up to the White Paper on growth, competitiveness and employment,² the basis for an in-depth examination and details of the ways and means of tackling the changes needed to enable education and training systems to meet expanding needs.

On 5 December, the Council adopted a resolution on the promotion of statistics on education and training.³ Moreover, on 3 May,⁴ the European Parliament adopted a resolution on environmental training in industry, including SMEs.

Cooperation in the field of education

293. The proposal for a Parliament and Council Decision establishing the Community action programme in the field of education (1995-99) (Socrates)⁵ (Table I) was still being discussed within the appropriate Community bodies at the end of the year.

294. The Commission's report of 25 March on the education of migrants' children in the European Union⁶ presents a general view of Community action to promote the education of children of immigrants who are legally established in a Member State, and proposes that consideration be given to cultural and linguistic diversity. In it, the Commission gives an overview of measures taken to implement the Council resolution of 22 May 1989⁷ and sets out medium and long-term guidelines.

295. On 27 April, the Economic and Social Committee delivered a favourable opinion⁸ on the 1993 Green Paper on the European dimension of education.⁹

¹ COM(94) 528; Bull. 11-1994, point 1.2.203.

² Point 17 of this Report.

³ Bull. 12-1994.

⁴ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.139.

⁵ Point 292 of this Report.

⁶ COM(94) 80; Bull. 3-1994, point 1.2.168.

⁷ OJ C 153, 21.6.1989; Twenty-third General Report, point 435.

⁸ OJ C 195, 18.7.1994; Bull. 4-1994, point 1.2.164.

⁹ Twenty-seventh General Report, point 251.

296. On 7 September, the Commission adopted a proposal for a Parliament and Council Decision establishing a European Year for lifelong learning in 1996 (Table I).

Higher education

297. It emerges from the 1993 reports adopted by the Commission on 6 July¹ on the Erasmus programme and on 9 September² on the Comett II programme that Erasmus provided mobility facilities for 67 531 students and 8 060 teachers, and that Comett II, in addition to setting up a network of some 200 university/enterprise associations for technological training, gave rise to 7 700 work placement measures for students, 228 staff exchange schemes and 500 joint training courses corresponding to 700 training sessions.

298. On 13 December,³ the Commission adopted a communication on synergies between the recognition of diplomas for academic and vocational purposes.

299. Information on the Jean Monnet scheme to promote teaching on European integration is dealt with in Section 24 'Information, communication, audiovisual media and culture' of Chapter II.⁴

Vocational training

300. The adoption (Table II) of the Council Decision establishing a Community action programme for the implementation of a vocational training policy (Leonardo da Vinci),⁵ with a budget of ECU 620 million for the period 1995-99, took place on 6 December.

301. In its interim report, adopted on 14 January,⁶ on the implementation of the PETRA programme,⁷ the Commission took stock of the programme, which is designed to promote the vocational training of young people. Financial assistance granted by the Community under the programme amounted to ECU 143.2 million over the period 1988 to 1994. During this time, more than 55 000 young people took part in stays abroad, there were more than 800 youth training

¹ COM(94) 281; Bull. 7/8-1994, point 1.2.168.

² COM(94) 368; Bull. 9-1994, point 1.2.187.

³ COM(94) 596; Bull. 12-1994.

⁴ Point 701 of this Report.

⁵ Point 292 of this Report.

⁶ COM(93) 704; Bull. 1/2-1994, point 1.2.185.

⁷ Twenty-first General Report, point 422.

partnerships, and more than 1 100 'youth initiative' projects received funding under the transnational cooperation support scheme. Support also went to 28 vocational guidance resource centres and to projects for training counsellors. On 5 December, the Council adopted a Resolution¹ on the quality and attractiveness of vocational training.

Continuing training

302. A network of 720 transnational projects involving 5 000 partners has been set up under the FORCE programme,² which seeks to promote continuing training for workers. Specific measures focusing on complementarity between FORCE and the Community initiatives Euroform³ and ADAPT⁴ have been developed. An analysis of national provisions, supplemented by a Union-wide statistical survey, is currently in progress. The interim report on activities under the programme was adopted by the Commission on 13 October.⁵

303. In the field of training for technological change, research projects — focusing on skill-building organizations and the acquisition of key skills — were finalized under the Eurotecnet programme.⁶ A network of 300 projects concerning pedagogical and methodological innovation has been set up on a transnational basis.

304. Following the Council resolution of 1992 on the transparency of qualifications,⁷ collaborative work between the Commission, the Member States and the social partners led to the adoption of a standard vocational skills portfolio model, which is being tried out in all the Member States. Following a call for proposals, the Commission selected 35 projects concerning the promotion of initiatives on the mutual recognition of vocational qualifications.

305. In the field of economic and social cohesion, a training scheme for 'Community developers' is in progress, designed to provide instruction for Structural Fund managers in the regions eligible under Objectives 1, 2 and 5(b).⁸

¹ OJ C 374, 30.12.1994; Bull. 12-1994.

² OJ L 156, 21.6.1990.

³ Community initiative concerning new qualifications, new skills and new employment opportunities.

⁴ Community initiative on adapting to industrial change; Point 466 of this Report.

⁵ COM(94) 418; Bull. 10-1994, point 1.2.115.

⁶ Community action programme in the field of vocational training and technological change.

⁷ OJ C 49, 19.2.1993; Twenty-sixth General Report, point 421.

⁸ Point 433 of this Report.

Foreign language teaching

306. The 1993 report on the Lingua programme, which developed in both quantitative and qualitative terms in 1994, was adopted by the Commission on 6 July.¹

Open and distance learning

307. Work in this sector continued in accordance with the guidelines laid down by the Council in 1992.² A demonstration and development project was put into effect based on combined invitations to tender covering the education, training, educational research and telematics aspects. Four projects were selected to a total value of ECU 3 million.

Youth

308. The proposal for a Parliament and Council Decision (Table I) on the third phase of the Youth for Europe programme³ (1995-99) was still being discussed within the appropriate Community bodies at the end of the year. The countries of EFTA and the EEA are already involved in the second phase of the programme.

309. Having regard to the fact that racism and xenophobia are transnational phenomena which young people can help combat, the Council forwarded to the European Council its contribution⁴ to the interim report⁵ on the fight against racism and xenophobia, setting out a range of measures to foster a spirit of tolerance and mutual understanding. The Council's view was that certain aspects of the Youth for Europe III programme presented a real opportunity to foster such a spirit among young people.

310. On 30 November, the Council adopted conclusions on the promotion of voluntary service periods for young people.⁶

¹ COM(94) 280; Bull. 7/8-1994, point 1.2.170.

² OJ C 151, 16.6.1992; OJ C 336, 19.12.1992; Twenty-sixth General Report, point 424.

³ Point 292 of this Report.

⁴ Bull. 11-1994, point 1.2.210.

⁵ Bull. 11-1994, point 1.4.2; Point 1086 of this Report.

⁶ OJ C 348, 9.12.1994; Bull. 11-1994, point 1.2.209.

Cooperation with non-member countries

311. On 27 July, the Council adopted Regulation (EC) No 2063/94 (Table II) amending Regulation No 1360/90¹ establishing the European Training Foundation with a view to extending the Foundation's activities to the beneficiary countries under the TACIS programme.² The Foundation's objective is to play a part in developing vocational training systems in the countries of Central and Eastern Europe and in the Independent States of the former Soviet Union, and to implement measures under the Tempus programme. The Commission has taken the necessary steps to make the Foundation in Turin³ operational from January 1995.

312. On 20 April,⁴ the Commission adopted the report on work under the Tempus programme in 1992/93, the aim of which is to provide support for changes to the higher education systems in the countries of Central and Eastern Europe and certain States of the former Soviet Union.⁵

313. In September, the 23 joint projects run by the USA/EC higher education consortia, constituting the core element of the exploratory phase of cooperation with the United States, entered their second year. On 21 November,⁶ the Council adopted negotiating directives (Table III) concerning draft cooperation agreements between the Community, the United States and Canada on higher education and vocational training.

314. The EFTA countries which are signatories to the EEA Agreement⁷ (which came into force on 1 January) already have access to the Erasmus, Comett and Youth for Europe II programmes, and to Eurydice-ARION and the activities of Cedefop. Provision has been made for them to play a full part in all Community cooperation activities in the fields of education, training and youth with effect from 1995.

European Centre for the Development of Vocational Training (Cedefop)

315. Cedefop's programme of work has, since 1993,⁸ focused on two priority areas, namely qualifications and vocational training systems. The former is essentially concerned with the transparency of qualifications and new occupations

¹ OJ L 131, 23.5.1990; Bull. 5-1990, point 1.3.2.

² Point 809 of this Report.

³ Twenty-seventh General Report, point 268.

⁴ COM(94) 142; Bull. 4-1994, point 1.2.168.

⁵ Beneficiary countries under this programme are Albania, Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Slovenia, Romania, the Czech Republic, Slovakia, Russia, Belarus and Ukraine.

⁶ Bull. 11-1994, point 1.2.211.

⁷ Point 778 of this Report.

⁸ Twenty-seventh General Report, point 269.

at European level and the impact of new forms of work organization and qualifications on training systems. The latter is concerned, on the one hand, with strategies for the optimum combination of types and phases of training with a view to achieving a lifelong learning process and, on the other, with improved teacher training.

316. In accordance with its Commission support remit,¹ Cedefop published a large number of studies and periodicals focusing on sectoral training problems and career guidance for young people, under the Eurotecnet, FORCE and PETRA programmes. Under the EEA Agreement, the member countries of EFTA² were entitled for the first time to participate in Cedefop projects.

317. On 16 May, the Council decided, by way of Regulation (EC) No 1131/94 (Table II) amending Regulation (EEC) No 337/75³ establishing Cedefop, to transfer the Centre's headquarters from Berlin to Thessaloniki in accordance with the Declaration adopted at the European Council in Brussels in October 1993,⁴ taking effect on 1 September 1994.

European University Institute, Florence

318. The Commission contributed ECU 4.33 million towards the Florence Institute's budget,⁵ ECU 3.43 million of which was towards scientific and research activities, more specifically the research library and European library (Eurolib programme), research data processing, research projects, the Robert Schuman Centre and the Jean Monnet Chair, Jean Monnet scholarships, the European Forum and the European Law Academy. The other ECU 900 000 were spent on the European Union's historical archives, which are managed by the Institute.⁶

319. In January, Professor P. Masterson, formerly President of University College Dublin, succeeded Mr E. Noël, Honorary Secretary-General of the Commission, as President of the Institute. The Institute comprises four departments⁷ with, in the 1994/95 academic year, 43 full-time teachers and 344 researchers, 296 of whom come from the Member States and 15 from the EFTA countries under cooperation agreements. On becoming members of the

¹ Council Regulation (EEC) No 337/75, Article 2 — OJ L 39, 13.2.1975.

² Point 778 *et seq.* of this Report.

³ OJ L 39, 13.12.1975.

⁴ Bull. 10-1993, point I.13.

⁵ The activities of the European University Institute, Florence, are described in a brochure available from the Institute at Badia Fiesolana, via dei Roccettini, 9, I-50016 San Domenico di Fiesole (Firenze).

⁶ Point 709 of this Report.

⁷ History, Economics, Law, Political and Social Sciences.

European Union, Austria, Finland and Sweden will qualify to become signatories to the Convention establishing the Institute. The Institute has actively cooperated with the College of Europe and the European Institute for Public Administration under the Tempus programme.¹ In the course of the 1993/94 academic year, it awarded 44 doctorates.

320. The Robert Schuman Centre developed its work on the major issues facing contemporary European society, particularly the construction of Europe. The 1994/95 session of the European Forum, which each year brings together a group of academics and researchers from the Institute and other universities on an interdisciplinary theme, addressed the subject of “‘Gender’ and the use of time’. The European Law Academy held its fifth session in June and July.

¹ Point 809 of this Report.

Section 10

Trans-European networks

Priority activities and objectives

321. *To enable citizens of the Union, economic operators and regional and local communities to derive full benefit from the internal market, the European Union contributed to the establishment and development of trans-European networks in the areas of transport, energy, telecommunications and environmental infrastructure. The action by the Community aimed principally at promoting the interconnection and interoperability of the national networks as well as access to such networks.*

At its meeting in Brussels in December 1993,¹ the European Council gave strong political impetus to completion of the trans-European networks, as provided for by the new Title XII of the EC Treaty and the White Paper on growth, competitiveness and employment,² and assigned the Commission the task of pushing forward and coordinating the work in this field, with the assistance of two high-level groups set up to help the Commission and the European Council with their task. The work of these two groups, one chaired by Mr Christophersen, Commission Vice-President, and the other chaired by Mr Bangemann, Member of the Commission, and the follow-up decisions taken were the most prominent activities by the European Union in the field of trans-European networks in 1994.

The Christophersen Group made up of personal representatives of the Heads of State or Government assisted the Commission first in its work on transport and energy networks and then, in the second phase, on the environment. The Bangemann Group, comprising leading figures from the telecommunications industry, examined the specific measures to be taken into consideration by the Community and the Member States in the field of information infrastructure and the information society in general. The Corfu European Council broadly endorsed the work of the two groups and encouraged them to continue with their endeavours.

At its meeting in Essen in December, the European Council endorsed the main recommendations made in the report submitted to the Commission by the Christophersen Group on 16 November and confirmed the list of priority

¹ Bull. 12-1993, point I.3.

² Point 17 of this Report.

projects — 14 for transport and 10 for energy. It called upon Parliament and the Council to adopt the guidelines for transport and energy in the near future. It welcomed the progress made in selecting transborder projects, particularly with the countries of Central and Eastern Europe and the Mediterranean basin. It also called on the relevant authorities to overcome the legal and administrative obstacles to completion of the projects. Finally, the European Council approved the Group's proposals for a monitoring procedure.

As regards financing of the trans-European networks, on 2 March the Commission adopted a proposal for a Council Regulation, based on Article 129c of the EC Treaty, laying down general rules for the granting of Community financial aid to projects of common interest in the field of trans-European networks (Table II). This defined the types of aid, the project selection criteria and the procedures for examining, assessing and monitoring applications for funding. The Community support can take the form of contributions to feasibility studies, interest-rate subsidies, loan guarantees and, by way of exception, co-financing of certain projects. This proposal, which was endorsed by the Economic and Social Committee, the Committee of the Regions and the European Parliament, was still under discussion at the Council at the end of the year. In the same context, on 15 June the Commission adopted a communication on financing the trans-European networks,¹ which described the various sources of funding and concluded that, at the current stage of the process, none of them should be ruled out, particularly recourse to raising additional funds on the capital markets. In addition, funding of the networks will account for a large proportion of the activities of the European Investment Fund, which came into operation on 14 June.² The European Council in Essen welcomed the creation of a special window at the European Investment Bank (EIB) for financing the networks and approved the Christophersen Group's proposal to examine the financing requirements for each project individually. The Heads of State or Government called on the Member States, the Commission and the EIB to continue coordinating the funding and on the Council to release the necessary funds.

The Commission and the other institutions took account of protection of the environment in the context of the trans-European networks, notably in the proposed Community guidelines on energy networks and transport networks. In addition, in Corfu, the European Council extended the mandate of the Christophersen Group to include the relevant networks in the field of the environment.³ In Essen, the European Council continued on the same lines by calling on the Commission, the Council and the Member States to examine the

¹ Bull. 6-1994, point 1.2.8.

² Point 79 of this Report.

³ Bull. 6-1994, point 1.7.

possibility of establishing guidelines for environmental network infrastructure, stressing the use of existing financial instruments to support definition of these guidelines and of priority projects.

Energy networks

322. The Christophersen Group speeded up and facilitated the work already under way in the European Union and the Member States so that the priorities could be clearly defined and projects implemented. In view of the European Investment Bank's long experience in funding major infrastructure schemes, the Commission invited the President of the Bank to participate in the work of the Group which, from July 1994, also included representatives of the four EFTA applicant countries.

On the basis of the Group's interim report,¹ the Corfu European Council requested the Christophersen Group to continue its work in the energy sector and, in particular, to examine the economic viability of eight priority projects,² ways of alleviating the administrative obstacles created by the regulatory framework, the prospects of extending the trans-European networks to neighbouring countries, in particular to Central and East European and Mediterranean countries, and the relevant networks in the field of the environment. The Group also helped the Commission assess appropriate forms of financial engineering encouraging the raising of private capital whenever possible.

On the basis of the Group's interim report³ to the Corfu European Council and of its final report to the Essen European Council, the Heads of State or Government established a revised list of 10 priority projects: Italy-Greece: electricity interconnection; France-Italy: electricity interconnection; France-Spain: electricity interconnection; Spain-Portugal: electricity interconnections; Denmark: electricity connection between the East and the West of the country; Greece: natural gas network; Portugal: natural gas network; Spain-Portugal: gas interconnection; Algeria-Morocco-European Union: gas pipeline; Russia-Belarus-Poland-European Union: gas pipeline.

323. On 19 January, the Commission adopted a proposal for a European Parliament and Council Decision laying down a series of guidelines on trans-European energy networks (Table I) and a proposal for a Council Decision laying down a series of measures to create a more favourable context for the development of such networks (Table II). The guidelines aim at strengthening

¹ Bull. 6-1994, point 1.2.7; Supplement 2/94 — Bull.

² Bull. 6-1994, point 1.7; Supplement 2/94 — Bull.

³ Bull. 11-1994, point 1.2.81.

the security of the Union's energy supplies, ensuring effective operation of the internal energy market and promoting economic and social cohesion. To achieve these objectives, the Commission proposed a number of priorities for the electricity and natural gas networks up to the year 2000. In the light of these priorities, the Commission set out broad lines of action to identify projects of common interest which display potential economic viability and will create a more favourable context for development of the networks with the aid of technical, administrative, legal and financial measures. These proposals were endorsed by the Economic and Social Committee and by the Committee of the Regions. On 29 November, the Council confirmed the list of projects of common interest and made progress with establishment of a context more favourable to the development of the energy networks.

Transport networks

324. The Christophersen Group concentrated particularly on the priority transport projects, because these raised more problems and were relatively more advanced than the energy projects. On the basis of the Group's report,¹ the Corfu European Council agreed a list of 11 major priority projects² which met set criteria, for example were of an exceptional scale, of common interest and economically viable, provided opportunities for private-sector investors and could be completed rapidly. This list was extended to 14 projects in the report³ submitted to, and approved by, the European Council in Essen: high-speed train/combined transport north-south; high-speed train (Paris-Brussels-Cologne-Amsterdam-London); high-speed train south; high-speed train east; conventional railway/combined transport (Betuwe line); high-speed train/combined transport France/Italy; Greek motorways; motorway Lisbon-Valladolid; conventional railway line (Ireland); Malpensa airport (Milan); fixed rail/road link between Denmark and Sweden; Nordic triangle; Ireland/United Kingdom/Benelux road link; and the West Coast main line (rail). The European Council was pleased that a start is to be made on priority transport infrastructure projects, particularly rail projects, in 1995 and stressed the importance of traffic management systems, particularly in the case of air traffic.

325. On 7 April, the Commission adopted a proposal for a European Parliament and Council Decision on guidelines for the development of the trans-European transport network (Table I). These guidelines aim at integration of all transport infrastructure into an intermodal network in order to ensure optimum and

¹ Point 321 of this Report.

² Bull. 6-1994, point I.7.

³ Bull. 11-1994, point 1.2.81.

environmentally-sound use of all modes of transport by 2010. The Commission set out the objectives and the broad lines of action and identified projects of common interest which will contribute to the development of the trans-European transport network. The proposed network will comprise 58 000 km of roads, 70 000 km of railway lines, 12 000 km of inland waterways, corridors and intermodal terminals, 250 airports of Community interest and traffic management and control systems. Specific measures will also be taken to make ports more efficient. These guidelines, which are addressed not only to the Member States but also to the regions, third countries and other bodies concerned, set out a precise but flexible framework for action. The Commission's proposal was endorsed by the Committee of the Regions on 27 September and by the Economic and Social Committee on 23 November and was the subject of an exchange of views at the Council.

326. On 15 April, the Commission submitted a proposal, based on Article 129d of the EC Treaty, on the interoperability of the European high-speed train network (Table II). The proposal provides for establishment of a regulatory framework to make the infrastructure, rolling-stock and equipment compatible enough to enable every transport undertaking to operate a commercial service, at the lowest economic cost, on any route of its choice on the European high-speed train network. The Commission therefore proposed the establishment of a regulatory framework comprising, in particular, mandatory technical specifications for interoperability (TSIs) applicable to the various network subsystems.¹ It also defined the procedures whereby manufacturers will receive authorization from the supervisory authorities to bring into service components or subsystems. This proposal was endorsed by the Committee of the Regions on 21 September and by the Economic and Social Committee on 23 November.

Information society and telematic communications networks

327. The Bangemann Group's report to the Corfu European Council entitled 'Europe and the global information society'² urged the Union to put its faith in market mechanisms. This would entail action to eliminate entrenched positions which put Europe at a competitive disadvantage, to encourage the spirit of enterprise in order to allow new dynamic sectors of the economy to emerge and to develop a common regulatory approach to promote a competitive, Europe-wide market for information services. The report contained specific recommendations to this end, and an action plan of practical measures based on partnerships between the private and public sectors. The Corfu European Council broadly

¹ Infrastructure, energy, maintenance, signalling control and command, environment and users.

² Bull. 6-1994, point 1.2.9; Supplement 2/94 — Bull.

endorsed the report and requested the institutions to take various measures to implement its recommendations.

328. As regards the regulatory framework, on 19 July the Commission established an action plan¹ to tackle all the remaining measures needed at Community level. This was endorsed by the Council on 28 September² and by Parliament on 30 November.³ On 17 November, acting on the Commission's Green Paper, the Council adopted a resolution on the timetable and general principles for the liberalization of telecommunications infrastructures.⁴

329. In Corfu the European Council also broadly endorsed the 10 areas of application suggested in the Bangemann Group's report. In the second half of 1994, the Commission took various measures to start or speed up these projects. In September and November, the Council discussed the Commission's communication on telematics applications for transport in Europe.⁵

330. In Essen, the European Council examined a report on the information society⁶ containing a preliminary assessment of the progress made since the European Council meeting in Corfu. The Heads of State or Government wished the work in progress to continue. To this end, they particularly stressed the importance of the basic agreement on liberalizing the telecommunications infrastructure by 1 January 1998 and the role of the private sector in building up and financing it. On this basis, they called on the Member States to create an environment conducive to such initiatives and urged closer international cooperation. They also welcomed the G7 Ministerial Conference on the global information society to be held in Brussels in February 1995.

331. Significant progress was made at the end of the year with regard to data-communication networks. On 22 December, the Council adopted a common position on the proposed guidelines for the development of the integrated services digital network (ISDN) (Table I) as a trans-European network; this represents an important step towards implementing the Commission's action plan on the information society. On 17 November, the Council reached agreement (except for the budgetary aspects) on the proposal concerning trans-European telematics networks for the interchange of data between administrations (IDA) (Table I), including the question of Article 235 of the EC Treaty as the legal basis for the proposal. In December, the Council reached

¹ Bull. 7/8-1994, point 1.2.99; point 397 of this Report.

² Bull. 9-1994, point 1.2.125.

³ OJ C 362, 19.12.1994; Bull. 11-1994, point 1.2.112.

⁴ Point 399 of this Report.

⁵ COM(94) 469; Bull. 11-1994, point 1.2.95; point 364 of this Report.

⁶ Bull. 11-1994, point 1.2.111.

agreement on the financial aspects, thus paving the way for adoption of the proposal in 1995, following the opinion of the European Parliament.

332. The Council's conclusions of 30 May¹ on the fourth annual progress report on ISDN stressed the importance of Euro-ISDN for businesses in the Community and for the advanced information networks in the Union. On 20 June, the Council adopted a resolution on information exchange between administrations in which it particularly stressed the importance of coordination and of the introduction of operational systems answering clearly identified needs.² Finally, on 11 July, the Council adopted Decision 94/445/EC³ on inter-administration telematic networks for statistics relating to the trading of goods between Member States (Edicom).⁴

¹ Bull. 5-1994, point 1.2.75.

² OJ C 181, 2.7.1994; Bull. 6-1994, point 1.2.106.

³ OJ L 183, 19.7.1994; Bull. 7/8-1994, point 1.2.82.

⁴ Point 83 of this Report.

Section 11

Energy

Priority activities and objectives

333. *The Commission's priority activities were as follows: work on the completion of the internal energy market; proposals concerning the trans-European gas and electricity networks; research and development; the European Energy Charter Treaty, and discussions concerning the Green Paper on energy policy.*

With regard to the internal market, a Directive on oil and gas prospecting and extraction was adopted in May by the European Parliament and the Council. In addition, the work on the liberalization of the gas and electricity sectors culminated in the adoption by the Council on 29 November of conclusions concerning the amended proposals for Directives submitted in 1993 on common rules for the internal market in electricity and natural gas. Commission proposals were submitted concerning guidelines for trans-European gas and electricity networks and a list of projects of common interest. To further the objectives of the White Paper on growth, competitiveness and employment, the Christophersen Group submitted to the Essen European Council a report containing a list of priority projects. In the research and development sphere, the fourth R&TD framework programme is to be implemented through specific programmes ensuring the continuation of the Thermie programme where demonstration activities are concerned, while the promotion of European energy technologies is the subject of a proposal for a Regulation providing for financial support for the period 1995-98 (Thermie II).

On the international front, the European Energy Charter Treaty was signed on 17 December.

Community energy strategy

Community energy policy

334. Institutional and geopolitical changes prompted the Commission, together with the Member States and economic operators, to start a comprehensive review of energy policy. This led to a preparatory document which stresses

the need to continue the activities carried out with regard to worldwide competitiveness, while paying particular attention to environmental objectives and security of supply. The document serves as a basis of reference for the Green Paper announced by the Commission. The Council discussed the important matters to be examined in the Green Paper on 29 November.¹ On 14 September, the Economic and Social Committee also put forward its ideas with regard to the future development of energy policy.²

Promotion of energy technology (Thermie) — technical coal research

335. Under the Thermie programme,³ on 19 July the Commission decided⁴ to grant financial support totalling ECU 147.1 million to 183 projects to promote energy technologies involving the rational use of energy, renewable energy sources, solid fuels and oil and gas. On 21 December, it adopted a Decision granting ECU 1.12 million to another project in the same area.⁵ In addition, ECU 30 million were allotted to 350 dissemination projects carried out by the network of organizations for the promotion of energy technologies (OPETs).⁶

336. To ensure the continuation of this programme, which came to an end on 31 December, on 23 November the Council⁷ decided to continue most of the technical demonstration projects in the context of the fourth R&TD framework programme (1994-98).⁸ The present activities under the Thermie programme not covered by the framework programme, such as economic demonstration, the dissemination of technologies not supported by the Union, and cooperation with third countries, were covered by a separate proposal submitted by the Commission on 13 April (Table II).

337. In the context of promoting the export of energy technology, some existing activities were extended to include the EFTA countries and targeted projects were launched in the Mediterranean, South-East Asia, Latin America and a number of industrialized countries. With this in mind, the Commission extended the OPETs network to include 10 new organizations, and set up a 15th Community energy centre,⁹ in Elblag (Poland), to serve as a relay for the promotion of renewable energy sources in the Baltic region.

¹ Bull. 11-1994, point 1.2.89.

² Bull. 9-1994, point 1.2.102.

³ OJ L 185, 17.7.1990; Twenty-fourth General Report, point 608.

⁴ Bull. 7/8-1994, point 1.2.83.

⁵ Bull. 12-1994.

⁶ Twenty-fifth General Report, point 751.

⁷ Council Decision 94/806/EC; OJ L 334, 22.12.1994; point 236 of this Report.

⁸ Point 236 of this Report.

⁹ Twenty-seventh General Report, point 279.

338. On 4 March, the Commission published¹ medium-term guidelines for technical coal research (1994-99) covering mining engineering and coal utilization. It also decided on 26 July to grant aid amounting to ECU 17 million to 50 technical coal research projects pursuant to Article 55 of the ECSC Treaty in accordance with the guidelines. On 20 January, Parliament² called for the development of technologies using coal, in particular gasification.

*Promotion of energy efficiency (SAVE)³
and renewable energy sources (Altener)⁴*

339. On 21 January, the Commission adopted Directive 94/2/EC⁵ concerning the energy labelling of refrigerators and freezers. Furthermore, a budget of ECU 6.8 million was allotted to 60 pilot projects to improve energy efficiency infrastructures in the Member States. In addition, an information programme in this field was launched consisting of conferences, seminars and the preparation of promotional material.

Energy and environment

340. The integration of energy policy and environment policy continued, in particular with regard to pollutant emissions (CO₂ tax and introduction of a monitoring mechanism for CO₂ and other greenhouse gases). Also, on 22 April Parliament recommended making more extensive use of biomass in electricity generation.⁶

Energy and cohesion

341. In a communication of 14 February,⁷ the Commission proposed an overall approach to the integration of the cohesion objective into energy policy, this approach being shared by the Council,⁸ and the Economic and Social Committee.⁹

¹ OJ C 67, 4.3.1994.

² OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.90.

³ OJ L 307, 8.11.1991; Twenty-fifth General Report, point 781.

⁴ OJ L 235, 18.9.1993; Twenty-seventh General Report, point 292.

⁵ OJ L 45, 17.2.1994.

⁶ OJ C 128, 1.5.1994; Bull. 4-1994, point 1.2.80.

⁷ COM(93)645; Bull. 1/2-1994, point 1.2.89.

⁸ Bull. 5-1994, point 1.2.76.

⁹ Bull. 9-1994, point 1.2.103.

Regional and urban energy planning (PERU)

342. This programme is aimed at improving information and facilitating decision-making at local level by promoting energy projects and disseminating knowledge. Special importance is attached to cooperation, which is a driving force and catalyst, and to activities aimed at disseminating experience and results, in particular through regional (Fedarene), urban (Energy-CITES) and insular (Islnet) networks.

Internal energy market

Natural gas and electricity

343. Work on the liberalization of the gas and electricity sectors culminated on 29 November in the adoption by the Council of conclusions¹ concerning the amended proposals for Directives adopted on 7 December 1993 on common rules for the internal market in electricity and gas (Table I). The Economic and Social Committee had endorsed the proposals on 28 April in an own-initiative opinion.² The Council reached agreement on four key aspects concerning electricity: the opening-up of electricity production to competition, the unbundling of the accounts relating to the activities of integrated undertakings, the transparency of public service obligations, and the role of the system operator. Agreement was also reached on the principle of opening up the markets in areas other than production. To this end, work should continue concerning the possibility of having, at one and the same time, a third-party access system and a single buyer system under comparable conditions concerning access to and opening up of the market. The Council called upon the Commission to analyse the possible consequences of the existence of these two systems side by side, particularly as regards potential competition and the possibilities available to producers and consumers.

Oil and gas prospecting and extraction

344. On 30 May, Parliament and the Council adopted Directive 94/22/EC (Table I) on the conditions for granting and using oil and gas prospecting, exploration and extraction authorizations. The aim of the Directive is to ensure non-discriminatory access to the activities in question and the carrying-on of

¹ Bull. 11-1994, point 1.2.91.

² OJ C 195, 18.7.1994; Bull. 4-1994, point 1.2.81.

such activities under conditions making for greater competition in this sector, in the context of the completion of the internal market.

Standardization

345. The comprehensive approach to energy standardization defined by the Commission in 1992¹ led wherever possible to CEN-Cenelec being given independent mandates not connected with the implementation of legislative acts and based on the objectives of promoting energy efficiency and renewable and alternative energy sources.²

Individual sectors

Oil and oil products

346. The system of registration of crude oil imports, which has been extended on several occasions since 1979,³ had to be adjusted to take account of the changes in Member States' supplies in recent years and more stringent environmental considerations. In this context, work was carried out this year on a new system which will take account of the Community's requirements and the requirements of the national administrations and of the International Energy Agency (IEA).

347. Following the adoption of Directive 94/12/EC on new pollutant emission limits to be attained by 1996,⁴ the Commission considered the possibility of further reductions for the year 2000. With this in mind, it asked the European Petroleum Industry Association (Europia) and the European Automobile Manufacturers' Association (ACEA) to study the interaction between fuel quality and engine technology and for this purpose set up the European programme on emissions, fuels and engine technologies (Epefet) which is scheduled to run for one year.

Natural gas

348. The study of natural gas in connection with the report of the Christophersen Group⁵ began with preparatory consultations on the legislative, institutional and economic aspects of setting up a network for natural gas and how it would

¹ Twenty-sixth General Report, point 697.

² Point 339 of this Report.

³ OJ L 220, 30.8.1979; Thirteenth General Report, point 398.

⁴ Point 109 of this Report.

⁵ Point 321 of this Report.

operate in practice. The Group selected five priority gas projects at the end of its deliberations.¹

Solid fuels

349. Following the adoption of Decision 3632/93/ECSC establishing new Community rules for State aid to the coal industry during the period up to the expiry of the ECSC Treaty,² on 8 February the Commission adopted implementing Decision No 341/94/ECSC³ and, under the new rules, this year authorized the grant of aid by Germany and the United Kingdom.⁴ It also authorized, pursuant to the old Decision 2064/86/ECSC,⁵ the grant of aid by these two Member States in 1994.⁶ On 22 March⁷ the Commission adopted a report on the solid fuels market in the Community in 1993 and the outlook for 1994, which it revised in September.⁸ The ECSC Consultative Committee expressed its views on the report in March⁷ and October.⁹ On 14 December, the Commission adopted its report for 1994 and the outlook for 1995.¹⁰

Electricity

350. Under the PACE programme,¹¹ the aim of which is to promote the efficient utilization of electricity, on 7 December the Commission adopted a proposal for a European Parliament and Council Directive (Table I) on household refrigeration equipment and began studies in the fields of commercial lighting and electric motors.

351. The Christophersen Group¹² selected five priority electricity projects.¹³

Nuclear energy

352. In accordance with Articles 41 to 43 of the Euratom Treaty, the Commission defined guidelines for investment in several of the Union's nuclear plants.

¹ Introduction of natural gas in Greece and Portugal, Maghreb-Europe project, Spain-Portugal interconnection and the Russia-Belarus-Poland-European Union pipeline.

² OJ L 329, 30.12.1993; Twenty-seventh General Report, point 288.

³ OJ L 49, 19.2.1994.

⁴ OJ L 220, 25.8.1994.

⁵ OJ L 177, 1.7.1986; Twentieth General Report, point 737.

⁶ OJ L 147, 14.6.1994.

⁷ Bull. 3-1994, point 1.2.82.

⁸ Bull. 9-1994, point 1.2.107.

⁹ Bull. 10-1994, point 1.2.60.

¹⁰ Bull. 12-1994.

¹¹ OJ L 157, 9.6.1989; Twenty-third General Report, point 681.

¹² Point 321 of this Report.

¹³ France-Spain, France-Italy, Spain-Portugal, Italy-Greece and eastern and western Denmark.

353. On the international front, the Commission continued negotiations on the renewal of the Nuclear Cooperation Agreement between Euratom and the USA.¹ The question of trade in nuclear materials with the Russian Federation was included in the partnership and cooperation agreement concluded with that country.² On 22 December, the Council adopted a Decision³ authorizing the Commission to conclude two cooperation agreements with the Russian Federation on controlled nuclear fusion and nuclear safety pursuant to Article 101(2) of the Euratom Treaty. On 23 July, the Commission also submitted to the Council a proposal (Table III) concerning the opening of negotiations with Kazakhstan, Kyrgyzstan, Tadjikistan, Ukraine and Uzbekistan with a view to concluding bilateral nuclear cooperation agreements.

New and renewable energy sources

354. Under the Altener programme, on 8 June the Commission decided to grant support totalling ECU 7.1 million to 74 pilot projects and activities aimed at the non-technological promotion of renewable energy sources (compared with ECU 3.9 million for 40 projects in 1993).

Relations with third countries

European Energy Charter

355. The negotiations on the European Energy Charter,⁴ on which Parliament and the Council expressed opinions on 21 April⁵ and 25 May⁶ respectively continued during the first half of the year and were concluded at the plenary negotiating session held in Brussels from 7 to 11 June.⁷ Outstanding matters were the subject of bilateral contacts between the European Union, the USA and the Russian Federation. On 29 November, after consulting the ECSC Consultative Committee on 6 October, the Council authorized the signing of the Treaty by the Council Presidency and the Commission on behalf of the European Communities. The European Parliament adopted its opinion on 13 December. On this basis, on 15 December the Council adopted Decisions enabling the European Communities to apply the Charter Treaty provisionally once it is

¹ Twenty-seventh General Report, point 291.

² Point 807 of this Report.

³ Bull. 12-1994.

⁴ Twenty-fifth General Report, point 761.

⁵ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.83.

⁶ Bull. 5-1994, point 1.2.79.

⁷ Bull. 6-1994, point 1.2.107.

signed. The Final Act of the Conference, the European Energy Charter Treaty and the Protocol on energy efficiency and related environmental aspects were signed by Commissioner Oreja and Mr Rexrodt, the Council President. At a ceremony in Lisbon on 17 December, 45 of the 51 negotiating partners signed the various acts (Table III). The European countries (with the exception of Hungary) and the European Communities were among the signatories. The Treaty will remain open for signature until 16 June 1995 in order to enable States with comparatively lengthy internal decision-making procedures to sign as soon as possible.

Cooperation with third countries

356. Cooperation with third countries continued, in particular under the Synergy programme¹ which provides support upstream of the technical activities implemented under other specific programmes such as Thermie. The chief activities are providing assistance in the setting-up of energy institutions capable of defining the requirements of the countries concerned and channelling resources, advising the national authorities, supporting the design of energy policy instruments, training, and providing information to the public authorities and economic operators, with special attention being given to transnational projects. The budget of ECU 8 million allotted to the programme in 1994 contributed in particular to the prefinancing of the European Energy Charter Secretariat, to projects in Central and Eastern Europe and the former Soviet Union, with ECU 4 million for energy centre projects (Slovenia, Estonia, Romania and Hungary), to the provision of energy policy advisors for the national authorities, and to training and information.

357. Projects in the Mediterranean also took a big step forward with the setting-up of a Palestinian energy centre and a study on regional electricity interconnections in the framework of support for the Middle East peace process.² A study on electricity interconnections in the Maghreb was also completed and local energy and environment teams were set up. In Asia, work focused in particular on cooperation with China and India. In Latin America it centred on the completion of the third stage of the three-year programme begun in 1992 in Mexico,³ a market study on the rational utilization of energy in Chile and a project on combined heat and power generation in Mexico, Peru and Chile.

¹ Twenty-seventh General Report, point 294.

² Point 860 of this Report.

³ Twenty-sixth General Report, point 894.

358. Under the TACIS programme,¹ Armenia, Azerbaijan, Kyrgyzstan, Moldova, Russia and Ukraine identified energy as a priority sector, and a number of projects involving rationalization and organization of the energy sector started in these countries. Electricity was the subject of special attention in the context of the non-nuclear energy section of the PHARE and TACIS programmes, in particular as regards the interconnection of energy networks.

Dialogue between producers and consumers

359. The first energy symposium jointly organized by the Commission and the Gulf Cooperation Council (GCC) was held on 19 and 20 April in Muscat (Oman) under the Synergy programme. This allowed a widening of the dialogue between producers and consumers which began more than 10 years ago and greater consideration of basic matters such as the arrangements for institutional dialogue between the European Union and the GCC member countries, their respective energy policies, in particular as regards taxation and access to resources, and the industrial, technological and financial basis for bilateral relations in the oil and gas sectors.

360. The Commission also took part in the third International Energy Conference held in Cartagena (Spain) on 19 and 20 September, which brought together more than 30 producer and consumer countries and a number of specialized international organizations.

Euratom Supply Agency

361. There were no particular problems in the supply of nuclear fuels this year. In view of the need to maintain long-term supplies at a satisfactory level, the Agency continued to encourage the conclusion of multiannual contracts between European users and a range of producers on terms that reasonably reflect long-term production costs, and to discourage resorting to the spot market except to cover a small proportion of requirements.

362. Even more so than in previous years² in 1994 supplies of nuclear fuels and services from the former Soviet Union constituted the Union's chief external source of supply. Under the common supply policy provided for in Article 52 of the EAEC Treaty, the Agency continued to examine new contracts pragmatically in order to ensure that the Union is not excessively dependent on the

¹ Point 809 of this Report.

² Twenty-seventh General Report, point 300.

fuel-producing countries of the former Soviet Union and that the price level reflects production costs and is compatible with the normal offers of producers in market-economy countries. A constructive dialogue was initiated between the parties concerned and agreement was reached in most cases on the need to keep supplies from this region within reasonable limits. In this context, the conclusion of a partnership and cooperation agreement with Russia and other Republics of the former Soviet Union¹ should not jeopardize the continuation of this policy. With this in mind, on 6 January the Agency was prompted to make the conclusion of a contract subject to the condition that the natural uranium concerned did not come directly or indirectly from a CIS country. The Commission, to whose attention the matter was drawn pursuant to Article 53 of the EAEC Treaty, confirmed the Agency's position in a formal decision.²

¹ Point 807 of this Report.

² OJ L 48, 19.2.1994; OJ L 122, 17.5.1994.

Section 12

Transport

Priority activities and objectives

363. In 1994, the European Union paid particular attention to strengthening and consolidating the internal transport market. The Commission's activities were based on the White Paper on the future development of the common transport policy,¹ published in December 1992, and the conclusions of the Committees of Enquiry set up in 1993 to look into air transport and road transport,² in response to which the Commission adopted a civil aviation action programme.³ Progress was also made on the liberalization of the rail transport sector.⁴ The White Paper on growth, competitiveness and employment⁵ and the work of the Group chaired by Mr Christophersen⁶ gave a major impetus to the creation, development and interconnection of the trans-European transport networks.⁶

Decisions were adopted with a view to improving safety in shipping, the carriage of dangerous goods by road and by rail, and civil aviation. Work continued with a view to making progress with the harmonization of technical and social measures. The Joint Committees examined matters concerning training, and working hours for all modes of transport. The Union also sought to improve the environmental performance of the various modes of transport by applying strict technical standards. On 16 December, the Council adopted conclusions on transport and energy which advocated switching particularly polluting road and air traffic to the railways, inland waterways and public transport.⁷

On the international front, the conclusions of the second Pan-European Transport Conference⁸ reiterated the principles underlying the common transport policy and the need to extend it to neighbouring countries, particularly as regards infrastructure. The Commission presented proposals for negotiations with the Central and East European countries in the air transport sector.

¹ COM(92) 494; Twenty-sixth General Report, point 643.

² Twenty-seventh General Report, point 327.

³ Point 384 of this Report.

⁴ Point 369 of this Report.

⁵ Point 17 of this Report.

⁶ Point 321 of this Report.

⁷ Bull. 12-1994.

⁸ Point 396 of this Report.

Development of the common transport policy

364. The European Parliament resolution on the future development of the common transport policy,¹ endorsed the overall approach shared by the Council, the Commission and Parliament itself, which involves going beyond the internal market and promoting an integrated transport system which is environmentally and socially acceptable and provides a high level of safety for users and transport workers. Much work was done this year on transport safety and the trans-European networks, two of the pillars of this approach.² In a resolution adopted on 14 October, the Council called for the development of telematics in the transport sector.³ On 4 November, the Commission adopted a communication⁴ setting out objectives for the plan of action to develop the information society.⁵

Infrastructure

365. On the basis of Regulation (EEC) No 1738/93 for an action programme in the field of transport infrastructure with a view to the completion of an integrated transport market,⁶ the Commission decided on 26 July⁷ and 21 December⁸ to grant financial support totalling ECU 200 million to 68 projects of common interest and feasibility studies, more than half of which are rail and combined transport projects. Part of this financial support went to studies in respect of transport projects identified in the context of the growth initiative.⁹ In a resolution of 21 April, the European Parliament gave its view of the effectiveness of the financial instruments of Community transport policy.¹⁰

366. On 14 June, the Commission adopted a communication on a Community approach to satellite navigation systems¹¹ setting out the advantages which this new technology can bring not only to all modes of transport, but also to many other sectors. On 19 December, the Council adopted a resolution⁸ welcoming this communication.

¹ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.91.

² Point 321 of this Report.

³ OJ C 309, 5.11.1994; Bull. 10-1994, point 1.2.62.

⁴ COM(94) 469; Bull. 11-1994, point 1.2.95; point 414 of this Report.

⁵ Point 397 of this Report.

⁶ OJ L 161, 2.7.1993; Twenty-seventh General Report, point 306.

⁷ Bull. 7/8-1994, point 1.2.86.

⁸ Bull. 12-1994.

⁹ Point 60 of this Report.

¹⁰ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.87.

¹¹ COM(94) 248 final; Bull. 6-1994, point 1.2.117.

Research and technological development

367. On 15 December, the Council adopted a specific research, technological development and demonstration programme in the field of transport (1994-98)¹ under the fourth R&TD framework programme.² With a view to promoting the sustainable mobility of persons and goods, the programme aims to contribute towards the development, integration and management of a transport system which is more efficient, safer, and compatible with the environment and the quality of life.

Multimodal transport

368. Continuing the programme started in 1992, the Commission assigned ECU 4.35 million to combined transport projects in 1994. Virtually half of the projects were direct measures.

Inland transport

Rail

369. On 21 November, the Council adopted common positions on two proposals for Directives on access to infrastructure (Table II) and railway licences (Table II). These proposals are intended to supplement Directive 91/440/EEC on the development of the Community's railways,³ with the aim of guaranteeing operators fair, non-discriminatory and efficient access to the various Community rail networks, subject to optimum safety conditions, so as to help create a genuine single market for rail transport. In addition, on 9 December, the Commission adopted a proposal for a Council Directive (Table II) on the approximation of the national laws relating to the carriage of dangerous goods by rail.

Road transport

370. On 8 April, the Commission adopted Regulation (EC) No 792/94⁴ laying down detailed rules for the application of Council Regulation (EEC) No 3118/93 to road haulage operators on own account.⁵

¹ OJ L 218, 17.9.1994; Bull. 3-1994, point 1.2.69.

² Point 236 of this Report.

³ OJ L 237, 24.8.1991; Twenty-fifth General Report, point 696.

⁴ OJ L 92, 9.4.1994.

⁵ OJ L 279, 12.11.1993; Twenty-seventh General Report, point 310.

371. On 22 December, the Council adopted Regulation (EEC) No 3315/94 (Table II) amending Regulation (EEC) No 3118/93 laying down the conditions under which non-resident carriers may operate national road haulage services within a Member State, in order to allocate the Community cabotage quota following the enlargement of the Union.

372. The Committee of Enquiry set up in 1993 to examine the social and economic situation of the road freight transport sector in the single European market presented its report on 6 July. It concluded that deregulation, and in particular the liberalization of intra-Community transport from 1 January 1993, had caused transitional difficulties as a result of the need to adapt to this new environment on markets which were also affected by the economic crisis. The Committee's recommendations had two main themes: increased harmonization of existing Community legislation on social, technical and fiscal conditions and access to the profession, and closer monitoring, using modern technology, of the way the legislation is applied. On 24 October¹ and 28 September respectively, the Council and the European Parliament adopted resolutions on the report, in which they stressed the need for fair competition between the various modes of transport, and the importance of consistent and uniform application and enforcement of all regulations in the road haulage sector.

373. Where the carriage of dangerous goods by road is concerned, on 21 November the Council adopted framework Directive 94/55/EEC (Table II) the aim of which is to harmonize the rules applicable to national and intra-Community transport of dangerous goods in order to ensure an acceptable level of safety and to create a single market for such transport services within the Community. It is also designed to bring into Community law the rules of the European Agreement concerning the international carriage of dangerous goods by road (ADR). In addition, also on 21 November the Council adopted a common position (Table II) on the proposal for a Directive on uniform procedures for checks on the transport of dangerous goods by road.

374. In accordance with Directive 93/89/EEC on the application by Member States of taxes on certain vehicles used for the carriage of goods by road and tolls and charges for the use of certain infrastructures,² on 9 February five Member States³ concluded an agreement on the collection of a charge for the use of certain roads by heavy goods vehicles from 1 January 1995. This will help to even out the conditions under which road haulage operators compete and to ensure that a higher proportion of infrastructure costs are passed on to users. In

¹ OJ C 309, 5.11.1994; Bull. 9-1994, point 1.2.112; Bull. 10-1994, point 1.2.64.

² OJ L 279, 12.11.1993; Twenty-seventh General Report, point 313.

³ Belgium, Denmark, Germany, Luxembourg and the Netherlands.

the same vein, the Council adopted a resolution on road freight transport on 24 October.¹

375. On 22 July, the Commission adopted a proposal for a Regulation (Table II) amending Council Regulation (EEC) No 3821/85² and Council Directive 88/599/EEC³ on recording equipment in road transport. It provides for the installation in goods vehicles of a device complementing the existing tachograph to improve the implementation of and compliance with the legislation on driving and rest periods.

376. On 11 March, the European Parliament adopted a resolution⁴ welcoming the Commission's communication on road safety of June 1993.⁵

377. On 19 December, the Council adopted Directive 94/72/EC (Table II) amending Council Directive 91/439/EEC on driving licences,⁶ to enable Finland and Sweden to continue to issue licences in accordance with their existing models until 31 December 1997.

Inland waterways

378. Council Regulation (EC) No 844/94 (Table II) of 12 April 1994 on structural improvements in inland waterway transport extended until 28 April 1999 the temporary measures introduced in 1989 to avoid the emergence of further overcapacity.⁷ It also clarified the concept of 'active fleet' to ensure that vessels which had long been out of use could not benefit from a scrapping premium or be scrapped under the 'old for new' rule. The Council, in a resolution of 24 October,⁸ and the Economic and Social Committee, in an own-initiative opinion of 14 September,⁹ came out in favour of further structural improvements in this sector. On 18 November, the Commission adopted Regulation (EEC) No 2812/94¹⁰ concerning conditions applying to the bringing into service of new inland waterway capacity and amending Council Regulation (EEC) No 1101/89,¹¹ and on 14 December it adopted Regulation (EEC) No 3039/94¹² concerning

¹ OJ C 309, 5.11.1994; Bull. 10-1994, point 1.2.64.

² OJ L 370, 31.12.1985; Nineteenth General Report, point 627.

³ OJ L 325, 29.11.1988; Twenty-second General Report, point 729.

⁴ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.85.

⁵ Twenty-seventh General Report, point 316.

⁶ OJ L 237, 24.8.1991; Twenty-fifth General Report, point 221.

⁷ Twenty-third General Report, point 634.

⁸ OJ C 309, 5.11.1994; Bull. 10-1994, point 1.2.65.

⁹ Bull. 9-1994, point 1.2.115.

¹⁰ OJ L 298, 19.11.1994; Bull. 11-1994, point 1.2.102.

¹¹ OJ L 116, 28.4.1989; Twenty-third General Report, point 634.

¹² OJ L 322, 15.12.1994; Bull. 12-1994.

certain measures implementing Council Regulation (EEC) No 1101/89. On 22 December, the Council adopted Regulation (EEC) No 3314/94¹ amending Regulation (EC) No 1101/89 to enable the Austrian fleet to take part in the Community structural improvement measures following Austria's accession.

379. On 9 June, the Commission sent the Council a report on the situation with regard to Community law of the 'rotation' chartering systems operated in Belgium, France and the Netherlands.² The report concluded that the rotation systems organized by the inland waterways carriers' organizations were incompatible with the competition rules and called for a progressive liberalization of the market, accompanied by structural measures. On 26 September, the Council approved the Commission's approach and called on it to submit a comprehensive proposal with particular reference to the future organization of the market and the reduction of existing structural overcapacity.³

380. On 8 September, the Commission adopted a proposal for a Council Directive (Table II) on the harmonization of the conditions for obtaining national boatmasters' certificates for the carriage of goods and passengers by inland waterway in the Community.

Sea transport

381. The Commission communication presenting an action programme for a common shipping safety policy⁴ prompted several European Parliament resolutions⁵ and Council conclusions⁶ stressing the importance of developing traffic surveillance measures, stepping up safety measures and action by Member States within international organizations, and improving the application of national rules, and the need for measures to prevent marine pollution. On 16 March, the Commission adopted a new proposal for a Council Directive (Table II) concerning the enforcement, in respect of shipping using Community ports and sailing in the waters under the jurisdiction of the Member States, of international standards for ship safety, pollution prevention and shipboard living and working conditions.⁷ On 22 November, the Council reached agreement on a common position on this proposal.

¹ OJ L 350, 31.12.1994; Bull. 12-1994.

² Bull. 6-1994, point 1.2.112.

³ Bull. 9-1994, point 1.2.116.

⁴ COM(93) 66; Twenty-seventh General Report, point 322.

⁵ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.94; OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.90; OJ C 323, 21.11.1994; Bull. 10-1994, points 1.2.67 and 1.2.68.

⁶ Bull. 3-1994, point 1.2.89.

⁷ This proposal replaces the 1980 proposal — OJ C 192, 30.7.1980.

382. On 22 November, the Council adopted Directive 94/57/EC on common rules and standards for ship inspection and survey organizations (Table II) in order to ensure a high level of competence and independence, and Regulation (EC) No 2978/94 on the implementation of IMO Resolution A 747(18) on the application of tonnage measurement of ballast spaces in segregated ballast oil-tankers (Table II) in order to obtain substantial reductions in port fees for these environmentally friendly tankers. Also on 22 December, the Council adopted a resolution on the safety of roll-on/roll-off passenger ferries.¹

383. On 22 November, the Council adopted a Directive on the minimum level of training for maritime occupations (Table II).

Air transport

Implementation of the common policy

384. On 1 June, the Commission adopted an action programme entitled 'The way forward for civil aviation in Europe'.² Based on a structural analysis of the shortcomings of the European civil aviation system resulting from the fragmentation, poor quality and inefficiency of the infrastructure, this programme follows on from the report presented by the Committee of Enquiry in February, on which the European Parliament gave its views on 9 March.³ The action programme was approved by the Council in its resolution of 26 September,⁴ which was formally adopted on 24 October⁵ and followed on from the conclusions adopted by the Council on 18 April.⁶

385. Extensive informal contacts between the Commission and the competent authorities of the Member States continued in order to ensure that the new Community rules on the liberalization of air transport are properly applied. The Commission investigated a number of complaints about infringements by certain Member States of the rules contained in the third package of liberalization measures,⁷ which entered into force on 1 January 1993. On 27 April, it adopted two decisions ensuring non-discriminatory access to Orly airport (Paris) for all Community carriers.⁸

¹ Bull. 12-1994.

² COM(94) 218; Bull. 6-1994, point 1.2.108.

³ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.95.

⁴ Bull. 9-1994, point 1.2.122.

⁵ OJ C 309, 5.11.1994; Bull. 10-1994, point 1.2.69.

⁶ Bull. 4-1994, point 1.2.96.

⁷ OJ L 240, 24.8.1992; Twenty-sixth General Report, point 674.

⁸ OJ L 127, 19.5.1994.

Air traffic management

386. In its action programme adopted on 1 June, the Commission recorded its determination to mobilize the financial resources needed to support standardization activities and the investments needed to improve European air traffic management systems. In the same vein, it finalized, in cooperation with the Member States, Eurocontrol and the European Space Agency, a research and development action plan (Ecarda) for this sector. It also stressed the need to update the institutional framework so as to permit the emergence of a single air traffic management system. In parallel the Commission continued, in cooperation with Eurocontrol, to provide support to the countries of Central and Eastern Europe for the improvement and modernization of their air traffic management systems. In its resolution of 27 September on air traffic control in Europe, the European Parliament supported the harmonization of the different national systems and the establishment of a single control system.¹

387. On 13 December, the Commission adopted a proposal for a Directive aimed at liberalizing ground handling services at Community airports while allowing certain derogations, e.g. on grounds of security and capacity (Table II).

388. On 21 November, the Council adopted Directive 94/56/EC (Table II) establishing the fundamental principles governing the investigation of civil aviation accidents and incidents, based on the international standards published by the ICAO.

389. The Commission sent three letters of formal notice to two Member States regarding the incorrect application of Directive 91/670/EEC on mutual acceptance of personnel licences for the exercise of functions in civil aviation.² It also carried out a study of the social impact of the process of air transport liberalization.

Summer time

390. On 30 May, the European Parliament and the Council adopted Directive 94/21/EC (Table III) on summer-time arrangements for the period 1995-97. As from 1996, summer time will begin and end on the same dates in all European Union countries.

¹ OJ C 305, 31.10.1994; Bull. 9-1994, point 1.2.123.

² Twenty-fifth General Report, point 728.

State aid¹

391. In the rail sector, on 14 July the Commission adopted a Decision authorizing a State guarantee relating to the leasing of rolling-stock for the international carriage of passengers intended to facilitate the acquisition of high-speed trains by European Passenger Services Ltd., a British State-owned company, with which to operate train services to Paris and Brussels via the Channel tunnel.

392. In the shipping sector, on 21 June the Commission approved proposed aid intended to encourage the modernization of the Dutch fleet, and compliance with high safety and environmental standards by vessels flying the Dutch flag, and to increase the competitiveness of the Dutch fleet. It is also designed to prevent the transfer of flags to open registries. The Commission took the view that these measures would not affect trade between Member States to an extent which is contrary to the common interest, and were compatible with Community shipping policy, the two main objectives of which are to ensure that vessels remain under the flags of the Member States and that the greatest possible number of Community seafarers are employed, given the increased competition from third countries.²

393. In the air transport sector, on 6 July, 27 July and 7 October respectively, the Commission adopted Decisions authorizing aid to TAP Air Portugal,³ Air France⁴ and Olympic Airways,⁵ subject to conditions designed to ensure that the aid is used exclusively for the restructuring and recovery of the companies and that trading conditions are not affected to an extent which is contrary to the common interest. The Commission declared unnotified aid to Air France to be incompatible with the common market.⁶ It considered the compensation for TAP's deficit on routes to the Portuguese Atlantic islands (Azores and Madeira) to be regional aid compatible with the common market.⁷ On 29 November, the Commission declared aid granted to KLM in respect of the acquisition of a civil aviation school to be compatible with the common market.

394. On 16 November, the Commission adopted a communication setting out guidelines for assessing State aid in the air transport sector.

¹ This list is not exhaustive. For more details see points 1269 *et seq.* and point 175 of this Report.

² Bull. 6-1994, point 1.2.118.

³ OJ L 279, 28.10.1994; Bull 7/8-1994, point 1.2.96.

⁴ OJ L 254, 30.9.1994; Bull 7/8-1994, point 1.2.93.

⁵ OJ L 273, 25.10.1994; Bull 7/8-1994, point 1.2.94.

⁶ Bull. 7/8-1994, point 1.2.97.

⁷ Bull. 7/8-1994, point 1.2.95.

International cooperation

395. On 2 February, the Commission adopted an amended recommendation for a Decision on the opening of negotiations between the Community and Switzerland on road and air transport (Table III) designed to ensure appropriate parallelism between the different sectors covered by the negotiations.¹ The initial recommendation² was the subject of resolutions adopted by the European Parliament on 24 February³ and 11 March.⁴ On 16 November, the Commission adopted a communication on the implementation of the 'Alpine Initiative' by Switzerland and its consequences for the transport sector.⁵ On the face of it, the arrangements for the implementation of the Alpine Initiative, entailing a switch to the railways within 10 years, seem to be compatible with the common transport policy, in particular as regards freedom of choice and equal treatment for operators. The Commission therefore suggested that the Council should resume work on the negotiating directives so that the negotiations concerning inland transport and air transport can be started as soon as possible and are conducted in parallel with Switzerland's legislative process. In this way, the Community will be able to ensure that the solutions adopted by the Swiss authorities are in conformity with the arrangements now proposed.

396. In a resolution adopted on 11 March, the European Parliament proposed further steps towards a pan-European transport policy.⁶ The resolution examined the progress made since the first Pan-European Transport Conference, held in Prague,⁷ and was presented at the second Pan-European Transport Conference, organized by the Commission and the European Parliament and held in Crete from 14 to 16 March.⁸ The Conference considered the definition of concepts necessary for the framing of a coordinated pan-European transport policy and the development of pan-European multimodal infrastructure. A declaration covering the provision of a general regulatory framework for transport, safety and environmental protection, and infrastructure planning and funding was adopted. An indicative approach to the development of infrastructure was approved, consisting in identifying nine priority transport corridors in Central and Eastern Europe and common criteria for the selection of projects to be carried out in the short term.

¹ Points 784 *et seq.* of this Report.

² Twenty-seventh General Report, point 334.

³ OJ C 77, 14.3.1994; Bull. 1/2-1994, point 1.2.98.

⁴ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.100.

⁵ Bull. 11-1994, point 1.2.110.

⁶ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.98.

⁷ Twenty-fifth General Report, point 735.

⁸ Bull. 3-1994, point 1.2.97.

Section 13

Telecommunications, information services and the information industry

Priority activities and objectives

397. *The White Paper on growth, competitiveness and employment¹ emphasized the information society, based on advanced information and communications technologies and services, as one of the possible ways of stimulating a new and sustainable cycle of development in Europe. One of the priorities in 1994 was to put into effect the guidelines set out in the White Paper and to follow them up.*

At the request of Heads of State or Government of the Member States, a Group of eminent persons and representatives of the industries concerned, chaired by Mr Bangemann, Member of the Commission, reported on the action required to put into place a pan-European information infrastructure as a basis for the information society of the future. One of the recommendations in the report, entitled 'Europe and the global information society', is that telecommunications regulations and legislation should be changed to encourage expansion of the European market and to ensure interconnection of networks and interoperability of services without adversely affecting the global competitiveness of European firms. The report also advocates protecting intellectual property rights, guaranteeing confidentiality of personal data and network security, establishing rules on the ownership of media appropriate to the single market and bringing Community competition policy into line with the new multimedia market.

The European Council, meeting in Corfu in June, approved the recommendations in the Bangemann Report and instructed the Commission to prepare an action plan to establish the framework for faster progress towards an information society. Accordingly, in its communication of 19 July entitled 'Europe's way to the information society: an action plan', the Commission set out a detailed work programme which emphasizes four complementary approaches: changing the regulatory framework; information networks, services, applications and content (establishing a European Forum for Basic Services and an Information Society Project Office); social and cultural aspects; and promotion of the information society. This action plan was approved on 28 September by

¹ Point 17 of this Report.

the Joint Council of Industry and Telecommunications Ministers¹ which asked the Commission to begin to put it into effect. The Essen European Council in December emphasized that this Commission communication and the Council conclusions had set the agenda for the development of the information society. It also regarded the decision of principle on liberalizing the telecommunications infrastructure by 1 January 1998 as a decisive step, stressed the role of the private sector in building up and financing information infrastructure, and welcomed the G7 Ministerial Conference to be held in Brussels in February 1995 on the information society..

Information technologies

398. Information technologies activities are covered in Section 7 'Industrial policy' in Chapter II.²

Telecommunications policy

Legislative aspects

399. Following the conclusions of the Council of 16 June 1993³ and 28 September 1994,¹ the Commission presented a Green Paper on infrastructure liberalization. The first part of the Green Paper,⁴ adopted on 25 October, establishes the general principle of free choice of infrastructure for services already open to competition and sets out a timetable for infrastructure liberalization, which was agreed to by the Council⁵ on 17 November. The second part will describe how infrastructure liberalization can be achieved. In addition, on 21 December, the Commission adopted a proposal for a Directive⁶ amending Directive 90/388/EEC in order to abolish restrictions on the use of cable TV networks for the provision of telecommunications services.

400. With regard to radio-based communications, on 27 April the Commission adopted a Green Paper on mobile and personal communications⁷ which sets out proposals for a Community policy for the development of this sector.

¹ Bull. 9-1994, point 1.2.125.

² Point 222 of this Report.

³ Twenty-seventh General Report, point 341.

⁴ COM(94) 440; Bull. 10-1994, point 1.2.71.

⁵ Bull. 11-1994, point 1.2.113.

⁶ Point 174 of this Report.

⁷ COM(94) 145; Bull. 4-1994, point 1.2.98.

Opinions on this Green Paper were given by the Economic and Social Committee¹ and the Committee of Regions¹ on 14 and 18 September respectively. The results of the Green Paper consultations were set out in a communication² of 23 November.

401. Turning to satellite communications, on 22 March the Commission adopted an amended proposal for a Directive (Table I) on the mutual recognition of licences for the provision of satellite services. On 4 January, it adopted a proposal for a Directive concerning satellite communication services (Table I). On 10 June it also adopted a communication on the provision of and access to space segment capacity.³ On 14 October, it adopted Directive 94/46/EC the aim of which is to liberalize the market in satellite telecommunications equipment and services.⁴ On 6 May, the European Parliament adopted a general resolution on space policy and telecommunications⁵ and on 17 November, the Council adopted a resolution on the same subject.⁶

402. The need for tariffs to be brought into line with costs, while maintaining a universal service, is a key element in preparing for liberalization. In this respect resolutions were adopted on 7 February by the Council⁷ and on 6 May by Parliament⁸ on universal service principles. All the Member States have already started to adjust their tariff structures.

403. On 19 July (Table I), Parliament, under the co-decision procedure, rejected the Council's common position on the proposal for a Directive concerning the application of ONP to voice telephony. Following a request made by Parliament⁹ on 30 September, the Commission, in a communication¹⁰ of 29 November, announced that it would be presenting a new proposal.

404. Progress was made with trans-European networks in the telecommunications sector.¹¹ On 30 May, the Council approved the fourth annual progress report on ISDN. In the same context, on 22 December it adopted a common position on the proposal for a series of guidelines for the development of ISDN.¹²

¹ Bull. 9-1994, point 1.2.126.

² COM(94) 492; Bull. 11-1994, point 1.2.115.

³ COM(94) 210; Bull. 6-1994, point 1.2.120.

⁴ OJ L 268, 19.10.1994; Bull. 10-1994, point 1.2.72; point 174 of this Report.

⁵ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.86.

⁶ Bull. 11-1994, point 1.2.114.

⁷ OJ C 48, 16.2.1994; Bull. 1/2-1994, point 1.2.100.

⁸ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.87.

⁹ OJ C 305, 31.10.1994; Bull. 9-1994, point 1.2.127.

¹⁰ COM(93) 513; Bull. 11-1994, point 1.2.116.

¹¹ Point 321 of this Report.

¹² Point 331 of this Report.

405. Advanced broadcasting networks and services are of key importance for the development of an information society, which is why implementation of the four-year action plan for the introduction of advanced television services¹ has now started. By the end of 1994 the first results were already in evidence: 22 16:9 transmission facilities in eight Member States, and more than 30 000 hours of programmes scheduled for broadcasting before the end of 1995. Agreement was also reached on a common Council position on a proposal for a Directive on TV standards² on 17 November (Table I).

406. Recognizing that consumer mistrust could slow down development of an information society, the Commission emphasized the need for a common approach to privacy and data protection in the context of telecommunications networks. In this connection, on 8 December the Council reached agreement³ on the proposal for a Directive submitted to it in 1992 concerning the protection of individuals in relation to the processing of private data and the free movement of such data. On 13 June, the Commission adopted an amended proposal for a specific Directive on telecommunications² within the context of a general Directive on data protection.

Technological aspects

407. The extra budgetary allocation for the RACE programme⁴ allowed a number of projects to be reinforced and 23 new projects, particularly in the area of digital image communications, to be launched. A number of preparatory and accompanying measures were also implemented, in particular in order to stimulate trans-border teleworking and to promote standardization and demonstration activities relating to digital television systems. A mid-term report on Phase II of the RACE programme (1990-94) was adopted by the Commission on 14 July.

408. Special measures were put in place to help small businesses in less-favoured regions participate in the fourth framework programme.⁵ Other measures were launched to reinforce scientific cooperation via teleworking in Central and Eastern Europe. These measures have enabled more than 2 000 scientists in these countries to make use of international information networks.

409. On 27 July, the Council adopted Decision 94/572/EC (Table II) concerning the specific R&TD programme for advanced communications technology and

¹ Twenty-sixth General Report, Point 348.

² Point 714 of this Report.

³ Point 15 of this Report.

⁴ Twenty-seventh General Report, point 349.

⁵ Point 236 of this Report.

services (ACTS) under the fourth framework programme. A call for proposals¹ was published on 15 September.

410. The Commission introduced faster and more efficient procedures for management of and interaction between the 26 COST² telecommunications projects. Fifteen feasibility studies for public and private-sector use of high-speed trans-European communications networks were launched and support was given for the organization of more than 20 conferences and exhibitions in the area of advanced communications, information society developments and stimulation of teleworking.

Telematics applications

411. Work continued both in the sectors covered by the 1991-94 R&TD programme 'telematic systems in areas of general interest'³ and in the areas of 'telematics for research' and 'telematics for the integration of disabled and elderly people' (TIDE).⁴ Further projects and accompanying measures were launched during the year, including projects on the use of telematics for education and training, in urban areas and for air transport, and projects on telematics, linguistic and information engineering. Finally, to prepare for the new telematics applications programme (1994-98), which is part of the fourth framework programme,⁵ an extensive consultation exercise was undertaken. The Decision on this new specific programme (Table II) was adopted on 23 November and the first call for proposals⁶ was published on 15 December.

412. On 19 October, the Commission adopted a communication on the legal aspects of electronic data interchange (EDI), together with a recommendation for a standard European agreement.⁷

Telematics for public authorities

413. Most of the work which was started in 1992 had already been completed by the end of 1993. For the period 1992-94, funding of ECU 40 million was allocated to 14 projects, of which 10 developed a number of pilot demonstration projects and four provided common support in areas such as standardization

¹ OJ C 258, 15.9.1994.

² European cooperation in the field of scientific and technical research.

³ Twenty-seventh General Report, point 351.

⁴ OJ L 192, 16.7.1991; Twenty-fifth General Report, point 379.

⁵ Twenty-seventh General Report, point 209.

⁶ OJ L 357, 15.12.1994; Bull. 12-1994.

⁷ Bull. 10-1994, point 1.2.73; OJ L 338, 28.12.1994; point 228 of this Report.

and dissemination of information. In February, a manual was distributed to European public authorities.¹ A conference in March presented the main results of the projects to the public authorities and this was followed up by a number of national conferences. Finally, seminars were organized for specific user groups.

Telematics for transport

414. Sixty-six projects and five accompanying measures with a budget of ECU 126 million were running in 1994, the aim being to improve efficiency, safety and environmental compatibility of transport. In addition, 13 projects on telematics for air transport, with a budget of ECU 7 million, were selected as a first step in implementing a coherent European approach to R&TD in air traffic management (Ecarda). The scope of the transport telematics section of the fourth framework programme was extended to cover all the individual modes of transport. At international level, the Commission was actively involved in the organization of the first World Congress on advanced transport telematics which was held in Paris from 30 November to 2 December. Finally, in the context of the debate on the information society,² two communications were adopted on satellite navigation services³ and telematics applications for transport in Europe.⁴

Telematics for knowledge

Telematics for research

415. The European Union has focused on promoting the development of networked services by increasing the number of users and improving the level of service available. Eight national electronic mail projects were supported, as well as four national directory projects, all integrated into a wider European service. Three accompanying measures were undertaken to support SMEs in their use of research networks and to enable the establishment of high-capacity telematics network services. Following the successful completion of the Eureka Cosine project, its successor Eurocairn was launched.

¹ Entitled STEPS (Solutions for telematics in European public services).

² Point 327 of this Report.

³ Point 366 of this Report.

⁴ Point 364 of this Report.

Telematics for education and training

416. The 30 projects and 12 accompanying measures launched in 1992 are nearing completion. A wide range of distance learning services were tested. The experiments focused on technologies that will be widely available in the very near future (multimedia, ISDN, and satellite broadcasting and narrowcasting). A call for proposals launched on 15 March led to the selection of four trans-European demonstration projects.

Telematics for libraries

417. In all, 50 research projects and 24 technical and feasibility studies have been launched since the programme started, covering computerized bibliographies, the interconnection of library systems, the setting-up of new electronic services and the establishment of telematics products and services for libraries.

Telematics for improving employment and the quality of life

Telematics for rural areas

418. Of the 16 projects started in 1992,¹ with funding of ECU 12 million, eight continued in 1994, most being completed by the end of the year.

Telematics for health care

419. A total of 42 projects were running in 1994, covering the areas of telemedicine, multimedia health records, medical image processing, rehabilitation telematics, biosignal processing, regulatory and qualitative aspects and medical decision-support techniques. These projects were complemented by nine concerted activities concerned with education, resource management, primary care and nursing, and seven accompanying measures on patient card data, quality assurance in health-care delivery and technology assessment.

TIDE (technology initiative for disabled and elderly people)

420. Thirty-three new projects and horizontal activities were started in 1994, bringing to 67 the total number of projects and horizontal activities now covered by TIDE.² The projects address the development and adaptation of technologies

¹ Twenty-sixth General Report, point 339.

² Twenty-seventh General Report, point 360.

in a number of areas: interpersonal communication, restoration and support of remaining motor and cognitive functions, home systems, and remote monitoring systems. They also cover orientation and navigation of the handicapped in their environment, adaptation of the workplace to their needs, training support and access to telecommunications.

Telematics for the environment

421. Environment telematics is a new initiative under the fourth framework programme,¹ the aim being to investigate the extent to which telematics solutions are appropriate for protecting and improving the environment. Preparations started in 1994, with an initial report identifying potential areas of research, a workshop and a series of consultation meetings with a view to developing pilot applications.

Horizontal activities

Linguistics research and engineering

422. The 15 projects launched at the beginning of 1994 continued the trend towards more active involvement of users and industry. The 26 projects currently under way have considerable outside input and feedback from interest groups. A further 13 shared-cost preparatory actions launched under the multilingual action plan involved major companies in areas such as aerospace, computer software and the automobile industry. A series of seminars and awareness actions were organized in Central and Eastern Europe. During 1994 work continued on the development of the Systran machine-translation system.²

Information engineering

423. Twenty-two feasibility projects were launched in preparation for a new activity in the new telematics applications programme (1994-98), covering electronic newspapers and magazines, multimedia asset management networks, multimedia catalogue production, technical services and documentation and scientific, technical and medical publishing. In addition, seven studies were launched to provide information on key issues such as the technologies available, transaction techniques and non-textual retrieval methods.

¹ Twenty-seventh General Report, point 209.

² Twenty-seventh General Report, point 358; point 1262 of this Report.

Telematics engineering

424. Following a call¹ in March, six exploratory projects were accepted with a view to a horizontal activity included in the new telematics applications programme (1994-98). Work in this sector will provide a focus for the collation, adaptation and dissemination of methods, techniques and practices for the implementation of telematics applications.

Dissemination and exploitation of the results of R&TD programmes

425. The Commission continued its activities in this area by implementing Decision 92/272/EEC,² in particular by extending to the European Economic Area the network of relay centres set up under the VALUE Programme, which is designed to promote Community R&TD activities and the utilization of their results, by developing Cordis (Community research and development information service), which has 120 000 documents shared between nine databases, and, in accordance with procedures defined in previous years, by supporting the protection, promotion and exploitation of the R&TD results of specific programmes and the Joint Research Centre.

426. A decision on a specific programme for the dissemination and exploitation of the results of R&TD and demonstration programmes under the third activity of the fourth framework programme was adopted by the Council on 15 December.³ On 21 November, the Council also adopted Decision 94/762/EC on rules for the dissemination of the results of research under the specific R&TD and demonstration programmes.⁴

Promotion of innovation and technology transfer

427. The activities of the strategic programme for innovation and technology transfer (Sprint)⁵ came to an end in 1994. Efforts to spread new technologies were pursued through networks of research organizations and inter-firm technology transfer networks. In order to strengthen European innovation and technology transfer infrastructure, a number of activities were developed in three areas: feasibility studies of science parks, evaluation of existing science parks, and regional innovation and technology transfer strategies and infrastruc-

¹ OJ C 78, 15.3.1994.

² OJ L 141, 25.3.1992; Twenty-seventh General Report, point 362.

³ Point 236 of this Report.

⁴ Point 238 of this Report.

⁵ OJ L 112, 25.4.1989; Twenty-third General Report, point 370.

ture (RITTS). The MINT initiative (managing the integration of new technology),¹ launched in 1993, achieved some promising results. Finally, with a view to improving awareness and understanding of innovation and exchanging experiences on national and Community innovation policies, five workshops were organized within the framework of the European innovation monitoring system. A number of studies, including one on an integrated approach to technology dissemination policy, were completed.

Development of an information services market

428. The EFTA and EEA States participated fully in the Impact II programme.² On 1 February, the Commission approved the annual Impact II work programme, whose theme continues to be 'info-Euro-access'. In the light of the conclusions of the European Council in Corfu³ and the action plan, 'Europe's way to the information society',⁴ proposals were prepared for a programme to follow on from Impact II. On 15 September, a call for proposals⁵ was published concerning pilot and demonstration projects for electronic information services, focusing on the information needs of specific industrial and business sectors, particularly SMEs. In addition, the network of national partners established in 1992 to handle information activities under the Impact II programme⁶ was extended to include new organizations from both the European Union and the EFTA States.

429. The Information Market Observatory (IMO) continued to collect and analyse market data in order to increase market transparency. It also produced a methodology for the analysis of the structures and performance of markets for information services at both national and European levels. A study was launched to assess the future interplay of media and advertising.

430. A meeting of the Legal Advisory Board (LAB) was devoted to the topic of consumers and the information society. Four studies were produced on various practical aspects of copyright. The legal issues relating to multimedia and geographical information systems were discussed at a conference in Lisbon attended by industrialists and lawyers.

¹ Twenty-seventh General Report, point 365.

² OJ L 377, 31.12.1991; Twenty-fifth General Report, point 399.

³ Point 1194 of this Report.

⁴ Point 327 of this Report.

⁵ OJ C 258, 15.9.1994.

⁶ Twenty-sixth General Report, point 366.

International cooperation

431. The Commission played an active role in the GATT negotiations and the work of the OECD on liberalizing telecommunications services. It attended the 21st Universal Postal Union (UPU) Congress held in Seoul from 22 August to 14 September, the Conference of Plenipotentiaries of the International Telecommunication Union (ITU) held in Kyoto from 19 September to 14 October and the World Conference on the development of telecommunications organized by the ITU in Buenos Aires in March. The information society was the subject of an EC-Japan ministerial meeting and a dialogue was launched on the same topic with the USA in Washington on 28 and 29 November and with several Latin American and Central and East European countries. In addition an EC-Japan Forum was held in Paris on 2 and 3 June on the subject of cooperation and competition in the field of telecommunications. A number of programmes, research projects and visits were organized at a total cost of ECU 9.8 million to help the developing countries with audiovisual and information technologies, and applied networks.

432. A new call for proposals¹ for scientific and technological cooperation concerning Central and Eastern Europe and, for the first time, the countries of the former Soviet Union, led to the selection of 42 projects in the fields of telecommunications, telematics and language technologies for a total amount of ECU 10.5 million. Support activities were also organized to promote electronic access to scientific information by researchers, communication between researchers and their participation in specific programmes under the fourth framework programme. Consultations continued under existing agreements, including PHARE and TACIS, to help with the restructuring of telecommunications and their gradual integration into the pan-European telecommunications system, with particular emphasis on the harmonization of legislation. On 27 July, the Commission adopted a communication on the participation of the European Union in the Budapest International Exposition in 1996, the theme of which will be communication.²

¹ OJ C 30, 1.2.1994.

² Bull. 7/8-1994, point 1.2.100.

Section 14

Economic and social cohesion

Priority activities and objectives

433. *The strengthening of economic and social cohesion was continued this year, in partnership with the Member States and the regions, with a view to reducing the gap between the levels of development of the different regions, helping the less-favoured regions, including rural areas, to catch up, promoting job creation and helping workers to adjust to industrial change. In the context of the second phase in the implementation of the reform of the Structural Funds (1994-99), 1994 saw the adoption of the Community support frameworks and single programming documents, which are produced by a simplified procedure whereby the strategic priorities, programming procedures and aid granted are all included in a single document. The financial allocation and geographical coverage of the eligible areas have been substantially increased. New Community initiatives were also launched this year, and the Cohesion Fund was set up. In addition, on 27 July the Commission adopted a new communication¹ on spatial planning: 'Europe 2000+ — cooperation for European territorial development', which stresses the importance of intensifying cooperation in this area and identifies the tasks which can be performed better at the level of the Union. It also stepped up the integration of environmental aspects into the regional policy, in the single programming documents and Community support frameworks as well as the Community initiatives.*

Cohesion Fund

Conception and approach

434. The Cohesion Fund, provided for in Article 130d of the EC Treaty, was set up by Regulation (EC) No 1164/94 (Table II) of 16 May. Its objective is to strengthen economic and social cohesion by improving transport infrastructures and environmental protection in Ireland, Greece, Portugal and Spain. The beneficiary Member States must have a per capita gross national product of less than 90% of the Community average and have a programme leading to the

¹ COM(94) 354 and corrigendum; Bull. 7/8-1994, point 1.2.102.

fulfilment of the conditions of economic and social convergence. Council Regulation (EEC) No 792/93¹ establishing a cohesion financial instrument had previously been extended by Council Regulation (EC) No 566/94 of 10 March², in order to ensure continuity with the Cohesion Fund. In addition, on 26 July, the Commission adopted Regulation (EC) No 1831/94³ concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the Cohesion Fund.

Financial assistance

435. The Cohesion Fund allocation for the period covered by the financial perspectives for 1993-99 amounts to ECU 15.15 billion (1992 prices). The commitment appropriations for the 1993 and 1994 financial years have been set at ECU 1.565 billion and ECU 1.853 billion respectively. In 1993-94, the total commitment appropriations for financing projects in Ireland, Greece, Portugal and Spain amounted to ECU 1 852 million, of which ECU 923 million were allocated to environmental projects and ECU 929 million to projects relating to transport. ECU 13 million were committed for technical assistance in 1993-94.

The breakdown by country of sums committed for projects is shown in Table 2. In 1994, a total of 51 projects were financed by the Cohesion Fund, of which 20 in Greece, 9 in Spain, 9 in Ireland and 13 in Portugal.

TABLE 2
Commitment appropriations 1993-94 — Cohesion Fund

	Environment		Transport		Total million ECU	Breakdown %
	million ECU	%	million ECU	%		
Greece	198.1	60	134	40	332.1	17.92
Spain	519.3	51	498.9	49	1 018.2	54.95
Ireland	71.8	43	96	57	167.8	9.05
Portugal	134.1	40	200	60	334.3	18.05
Total	923.4		929		1 852.587	99.97
Technical assistance	—		—		13.337	

¹ OJ L 79, 1.4.1993; Twenty-seventh General Report, point 417.

² OJ L 72, 16.3.1993; Bull. 3-1994, point 1.2.103.

³ Point 1148 of this Report.

Structural measures, regional policy

Conception and approach

436. On 29 July¹, the Commission adopted the Fifth Periodic Report on the social and economic situation and development of the regions of the Community.

437. The revised Regulations governing the implementation of the Structural Funds² have introduced a major innovation in the quantification of objectives.

438. In two own-initiative opinions dated 27 January³ and 14 September⁴, the Economic and Social Committee analysed the conditions for implementing Article 4 of the framework Regulation (EEC) No 2081/93 and stressed the importance of partnership with the regional authorities.

439. On 11 July, the Commission also adopted Regulation (EC) No 1681/94⁵ concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the structural policies.

440. It also adopted Regulations (EC) No 402/94⁶ and No 2745/94⁷ amending Regulation (EEC) No 1866/90⁸ with a view to redefining the ecu-indexing method to be used for structural measures.

441. Regional policy took an important place in the accession negotiations.⁹ One Austrian region, Burgenland, was declared eligible under Objective 1. It was also decided to create a new objective, Objective 6, for the regions of the Nordic countries with a very low population density because of their special circumstances.

The ERDF, the European Social Fund and the EAGGF Guidance Section

442. On 19 December, the Council adopted Regulation (EC) 3193/94 (Table II) amending Regulations (EEC) No 2052/88 and 4253/88 on the tasks of the Structural Funds and on coordination of their activities between themselves and

¹ COM(94) 322; Bull. 7/8-1994, point 1.2.103.

² OJ L 193, 31.7.1993; Twenty-seventh General Report, point 384.

³ OJ C 127, 7.5.1994; Bull. 1/2-1994, point 1.2.106.

⁴ Bull. 9-1994, point 1.2.129.

⁵ Point 1148 of this Report.

⁶ OJ L 54, 25.2.1994; Bull. 1/2-1994, point 1.2.133.

⁷ OJ L 290, 11.11.1994; Bull. 11-1994, point 1.2.119.

⁸ OJ L 218, 6.8.1991.

⁹ Point 724 of this Report.

with the operations of the European Investment Bank and the other existing financial instruments. At the request of the new Member States, the programming period for Objective 2 may be extended to five years and a four-month retroactive period of eligibility is granted to those countries for applications for assistance submitted to the Commission between 1 January and 30 April 1995.

Financial instrument for fisheries guidance (FIFG)

443. On the basis of Council Regulation (EEC) No 2080/93,¹ the structural aspects of the common fisheries policy were brought together, as of January, into a single financial instrument, the FIFG, in order to authorize aid to structural measures in the fisheries sector. Pursuant to Council Regulation (EC) No 3699/93,² each Member State submitted operational programmes and, where applicable for Objective 1 regions, the information from the corresponding Community support frameworks and single programming documents for the fisheries and aquaculture sector. On 6 December, the Commission also adopted a proposal for a Council Regulation (Table II) making technical adjustments to Regulation (EC) No 3699/93.

Financial assistance

Regions whose development is lagging behind

444. On the basis of partnership with the authorities concerned, the Commission adopted all the Community support frameworks (CSFs) and single programming documents (SPDs) for Objective 1 in February,³ June⁴ and July.⁵

445. The Community contribution provided for under Objective 1 (1994-99) totals ECU 93.810 billion, broken down by country and by Fund as follows (see Table 3).

¹ OJ L 193, 31.7.1993; Twenty-seventh General Report, point 394.

² OJ L 346, 31.12.1993; Twenty-seventh General Report, point 394.

³ Bull. 1/2-1994, point 1.2.107.

⁴ Bull. 6-1994, points 1.2.124 to 1.2.131.

⁵ Bull. 7/8-1994, points 1.2.105 to 1.2.118.

TABLE 3

Allocation of the Community contribution under Objective 1 for the period 1994-99

(million ECU)

Country	ERDF	ESF	EAGGF (Guidance Section)	FIFG	Total
Belgium	515.92	166.70	47.01	0.37	730
Germany	6 820	4 092	2 644.5	83.5	13 640
Greece	9 492.4	2 558.3	1 803.4	125.9	13 980
Spain	15 944.2	6 047	3 313.8	995	26 300
France	1 194.6	525.4	431.4	38.5	2 190
Ireland	2 560	1 950	1 060	50	5 620
Italy	9 660	2 739	2 228	233	14 860
Netherlands	80	40	21.5	8.5	150
Portugal	8 723.5	3 145.5	1 901.2	209.7	13 980
United Kingdom	1 332	747.2	245.9	34.9	2 360
Total	56 322.6	22 011.2	13 696.8	1 779.3	93 810

446. The priorities of the CSFs and SPDs are shown in Table 4.

TABLE 4

Community support frameworks (CSFs) and single programming documents (SPDs)
adopted in 1994 under Objective 1

(billion ECU)

Country/regions	Type	Amount of assistance	Priorities
Belgium • Hainaut	SPD	0.73	Relaunching economic activity Enhancing the attractiveness of the area Developing transport infrastructures Promoting equal opportunities
Germany	CSF	13.64	Development of productive investments Promotion of SMEs Promotion of research Environmental protection Combating unemployment and promotion of human resources Promotion of agriculture, rural development and fisheries
Greece	CSF	13.98	Reducing remoteness Improving living conditions Developing the economic fabric Development of human resources Reduction of regional disparities and improvement of communications

TABLE 4 (Continued)

(billion ECU)

Country/regions	Type	Amount of assistance	Priorities
Spain	CSF	26.3	Improving the production system Development of human resources and the environment Improving communications Improving basic facilities
France:			
• Corsica	SPD	0.68	Improving communications by developing infrastructures
• Guadeloupe	SPD	0.345	Developing tourism and cultural heritage
• French Guiana	SPD	0.165	Protection of the environment
• Martinique	SPD	0.329	Search for economic and social equilibrium
• Nord-Pas-de-Calais	SPD	0.440	Development of productive sectors
• Réunion	SPD	0.660	
Ireland	CSF	5.62	Strengthening the productive sector Developing transport and environment infrastructures Developing human resources Urban and rural development
Italy	CSF	14.86	Improving communications Industry, crafts, services to businesses Tourism Diversification, development of agricultural resources, rural development and fisheries Infrastructures to support economic activities Development of human resources
Netherlands:			
• Flevoland	SPD	0.150	Development of businesses Tourism Agriculture and rural development Fisheries
Portugal	CSF	13.98	Strengthening competitiveness Promoting the quality of life and economic and social cohesion Development of human resources Strengthening the regional economic base
United Kingdom:			
• Northern Ireland	SPD	1.23	Development of economic activities
• Highlands and Islands	SPD	0.311	Promotion of tourism and cultural activities
• Merseyside	SPD	0.816	Protection of the environment Development of human resources

Declining industrial areas

447. On 20 January,¹ the Commission adopted the list of areas affected by industrial decline eligible under Objective 2 for the period 1994-96 and, on 11 February,² it fixed the indicative allocation to the Member States of the commitment appropriations from the Structural Funds for this Objective.

448. On the basis of Council Regulation (EEC) No 2082/93³ on the Structural Funds, Belgium, Denmark, Germany, France, Italy, Luxembourg, the Netherlands and the United Kingdom presented their conversion plans in April. The Spanish authorities prepared a single conversion plan for all of its Objective 2 areas as well as the corresponding operational programmes. The single programming documents and the Community support framework for Spain were approved on 9 and 13 November⁴ and 7 December.⁵ The objectives are as follows: improvement of employment at local level; innovative training, research and environmental measures; dissemination of the results of research and technological development; taking account of the environment in conversion strategies; support for local development initiatives for investment aid, project engineering and economic promotion. The total Community contribution provided for under Objective 2 (1994-96), broken down by country and Fund, is shown in Table 5.

TABLE 5

Allocation of the Community contribution under Objective 2 for the period 1994-96

<i>(million ECU)</i>			
Country	ERDF	ESF	Total
Belgium	130.1	29.9	160
Denmark	44.2	11.8	56
Germany	514.5	218.5	733
Spain	870.1	259.9	1 130
France	1 452	314	1 766
Italy	542.3	141.7	684
Luxembourg	6.1	0.9	7
Netherlands	205.9	94.1	300
United Kingdom			2 142

¹ OJ L 81, 24.3.1994; Bull. 1/2-1994, point 1.2.111.

² OJ L 82, 25.3.1994; Bull. 1/2-1994, point 1.2.108.

³ OJ L 193, 31.7.1993; Twenty-seventh General Report, point 384.

⁴ Bull. 11-1994, point 1.2.120.

⁵ Bull. 12-1994.

Combating long-term unemployment and facilitating the occupational integration of young people and those threatened with exclusion from the labour market

449. The Community support frameworks and single programming documents for Belgium, Denmark, Germany, Spain, France, Italy, Luxembourg, the Netherlands and the United Kingdom were adopted in June,¹ July² and September.³ The following priorities have been selected in partnership with the national authorities: improving the job prospects of the long-term unemployed, promoting the professional integration of young people seeking jobs, improving the job prospects of those threatened by exclusion from the labour market, promoting equality of opportunity for men and women on the labour market.

450. The indicative allocation of the Community contribution by Member State under Objectives 3 and 4 (outside Objective 1 regions) was adopted by the Commission in a Decision⁴ of 19 January. The Decision provides for an indicative amount of ECU 13 948 million in 1994 prices, broken down by Member State as in Table 6.

TABLE 6

Allocation of the Community contribution under Objectives 3 and 4 for the period 1994-99

(million ECU)

Member State	1994-99
Belgium	465
Denmark	301
Germany	1 942
Spain	1 843
France	3 203
Italy	1 715
Luxembourg	23
Netherlands	1 079
United Kingdom	3 377

Adaptation of workers to industrial change and to changes in production systems

451. On 16 November, the Commission adopted a communication⁵ on the new Objective 4 in which it reports on the implementation of that Objective since the review of the Regulations on the Structural Funds. It comments on the

¹ Bull. 6-1994, point 1.2.132.

² Bull. 7/8-1994, points 1.2.120 to 1.2.126.

³ Bull. 9-1994, point 1.2.130.

⁴ Bull. 1/2-1994, point 1.2.109.

⁵ COM(94) 510; Bull. 11-1994, point 1.2.122.

approaches taken in the single programming documents for Denmark, Germany, Spain, Italy, France, Luxembourg and the Netherlands and the Community support framework for Belgium, adopted on 9 and 16 November.¹ These documents share the following priorities for assistance: anticipating trends on the labour market and vocational qualification needs, developing training, guidance and advice, improving existing and new training schemes so that workers are better qualified to meet new requirements, technical assistance in the fields of information, advisory services, services and assessment.

452. The financial allocation among the Member States is included in the Commission decision² of 19 January.

Adjustment of agricultural structures

453. In 1994, the EAGGF Guidance Section committed a total of ECU 1 131.6 million for horizontal measures under Objective 5(a), which applies to the entire territory of the European Union and concerns the improvement of production, processing and marketing conditions for agricultural and forest products. Of that amount, ECU 426.7 million was for the Objective 5(b) regions. The breakdown by country of these commitments is given in Table 7. From 1 January 1994, following amendments to the rules governing the Structural Funds, expenditure on horizontal measures in Objective 1 regions is entered under Objective 1.

TABLE 7
1994 Commitments — Objective 5(a)

(million ECU)

Member State	Non-Objective 1
Belgium	24.73
Denmark	39.91
Germany	265.80
Spain	84.58
France	439.65
Italy	153.47
Luxembourg	9.50
Netherlands	25.24
United Kingdom	88.68
Total	1 131.56

¹ Bull. 11-1994, point 1.2.123.

² Point 450 of this Report.

454. On 21 November, the Council adopted Regulation (EC) No 2843/94 (Table II) amending Regulations (EEC) No 2328/91 on production structures¹ and No 866/90 on processing and marketing structures² to take account, in particular, of current developments in farming conditions such as environmental protection, hygiene on livestock holdings, group farming, and part-time farming.

455. Commission Decision 94/279/EC³ of 26 April lays down the indicative allocation among the Member States of the appropriations for Objective 5(a) (agriculture) for 1994-99. The total amount of ECU 4 631 million (1994 prices) is allocated as shown in Table 8. This decision was followed by 11 other Commission decisions⁴ of 21 December determining an additional allocation of Objective 5(a) appropriations both inside and outside Objective 5(b) areas.

TABLE 8

Allocation of the Community contribution under Objective 5(a) for the period 1994-99

Member State	(million ECU)
	1994-99
Belgium	170
Denmark	127
Germany	1 069
Spain	326
France	1 742
Italy	680
Luxembourg	39
Netherlands	118
United Kingdom	361

456. In the context of the application of measures to improve processing and marketing conditions for agricultural and forest products as provided for by Regulation (EEC) No 866/90,⁵ on 25 October⁶, 23 November⁷ and 13 December,⁴ the Commission approved the single programming documents for Denmark, Germany, Spain, Luxembourg, the Netherlands and the United

¹ OJ L 218, 6.8.1991; Bull. 7/8-1991, point 1.2.165.

² OJ L 91, 9.4.1990; Bull. 3-1990, point 1.1.108. (Regulation amended by Regulation (EC) No 3669/93 with a view to adjusting it to the new Structural Fund programming period (1994-99), OJ L 338, 31.12.1993).

³ OJ L 120, 11.5.1994; Bull. 4-1994, point 1.2.103.

⁴ Bull. 12-1994.

⁵ OJ L 91, 6.4.1990 (Regulation amended by Regulation (EEC) No 3669/93 with a view to adjusting it to the new Structural Fund programming period (1994-99), OJ L 338, 31.12.1993).

⁶ Bull. 10-1994, points 1.2.75 and 1.2.76.

⁷ Bull. 11-1994, point 1.2.124.

Kingdom. Table 9 shows the allocation of Community assistance among the Member States for the approved SPDs.

TABLE 9

Allocation of the Community contribution for the SPDs approved under Objective 5(a)

<i>(million ECU)</i>	
Member State	1994-99
Denmark	16.7
Germany	30.1
Spain	119
Luxembourg	1.6
Netherlands	39.2
United Kingdom	44.8

457. In 1994, the EAGGF Guidance Section committed ECU 0.75 million for measures to improve and modernize agricultural structures, ECU 0.2 million for aid to young farmers and ECU 0.28 million for specific aid to farmers in less-favoured areas, which account for 55% of the agricultural area in the Community. In addition, more than 1 million holdings benefited from compensatory payments for farming in mountain, hill and less-favoured areas.

Development of rural areas

458. Objective 5(b) aims at the development of rural areas in difficulty situated outside Objective 1 regions. It concerns nine Member States. On 26 January,¹ the Commission approved the list of eligible areas for 1994. In all, the areas eligible under Objective 5(b) for 1994-99 have about 28 523 000 inhabitants, i.e. 8.24% of the Community's population.² This trend is shown in Table 10

¹ Bull. 1/2-1994, point 1.2.112.

² The population concerned has increased by 72% in relation to 1989-93.

TABLE 10

Objective 5(b) areas

Member State	Population (1 000 inhabitants)		Area (km ²)	
	1989-93	1994-99	1989-93	1994-99
Belgium	256	448	3 446	6 831
Denmark	107	360	1 762	11 707
Germany	4 441	7 725	50 541	95 450
Spain	992	1 731	63 359	84 972
France	5 830	9 759	185 853	280 201
Italy	2 904	4 828	34 660	75 269
Luxembourg	3	30	164	830
Netherlands	443	800	2 413	5 350
United Kingdom	1 627	2 841	60 618	68 814
Total	16 604	28 523	402 816	629 425

459. The Commission drew up the Objective 5(b) SPDs in partnership with the national authorities and approved them on 5 and 15 October,¹ 16 November² and 7 December.³ The development priorities are: development of the basic infrastructures needed for economic development, adaptation of agriculture to market trends, improvement of living conditions in rural areas, development of human resources and development of natural resources and the environment.

460. The total allocation for Objective 5(b) amounts to ECU 6 667 million. Of this amount, 9% has been earmarked for Community initiatives while the remaining ECU 6 134 million (1994 prices) was allocated to the Community support frameworks. On 28 February,⁴ the Commission adopted the indicative allocation between the Member States of the commitment appropriations of the Structural Funds and the FIFG for Objective 5(b) (Table 11).

¹ Bull. 10-1994, point 1.2.77.

² Bull. 11-1994, point 1.2.129.

³ Bull. 12-1994.

⁴ Decision 94/203/EC — OJ L 97, 15.4.1994; Bull. 1/2-1994, point 1.2.110.

TABLE 11

Allocation of the Community contribution under Objective 5(b) for the period 1994-99

		(million ECU)
Member State		1994-99
Belgium		77
Denmark		54
Germany		1 227
Spain		664
France		2 238
Italy		901
Luxembourg		6
Netherlands		150
United Kingdom		817
	Total	6 134

461. The commitments for 1994 can be seen in Table 12.

TABLE 12

1994 commitments — Objective 5(b)

				(million ECU)
Member State	EAGGF	ERDF	ESF	
Belgium	—	—	—	
Denmark	2.57	2.571	1.2	
Germany	54.05	49.565	22.3	
Greece	—	—	—	
Spain	47.03	19.432	7.9	
France	115.70	112.09	34.9	
Ireland	—	—	—	
Italy	38.91	32.704	11.1	
Luxembourg	0.36	0.429	0.1	
Netherlands	4.92	12.081	1.2	
Portugal	—	—	—	
United Kingdom	9.29	29.587	7.2	
	Total	272.77	258.459	85.9

Fisheries structures

462. The allocation of commitments for 1994 can be seen in Table 13.

TABLE 13

1994 Commitments — fisheries structures

(million ECU)

	Objective 1	Objective 5(a) — fisheries
Belgium	0.37	4.08
Denmark	n.a.	23.31
Germany	7.00	12.41
Greece	17.80	n.a.
Spain	136.53	19.93
France	5.19	31.65
Ireland	3.00	n.a.
Italy	31.97	22.40
Luxembourg	n.a.	0.21
Portugal	0.60	7.76
United Kingdom	28.08	n.a.
	5.46	14.78

NB: n.a. = not applicable.

463. On 2 March, the Commission adopted a decision¹ fixing an indicative allocation between Member States of the commitment appropriations from the Structural Funds and the FIGG for Objective 5(a) (adjustment of fisheries structures). This decision was supplemented by a communication of 9 November² allocating the remaining ECU 81.9 million still available among the Member States. Table 14 shows the indicative allocation of financial resources.

¹ Bull. 3-1994, point 1.2.107.

² Bull. 11-1994, point 1.2.127.

TABLE 14

**Indicative allocation among the Member States of financial resources
under Objective 5(a) (fisheries) for 1994-99**

<i>(million ECU)</i>	
Member State	Amount of assistance
Belgium	24.5
Denmark	139.9
Germany	74.5
Spain	119.6
France	189.9
Italy	134.4
Luxembourg	1.1
Netherlands	46.6
United Kingdom	99.7
Total	819.2

464. On 30 November,¹ the Commission approved the single programming documents concerning fisheries structures for Belgium, Denmark, Germany, Spain, France, Italy, Luxembourg, the Netherlands and the United Kingdom. The SPDs include the following fields of activity for joint action: adjustment of fishing effort and reorientation of fishing activities, renewal and modernization of the fishing fleet, development of aquaculture, protection of sensitive maritime zones, facilities at fishing ports, processing and marketing of fisheries and aquaculture products and product promotion.

Community initiatives

465. Following on from its communication adopted in 1993,² in a communication dated 16 March³ the Commission fixed the fields of action for the Community initiatives until 1999: cross-border cooperation, rural development, the most remote regions, employment and human resources, industrial change, urban policy and fisheries.

466. Next, on 15 June, after receiving opinions from the European Parliament,⁴ the Committee of the Regions⁵ and the Economic and Social Committee,⁶ the

¹ Bull. 11-1994, point 1.2.128.

² OJ L 209, 3.8.1993, Twenty-seventh General Report, point 409.

³ COM(94) 46; Bull. 3-1994, point 1.2.113.

⁴ OJ C 205, 25.5.1994; Bull. 5-1994, points 1.2.93, 1.2.94 and 1.2.95.

⁵ OJ C 117, 6.8.1994; Bull. 5-1994, points 1.2.93, 1.2.94 and 1.2.95.

⁶ OJ C 295, 22.10.1994; Bull. 6-1994, point 1.2.133.

Commission issued notices to the Member States¹ laying down guidelines on all 13 Community initiatives including, essentially, a very limited extension in the geographical scope of certain initiatives outside the areas eligible under Objectives 1, 2 and 5(b), some flexibility in the application of the eligibility criteria and the addition of a few new measures. The Community's total contribution amounts to ECU 11.85 billion, with an additional reserve of ECU 1.6 billion. On 13 July, the Commission adopted the indicative allocations by Member State for each of the initiatives, not including Rechar, Resider, Konver and Retex (new areas). For the latter initiatives, it was necessary first to collect specific regional data. On the basis of these data, on 12 October² the Commission adopted the areas eligible under Rechar and Resider and on the indicative financial allocation for 1994-97 by Member State for Rechar, Resider and Retex (new areas) and, on 21 December,³ the areas eligible under Konver and the corresponding indicative allocations by Member State. The 13 Community initiatives adopted and their financial allocations are as follows:

- (i) Interreg II: this initiative concerns cross-border cooperation and completion of energy networks⁴ selected under the Regen initiative⁵ (ECU 2.9 billion);
- (ii) Leader II: this initiative aims at encouraging innovative measures in all fields of activity in rural areas by means of a European rural development network (ECU 1.4 billion);
- (iii) REGIS II: this initiative is a continuation of REGIS I⁶ and aims at integrating the Community's remotest regions into the European Economic Area. It also includes all the measures implemented under the other Community initiatives in the most remote regions of the Community⁷ as well as measures eligible for assistance from the Structural Funds under Poseidom, Poseima and Poseican (ECU 600 million);
- (iv) Employment and development of human resources: its aim is to enhance employment growth and promote social solidarity throughout the Community. Its three sections concern the promotion of equal employment opportunities (the existing NOW initiative), the development of employment prospects for the disabled and other disadvantaged groups (the existing Horizon initiative) and labour market integration of young people without qualifications (new programme Youthstart) (ECU 1.4 billion);
- (v) ADAPT: this new initiative introduces a transnational programme linked to the new Objective 4 of the Structural Funds⁸ (ECU 1.4 billion);

¹ OJ C 180, 1.7.1994; Bull. 6-1994, point 1.2.133.

² Bull. 10-1994, point 1.2.78.

³ Bull. 12-1994.

⁴ Point 322 of this Report.

⁵ OJ C 326, 28.12.1990; Twenty-fourth General Report, point 407.

⁶ OJ C 196, 4.8.1990; Twenty-fourth General Report, point 407.

⁷ Point 476 of this Report.

⁸ Point 449 of this Report.

- (vi) Rechar II: aims, during 1994-97, to assist the economic conversion of the areas most affected by the decline of the coal industry and unemployment, giving priority to the environment, new economic activities and human resources (ECU 400 million);
- (vii) Resider II: the purpose of this initiative is to facilitate the economic and social conversion of steel areas. It provides for improving the environment, promoting new activities and certain measures in the area of human resources (ECU 500 million);
- (viii) Konver: the purpose of this initiative is to accelerate the diversification of economic activities in the regions heavily dependent on the defence industry, in particular by the conversion of economic activities linked to this sector (ECU 500 million);
- (ix) RETEX: the objective is the economic diversification of areas heavily dependent on the textile and clothing industry (ECU 500 million);
- (x) Modernization of the Portuguese textile and clothing industry, with a view to its adaptation to increasing international competition. Since the Budgetary Authority decided that the programme for the Portuguese textile and clothing industry would be financed under rubric 3 of the financial perspective of the European Union, on 30 November (Table II) the Commission adopted a proposal for a Council Regulation¹ on a specific programme for the modernization of the Portuguese textile and clothing industry;
- (xi) SMEs: this initiative aims to assist small and medium-sized industrial or service enterprises to adapt to the single market and to ensure that they become internationally competitive (ECU 1 billion);
- (xii) URBAN: the aim of this initiative is to tackle the problems of urban areas using an integrated approach, supporting business creation, improving infrastructures and the environment and providing training opportunities and social amenities, particularly in deprived urban areas with a serious level of social exclusion (ECU 600 million);
- (xiii) PESCA: this initiative aims at solving the problems caused by the restructuring of the fisheries sector, particularly by helping it cope with the social and economic consequences of the crisis and contributing to the diversification of the areas concerned by developing job-creating activities (ECU 250 million).

¹ COM(94) 562; Bull. 11-1994, point 1.2.130.

Other financial assistance

467. The total volume of new ECSC conversion loans granted in 1994 amounted to ECU 423.8 million¹ for a total of 29 653 jobs. In addition, ECU 53 million was committed from the ECSC 1994 budget to finance interest subsidies on current loans. On 24 June,² in order to ensure that better use is made of Community resources, the Commission decided to suspend, as of 1 January 1995, application of Article 56 of the ECSC Treaty on the financing of vocational training aid, since the Member States can apply to the European Social Fund to finance such measures. However, on 13 April,³ the Commission decided to extend for the period 1994-97 the additional aid granted under the same Article to workers in the Community's coal industry affected by restructuring and closures. In its report⁴ on the ECSC's social assistance activities in 1993, adopted on 1 July, the Commission examined, in particular, the national situations regarding the industry and employment and stressed the efforts made to integrate certain ECSC measures into the European Social Fund.

TABLE 15
ECSC conversion loans

Member State	1975-93		1994		1975-94	
	(a)	(b)	(a)	(b)	(a)	(b)
Belgium	349.2	22 845	—	—	349.2	22 845
Denmark	11.7	854	—	—	11.7	854
Germany	2 395.8	171 041	129.3	9 700	2 525.1	180 741
Greece	5.0	375	—	—	5.0	375
Spain	217.8	10 934	50.3	3 771	268.1	14 165
France	913.5	66 747	70.0	5 246	983.4	71 993
Ireland	4.4	420	—	—	4.4	420
Italy	926.7	63 070	46.2	3 460	972.9	66 530
Luxembourg	25.8	2 100	—	—	25.8	2 100
Netherlands	37.8	2 696	—	—	37.8	2 696
Portugal	48.4	3 632	10.2	373	58.6	4 005
United Kingdom	2 723.5	151 134	117.8	7 103	2 841.3	158 237
Saar-Lor-Lux cross-border operation	190.0	11 750	—	—	190.0	11 750
Community	7 849.5	507 058	423.8	29 653	8 273.3	536 711

NB: (a) amounts of the loans granted in ECU million;
(b) number of jobs created/to be created.

¹ See Table 15.

² OJ C 178, 30.6.1994; Bull.6-1994, point 1.2.134.

³ Bull. 4-1994, point 1.2.104.

⁴ COM(94) 247; Bull. 7/8-1994, point 1.2.128.

468. As part of the measures to assist SMEs in the regions and support regional development,¹ four pilot programmes made it possible to assist innovative projects by businesses (creation in 1994 of 10 European business and innovation centres, integrated into the EBN (European Business Network), resulting in the creation of 2 800 businesses and 16 000 direct jobs); to finance start-up venture capital for new businesses; to assist European inter-business cooperation for regional development (Europartenariat);² to provide all-round training and to finance European-scale innovative projects (Euroleader). These measures were supplemented by the preparation of integrated local development programmes, exchange of experience and better targeted information campaigns.

469. With regard to interregional cooperation, 1994 saw a close monitoring of the interregional cooperation networks launched in 1990 and 1991 (Recite programme).³ The Ecos and Ouverture programmes for cooperation with the countries of Central and Eastern Europe were further developed in 1994, through the financing under the PHARE programme of Eastern European networks (ECU 2 million). Additional funding worth ECU 3 million made it possible to extend these two programmes to the former Soviet Union. In addition, the pilot measure Atlantis, launched in 1993⁴ to promote the economic development and environment of the Community's Atlantic regions, was continued in 1994.

470. Under the regional technology plans under the Structural Funds, the Commission launched four pilot projects with a view to developing regional research and technological development strategies in four regions: Wales, Limburg, Leipzig-Halle-Dessau and Lorraine.

Other measures for the regions

Greek Aegean islands programmes

471. In 1994, the Commission continued to implement the programme set out in its final report of December 1992 on the Greek islands in the Aegean Sea.⁵ Implementation of Regulation (EEC) No 2019/93⁶ introducing specific measures for the smaller Aegean islands concerning certain agricultural products was commenced at the beginning of the year, after the implementing Commission

¹ Point 187 of this Report.

² Point 195 of this Report.

³ Twenty-fifth General Report, point 503.

⁴ Twenty-seventh General Report, point 413.

⁵ Twenty-sixth General Report, point 489; Bull. 12-1992, point 1.3.165.

⁶ OJ L 184, 27.7.1993; Twenty-seventh General Report, point 414.

Regulations¹ had been adopted. The supply measures were satisfactorily applied, while the production aid was applied only partially. Implementation of the structural aspects of the programme, decided on 21 December 1993,¹ was also commenced this year. ECU 14 million was committed, without waiting for the Community support framework for 1994-99 to be implemented, for emergency measures concerning the environment, craft activities and agriculture, including certain energy infrastructure projects.

472. Another important aspect is the programming of the Structural Funds for these regions, all of which are eligible under Objective 1. The Greek Community support framework for 1994-99² provides for specific programmes for the Aegean islands, worth ECU 210 million of Community assistance for the islands of the northern Aegean and ECU 224 million for the islands of the southern Aegean.

Integrated Mediterranean programmes (IMPs)

473. The year 1994 saw the continued implementation of the 15 Italian IMPs³ concerning 16 regions in northern and central Italy and the Mezzogiorno.

International Fund for Ireland

474. An International Fund for Ireland was set up in 1986 to facilitate economic and social progress and encourage the reconciliation of the communities of Northern Ireland. On 31 October, the Council adopted Regulation (EC) No 2687/94 (Table II) on Community financial contributions to this Fund, providing for Community assistance worth ECU 15 million to ECU 20 million per year to the Fund until the end of 1997. The European Parliament adopted a resolution to this effect on 27 September.⁴

475. Following a communication adopted by the Commission on 7 December,⁵ the European Council, meeting at Essen in December, approved in principle a special multiannual aid programme to support peace and reconciliation in Northern Ireland and the grant of ECU 300 million to fund the measure. The programme will help provide assistance for urban and rural renewal, employment, cross-border development, social integration and investment promotion.

¹ Twenty-seventh General Report, point 414.

² Point 446 of this Report.

³ OJ L 197, 27.7.1985; Nineteenth General Report, points 465 and 467.

⁴ OJ C 305, 31.10.1994; Bull. 10-1994, point 1.2.131.

⁵ COM(94) 607; Bull. 12-1994.

Section 15

Measures for the most remote regions

Priority activities and objectives

476. *The year 1994 saw the continuation and consolidation of Community measures for the French overseas departments, the Canary Islands and the Azores and Madeira under the Poseidom,¹ Poseican² and Poseima³ programmes respectively, and Regulation (EEC) No 1911/91 on the application of the provisions of Community law to the Canary Islands.² These measures, which were carried out through the partnership between the Commission, the Member States and the regions and under the direction of the interdepartmental group responsible for the most remote regions, are intended to ensure that better account is taken of the special features of these regions, and of the constraints they face because they are distant islands.*

In 1994, the Commission adopted two reports for 1992-93 on progress made in implementing Poseidom⁴ and Poseima.⁵ These reports survey the economic and social situation in the regions concerned, take stock of the measures adopted and indicate the adjustments and further measures required for the achievement of the aims of the programmes, in particular with regard to agriculture, fisheries and the productive sector.

It also adopted a report, on 21 December,⁶ on the situation of Community rum producers. The report takes stock of the production chain for cane, sugar and rum in the overseas departments and of the measures taken so far in favour of producers, and considers the outlook for trade in Community rum and possible ways of maintaining it, in the light of the liberalization of the rum market.

Another important aspect is the programming of the Structural Funds for these regions, all of which are covered by Objective 1 (regions whose development is lagging behind). The relevant Community support frameworks (which cover the Canary Islands, the Azores and Madeira) and single programming documents (for the French overseas departments) were adopted during the year.⁷ In the forthcoming period 1994-99, the volume of Community assistance will be

¹ OJ L 399, 30.12.1989; Twenty-third General Report, point 490.

² OJ L 171, 26.9.1991; Twenty-fifth General Report, point 526.

³ OJ L 171, 26.9.1991; Twenty-fifth General Report, point 528.

⁴ COM(94) 200; Bull. 5-1994, point 1.2.98.

⁵ COM(94) 479; Bull. 12-1994.

⁶ Bull. 12-1994.

⁷ Point 446 of this Report.

twice that of the previous period. Moreover, the REGIS II Community initiative, specific to the most remote regions, has been renewed and strengthened,¹ with the volume of financing for 1994-99 almost tripled.

Agriculture

477. The Commission continued to adopt the implementing and management regulations relating to the specific measures planned for certain agricultural products for which provision was made in the framework regulations (EEC) Nos 3763/91 (Poseidom),² 1600/92 (Poseima) and 1601/92 (Poseican).³ It also sent the Council proposals concerning adjustments to the agricultural aspects of the Poseidom programme⁴ (Table II). These new measures mean that the Community will contribute an extra ECU 22 million a year to measures in the French overseas departments.

Fisheries

478. On 30 June, the Council adopted Regulation (EC) No 1503/94 (Table II) establishing a system of compensation for the additional costs incurred in the marketing of certain fishery products (tuna, sardines and Guiana prawns) as a result of the very remote location of the producer regions. The Regulation applies only until the end of 1994. The Commission also adopted a proposal for a Council Regulation (Table II) that would maintain these arrangements beyond 1994, and extend them to include a new product (mackerel from the Canary Islands).⁴

Customs, tariff and trade measures

479. On 22 December, the Council adopted Regulation (EC) No 3256/94⁵ (Table II) amending Council Regulation (EEC) No 1657/93 temporarily suspending the autonomous common customs tariff duties on certain industrial products intended to equip the free zones of the Azores and Madeira.⁶ The new Regulation extends the range of equipment upon which exemption from common customs tariff duties is available to firms established in these free zones.

¹ Point 466 of this Report.

² OJ L 356, 24.12.1991; Twenty-fifth General Report, point 523.

³ OJ L 173, 27.6.1992; Twenty-fifth General Report, point 495.

⁴ COM(94) 344.

⁵ OJ L 339, 29.12.1994; Bull. 12-1994.

⁶ OJ L 158, 30.6.1993; Twenty-seventh General Report, point 422.

480. On 22 December, the Council adopted Regulation (EC) No 3257/94¹ amending Council Regulation No 1602/92 temporarily derogating from implementation of Community anti-dumping measures on imports of certain sensitive products.²

Taxation

481. With regard to the dock dues applied in the overseas departments under Council Decision 89/688/EEC,³ the Commission examined the new schemes of exemption for certain products from Guiana, of which it had been notified pursuant to Article 2 of that Decision.

Other measures

482. On 16 December, the Commission decided to make a third Community contribution under the Poseima programme of ECU 12 million to the Azores and Madeira to compensate them for the extra costs involved in supplying oil to those islands during 1993. Parliament turned its attention to this part of the programme in a resolution of 28 October.⁴

¹ OJ L 339, 29.12.1994; Bull. 12-1994.

² OJ L 173, 27.6.1992; Twenty-sixth General Report, point 500.

³ OJ L 399, 31.12.1989; Twenty-third General Report, points 490 and 492.

⁴ OJ C 323, 21.11.1994; Bull. 10-1994, point 1.2.82.

Section 16

Environment

Priority activities and objectives

483. *The Union continued to implement the fifth action programme on the environment¹ and, in the process, consolidated the new approach which it embodies. This year also saw fuller account being taken of environmental considerations in the Community's other policies and the involvement of large numbers of partners from business circles and society at large.*

Environmental legislation developed along two main lines, with the adoption of framework directives such as those on air quality and the ecological quality of water on the one hand and the consolidation or revision of existing directives such as those on the effects of certain public and private projects on the environment, the prevention of major accident hazards involving dangerous substances, the incineration of hazardous waste, and bathing water quality on the other.

Out of concern to base its environment policy on reliable scientific data, the Commission was actively involved in the establishment of the European Environment Agency, which was inaugurated in Copenhagen on 31 October. The foundations for active collaboration between the Agency and the Commission were also laid, on the basis of Council Regulation (EEC) No 1210/90.²

The Community participated in numerous international activities, including the work on the Uruguay Round and the international Conventions which it has signed, such as those on Climate Change and Biological Diversity. It also submitted a report to the session of the United Nations Commission on Sustainable Development.

Fifth action programme on the environment — taking the environment into account in other policies

484. *The Commission continued to implement the strategy contained in the fifth action programme. The first progress report on implementation of the programme adopted on 30 November³ highlighted the progress made in five*

¹ Twenty-sixth General Report, point 589.

² OJ L 120, 11.5.1990; Twenty-fourth General Report, point 502.

³ COM(94) 453; Bull. 11-1994, point 1.2.179.

priority sectors of Community policy (industry, energy, transport, agriculture and tourism), in which significant efforts have already been made to take account of the environment. A particular effort was made in the context of the reform of the Structural Funds, State aid, measures concerning agriculture and the environment and the R&TD programme for 1994 to 1998. The Commission's report also stressed that the efforts to adopt economic instruments taking full account of the environment must continue, as called for by the White Paper on growth, competitiveness and employment.¹

485. The channels of communication set up under the fifth programme continued their work: in particular, the Consultative Forum discussed the environmental aspects of the abovementioned White Paper, while the Policy Review Group consisting of the heads of environment departments, including representatives of the countries about to join the Union, continued its consultations on the measures taken to attain the objectives of the fifth programme. The network on application of the Community's environmental legislation continued its activities in the field of industrial pollution.

General

Public awareness, information and education

486. An openness policy was introduced to pave the way for greater transparency. Against this background, talks with the Commission's non-institutional partners (non-governmental organizations, regional and local authorities, industry, etc.) continued, mainly in the form of regular briefing sessions.

487. At the same time, the Commission further developed its information activities. The most significant or innovatory initiatives taken in 1994 include the signature of a Sustainable Cities Charter by more than 80 local authorities in May,² the 'European partners for the environment' scheme which brought together NGOs, research bodies and industrial centres to take practical measures to promote sustainable development in Europe with the aid of information, training and a partnership network, a project to include environmental data in the information supplied by the Euro-Info Centres,³ a scheme developed with hoteliers and local authorities to ensure closer integration of the environment and tourism and a project in collaboration with trade unions in Europe on

¹ Point 17 of this Report.

² Point 531 of this Report.

³ Point 197 of this Report.

environmental training. The Commission also continued to support schemes such as the European better environment awards for industry and the European blue flag campaign. Finally, on 24 and 25 November, the Commission organized a conference on a new approach to development to stimulate the thinking on definition of possible or desirable scenarios and on appropriate, effective means of attaining the objectives of sustainable development.

488. On environmental education, the Commission continued to implement the 1988 Council resolution.¹ In particular, it organized a summer university in Toulouse in September which placed special emphasis on teacher training. In this vein, it published a call to submit proposals relating to general measures to provide information and raise awareness about the environment² which included a section designed to strengthen the European dimension of education at all levels.

Economic, fiscal and legal instruments

489. The White Paper on growth, competitiveness and employment³ presented thoughts on a new development model for the Union, together with a number of proposals for fiscal reform. Setting out from the premise that environmental resources are overused and labour resources underused, the Commission proposed progressively shifting part of the tax burden from labour to energy in the short to medium term. It considered that a transfer of, on average, between 1% and 2% of GDP would be a first step towards restructuring the economy, but that the transition to a sustainable development model would require more fundamental revision of the workings of the national economies. It stressed that this restructuring would require the participation of all involved in the public and private sectors, at Community, national and local level. On 3 November, the Commission adopted a communication on economic growth and the environment,⁴ in which it discussed, in particular, the efficiency of the various environment policy instruments in terms of cost, the importance of establishing an appropriate economic framework and how greater use of the economic and fiscal instruments combined, where appropriate, with other instruments can promote effective integration of environment policies in other policies. Similar concerns were expressed in Parliament's resolution of 9 March on the costs of 'non-environment'⁵ and in the Council's conclusions of 9 June.⁶ Parliament

¹ OJ C 177, 6.7.1988; Twenty-second General Report, point 463.

² OJ C 68, 5.3.1994.

³ Point 17 of this Report.

⁴ COM(94) 465; Bull. 11-1994, point 1.2.180.

⁵ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.145.

⁶ Bull. 6-1994, point 1.2.169.

also gave opinions in favour of the inclusion of environmental considerations in the calculation of gross national product¹ and on the opportunities for growth and employment created by new environmental technologies.²

490. On 21 December, the Commission adopted a communication on directions for the European Union on environmental indicators and green national accounting aimed at the integration of environmental and economic information systems.³

491. The Economic and Social Committee gave its opinion⁴ on the Commission Green Paper on remedying environmental damage⁵ on 23 February. Parliament adopted a resolution on the same subject on 20 April.⁶

492. On 16 March, the Commission adopted a proposal amending Directive 85/337/EEC (Table II) on the assessment of the effects of certain public and private projects on the environment.⁷

Financial instruments

493. In 1994, the Community granted financial support to 223 demonstration schemes and technical assistance projects in the context of the financial instrument for the environment (LIFE)⁸ (160 projects in the Community, 14 projects in Mediterranean and Baltic third countries and 49 nature projects). The Cohesion Fund⁹ allocated ECU 923.4 million for funding environmental infrastructure, mainly for water supply, sewage treatment, waste management and erosion control projects. Finally, in 1994, the Community support frameworks and the operational programmes¹⁰ financed by the Structural Funds not only took the environment into account in their economic activities but also attached greater importance to construction of the environmental infrastructure needed to implement the main Directives on sewage and waste management.

494. Parliament adopted a resolution on the management of appropriations and financial instruments on 21 April.¹¹

¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.140.

² OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.120.

³ COM(94) 670; Bull. 12-1994.

⁴ OJ C 133, 15.6.1994; Bull. 1/2-1994, point 1.2.156.

⁵ COM(93) 47; Twenty-seventh General Report, point 466.

⁶ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.141.

⁷ OJ L 175, 5.7.1985; Nineteenth General Report, point 514.

⁸ Regulation (EEC) No 1973/92; OJ L 206, 22.7.1992; Twenty-sixth General Report, point 594.

⁹ Point 435 of this Report.

¹⁰ Point 433 of this Report.

¹¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.142.

International cooperation

495. The Community participated in the second session of the Commission on Sustainable Development, the United Nations body responsible for following up the United Nations Conference on Environment and Development (UNCED). To prepare for this session, the Commission wrote a report on implementation in the Community of the action plan adopted at the UNCED (Agenda 21).¹ Parliament in turn adopted a Resolution on the implementation of Agenda 21 on 18 January.² The Community also took part in other international activities to follow up the UNCED, notably in the Conference on the Development of Small Island States and in the preparatory work on the Convention on Desertification, which was signed in Paris on 15 October (Table III).

496. At the end of the Uruguay Round of multilateral trade negotiations,³ a work programme on the links between trade and the environment was adopted. It was also decided to set up a Committee on Trade and the Environment within the World Trade Organization.⁴

497. The Commission took part in the second European Conference on Environment and Health,⁵ held in Helsinki at the instigation of the World Health Organization, at which an action plan was adopted.

498. With a view to more active cooperation on the environment with certain Asian countries, the Commission continued its bilateral talks with China⁶ and the Republic of Korea.⁷ As regards cooperation with the countries of Central and Eastern Europe and the former Soviet Union, the Commission worked actively to ensure implementation of the recommendations made in the declaration by the Pan-European Conference of Environment Ministers in April 1993.⁸ A ministerial-level meeting between the European Union and the associated countries of Central and Eastern Europe was held in Luxembourg on 5 October.⁹ Parliament adopted several resolutions on the environmental aspects of relations with third countries, particularly with the applicant countries,¹⁰ the Visegrad countries,¹¹ and the Independent States of the former Soviet Union.¹²

¹ Twenty-sixth General Report, point 596.

² OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.157.

³ Point 985 of this Report.

⁴ Point 987 of this Report.

⁵ Point 691 of this Report.

⁶ Bull. 7/8-1994, point 1.2.161.

⁷ Bull. 7/8-1994, point 1.2.162.

⁸ Twenty-seventh General Report, point 469.

⁹ Point 799 of this Report; Bull. 10-1994, point 1.2.101.

¹⁰ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.3.26.

¹¹ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.3.35.

¹² OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.144.

Industry and environment

Environmental control of products, industrial installations and biotechnology

499. On 26 January, the Commission adopted a proposal (Table II) to replace Directive 82/501/EEC concerning the major accident hazards of certain industrial activities, known as the Seveso Directive. This proposal retained the basic principles of the existing Directive but added important new requirements and measures to achieve more consistent implementation within the Community. The role and duties of the competent authorities were defined more clearly to ensure more harmonized practical implementation of the Directive in all Member States. Parliament adopted several resolutions on these issues.¹

500. On 15 December, the Council adopted a Regulation amending Annex I to Council Regulation (EEC) No 2455/92 concerning the export and import of certain dangerous chemicals² (Table II). On the same day it also agreed on a common position on the proposal for a Directive concerning the disposal of PCBs and PCTs (Table I).

501. A number of measures were taken to adapt to technical progress Directive 90/219/EEC on the contained use of genetically-modified micro-organisms and Directive 90/220/EEC on the deliberate release into the environment of genetically-modified organisms.³

502. On 14 November, the Commission adopted, pursuant to Council Regulation (EEC) No 880/92,⁴ three Decisions establishing the ecological criteria for the award of the Community eco-label to floor products, toilet paper and kitchen rolls. The Council adopted conclusions on the eco-label on 4 October.⁵

Emissions from industrial installations and products

503. In order to prevent or reduce the sulphur emissions responsible for acidification, in June the Commission signed, on behalf of the Community, a second protocol to the Convention on Long-range Transboundary Air Pollution

¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.145; OJ C 323, 21.11.1994; Bull. 10-1994, points 1.2.68 and 1.2.103; OJ C 341, 5.12.1994; Bull. 11-1994, point 1.2.184.

² OJ L 251, 29.8.1992; Twenty-sixth General Report, point 604.

³ Commission Directive 94/15/EC, OJ L 103, 22.4.1994; Commission Decision 94/211/EC, OJ L 105, 26.4.1994; Commission Decision 94/730/EC, OJ L 292, 12.11.1994; Commission Directive 94/51/EC, OJ L 297, 18.11.1994.

⁴ OJ L 99, 11.4.1992; Twenty-sixth General Report, point 604.

⁵ Bull. 10-1994, point 1.2.99.

in Oslo (Table III).¹ As a result, the European Community gave a commitment to promote the international efforts to combat air pollution and to reduce its total SO₂ emissions to 9 598 000 tonnes by the end of the year 2000, almost 62% below 1980 levels.

504. At the same time, in order to limit the adverse impact of incineration of hazardous waste on the environment, particularly in terms of pollution of the air, soil, surface water and groundwater, and the risks to human health, on 16 December the Council adopted a Directive (Table II) laying down operating conditions and emission limit values for incineration plants.

505. On 15 December, the Council adopted Directive 94/66/EC (Table II) amending Directive 88/609/EEC² on the limitation of emissions of certain pollutants into the air from large combustion plants (Table II).

Waste management

506. On 27 June, the Council adopted Directive 94/31/EC (Table II) amending Directive 91/689/EEC on hazardous waste³ in order to postpone application of the Directive until 27 June 1995, the time limit for finalizing the list of wastes covered. On 22 December, it adopted a Decision (Table II) establishing the list of hazardous waste covered by Directive 91/689/EEC. 24 March, the Council authorized the Commission (Table III) to start negotiations with a view to adoption of a decision by the parties to the Basel Convention in order to ban exports of hazardous waste to non-OECD countries. Also, on 24 October, it adopted negotiating directives for draft agreements and arrangements between the Community and certain non-Community countries on supervision of shipments of waste entering and leaving the Community (Table III).

507. On 20 July, the Commission adopted Decision 94/575/EC⁴ determining the control procedure under Council Regulation (EEC) No 259/93⁵ as regards certain shipments of waste to certain non-OECD countries.

508. On 20 December, Parliament and the Council adopted a Directive (Table I) on packaging and packaging waste. In a resolution adopted on 22 April,⁶

¹ Bull. 6-1994, point 1.2.175.

² OJ L 336, 7.12.1988; Twenty-second General Report, point 577.

³ OJ L 377, 31.12.1991; Twenty-fifth General Report, point 641.

⁴ OJ L 220, 25.8.1994.

⁵ OJ L 30, 6.2.1993; Twenty-seventh General Report, point 474.

⁶ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.148.

Parliament reiterated the need to develop Community strategy on waste management.

Civil protection

509. The Commission continued its activities on civil protection and accidental pollution at sea, in close collaboration with the Permanent Network of National Correspondents and with the Advisory Committee responsible for the control and reduction of spills of oil and other harmful substances.

510. On 21 April, the Council and the representatives of the Governments of the Member States held their first meeting on civil protection since 1991, at which they adopted a resolution¹ consolidating the measures already taken, particularly on training and the operational arrangements for mutual assistance in the event of a major accident, and identifying new areas for Community cooperation, including disaster prevention, information, educational and public awareness activities, cooperation between civil protection training centres and regular meetings between the heads of the civil protection departments. The resolution also called on the Commission to contribute to closer coordination of civil protection measures at international level, without prejudice to Member States' responsibilities in this regard. It recalled that Article N of the Treaty on European Union requires the Commission to report to the Council by the end of 1996 at the latest on the question of adding a Title on civil protection to the Treaty.

511. An administrative arrangement was signed between the French and Italian administrations in Genoa on 22 June to establish rapid, effective procedures to ensure cooperation in the event of forest fires close to the border between the two countries and in Corsica or Sardinia.²

512. The World Conference on the reduction of natural disasters was held in May.³

513. The Commission sent experts to the scene of the serious oil spill in northern Russia in October, on which Parliament adopted a resolution on 17 November.⁴

¹ OJ C 313, 10.11.1994; Bull. 4-1994, point 1.2.150; Bull. 10-1994, point 1.2.107.

² Point 606 of this Report.

³ Point 981 of this Report.

⁴ OJ C 341, 5.12.1994; Bull. 11-1994, point 1.2.185.

Quality of the environment and natural resources

Protection of water, coastal areas, the environment and tourism

514. On 21 February, the Council adopted Decision 94/156/EC (Table III) on the accession of the Community to the Convention on the Protection of the Marine Environment of the Baltic Sea Area (1974 Helsinki Convention)¹ and Decision 94/157/EC (Table III) on the conclusion, on behalf of the Community, of the Convention on the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention, as revised in 1992).²

515. The Convention on Cooperation for the Protection and Sustainable Use of the Danube was signed on 29 June (Table II).

516. The Commission in turn took several measures on water quality. It adopted a proposal for a Council framework Directive on the ecological quality of water (Table II) on 15 June and, on 16 February, a proposal for a Council Directive concerning the quality of bathing water (Table II) to replace and adapt to scientific and technical progress Directive 76/160/EEC.³ In June, the Commission published its 11th report on bathing water quality,⁴ which found a modest improvement in the 1993 bathing season.

517. In addition, on 6 May,⁵ the Council adopted a resolution on a Community strategy for integrated coastal-zone management which, in essence, reiterated the Council resolution of 25 February 1992.⁶ Also the Council adopted a resolution on the protection of groundwater on 4 October.⁷

Protection of nature, flora and fauna

518. The Commission continued its activities on conservation of Europe's natural environment by granting financial support totalling ECU 42 975 million from the environment fund (LIFE)⁸ to 49 projects designed to preserve ecological conditions suitable for endangered biotopes, habitats and species in the Union. These projects were coordinated with the programmes relating to agricultural

¹ OJ L 194, 25.5.1975.

² Twenty-sixth General Report, point 614.

³ OJ L 31, 5.2.1976.

⁴ Bull. 6-1994, point 1.2.180.

⁵ OJ C 135, 18.5.1994; Bull. 3-1994, point 1.2.152; Bull. 5-1994, point 1.2.126.

⁶ Twenty-sixth General Report, point 612.

⁷ Bull. 10-1994, point 1.2.108.

⁸ Point 493 of this Report.

production methods compatible with the environment based on Regulation (EEC) No 2078/92.¹

519. To implement the Convention on Biological Diversity ratified by the European Community on 21 December 1993,² the Commission played an active part in the first Conference of the Contracting Parties in Nassau (Bahamas) from 28 November to 9 December. On 25 November, the Council agreed on a common position on the amended proposal for a Regulation on operations to promote tropical forests (Table II).

520. On 16 December, the Council agreed to conclude the Convention on the Protection of the Alps, as signed by the seven Alpine countries³ and the Community in 1991. Protocols to the Conventions were signed on 20 December (Table III).

521. As regards conservation of individual species, in June the Council adopted Directive 94/24/EC (Table II) amending the list of species which the Member States may allow to be hunted, as set out in the Annex to Directive 79/409/EEC on the conservation of wild birds.⁴ The Commission proposed another amendment to the same Directive in March (Table II) concerning the criteria for deciding the maximum duration of the hunting season. The Council also adopted a statement on illegal trade in rhinoceros and tiger products.⁵

522. On the basis of Council Regulation (EEC) No 3254/91 prohibiting the use of leghold traps,⁶ on 13 July the Commission adopted a Regulation⁷ postponing the entry into force of the ban on the introduction of the goods concerned into the Community for one year, ending on 31 December 1995. It also participated in the Conference of the Contracting Parties to the Convention on the Conservation of Migratory Species of Wild Animals in Nairobi in June.⁸

523. Parliament adopted resolutions on the protection of the brown bear,⁹ on the conservation of various species of wild bird¹⁰ and on the elephant population in South Africa.¹¹ It also stressed the importance of the flora and fauna in the Pollino nature reserve in Italy, which had been damaged by fire.¹²

¹ OJ L 215, 30.7.1992; Twenty-sixth General Report, point 516.

² Twenty-seventh General Report, point 487.

³ Austria, France, Germany, Italy, Liechtenstein, Slovenia and Switzerland; Twenty-fifth General Report, point 658.

⁴ OJ L 103, 25.4.1979.

⁵ Bull. 6-1994, point 1.2.185.

⁶ OJ L 308, 9.11.1991; Twenty-fifth General Report, point 656.

⁷ OJ L 184, 20.7.1994.

⁸ Bull. 6-1994, point 1.2.184.

⁹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.152.

¹⁰ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.171.

¹¹ OJ C 305, 31.10.1994; Bull. 9-1994, point 1.2.174.

¹² OJ C 323, 21.11.1994; Bull. 10-1994, point 1.2.109.

524. On 27 May, the Commission adopted its first report on the statistics on the number of animals used for experimental and other scientific purposes.¹

Environment and agriculture

525. The programmes on agriculture and the environment, the regional programmes and the programmes on the development of rural areas continued the efforts to take environmental concerns into account when implementing the common agricultural policy.²

Urban environment, air quality, transport and noise

526. On 4 July, the Commission adopted a proposal for a framework Directive (Table II) on ambient air quality assessment and management, which provides for a general framework for establishing quality standards guaranteeing protection of health and the environment and for harmonization of the rules on monitoring ambient concentrations.

527. In addition, on 7 September, it adopted a proposal for a Decision (Table II) establishing a reciprocal exchange of information and data from networks and individual stations measuring ambient air pollution within the Member States, with the objective of making the data collected more comparable, reliable and transparent.

528. On 8 June (Table II), the Council adopted a common position on the proposal for a Directive amending Council Directive 86/662/EEC³ on the limitation of noise emitted by earth-moving machinery.

529. On 20 December, Parliament and the Council adopted a Directive, referred to as the 'Stage 1' Directive, on the control of volatile organic compound emissions resulting from the storage of petrol and its distribution (Table I).

530. On 23 March, Parliament and the Council adopted Directive 94/12/EC (Table I) amending Directive 70/220/EEC relating to measures to be taken against air pollution by emissions from motor vehicles.⁴

¹ COM(94) 195.

² Point 602 *et seq.* of this Report.

³ OJ L 384, 31.12.1986; Twentieth General Report, point 558.

⁴ OJ L 76, 6.4.1970.

531. The 'sustainable cities' project was discussed at a conference in Aalborg between 24 and 27 May, at which 300 participants and 80 cities signed a Charter on the subject. Since traffic and transport are two key features of the urban environment, a car-free city club was set up in conjunction with the Eurocities Network at a conference in Amsterdam in March.

532. On 16 December, the Council adopted conclusions on the environment and transport.¹

Global environment, climate change, geosphere and biosphere

533. The Council adopted Regulation (EC) No 3093/94 on substances that deplete the ozone layer on 15 December (Table II). On 27 July, the Commission adopted a Decision setting the quantities of controlled ozone-depleting substances allowed for essential uses in medicine and industry in 1995.²

534. On 15 December, the Council adopted conclusions³ setting out a Community strategy to reduce CO₂ emissions and improve energy efficiency, in particular by means of fiscal measures. In connection with the mechanism established by Decision 93/389/EEC⁴ for monitoring CO₂ and other greenhouse gas emissions in the Union, on 10 March the Commission submitted its first assessment of the national CO₂ abatement programmes.

535. At the Commission's invitation, the first meeting of the donor countries participating in the pilot programme for the protection of the Amazon region of Brazil was held in Brussels on 23 March. Representatives of the World Bank and Brazil attended. The Commission was also involved in renegotiation of the Unctad International Agreement on Tropical Timber in Geneva.⁵

536. The Commission also monitored the negotiations on financial and institutional restructuring of the Global Environment Facility, reforms in which Parliament expressed interest in its resolution of 18 January.⁶ This facility, with a budget of over USD 2 billion for the three years from 1995 to 1997, will help the developing countries to respond to global environmental problems.

537. On 15 December, the Council adopted conclusions concerning the preparation of the first Conference of the Parties to the UN framework Convention on Climate Change to be held in March-April 1995.

¹ Point 363 of this Report.

² OJ L 215, 5.8.1994.

³ Bull. 12-1994.

⁴ OJ L 167, 19.7.1993; Twenty-seventh General Report, point 489.

⁵ Point 957 of this Report.

⁶ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.155.

Section 17

Nuclear safety

Priority activities and objectives

538. *The year was marked by the opening for signature of the International Convention on Nuclear Safety¹ and by the activities of the European Union in respect of the countries of Central and Eastern Europe and the former Soviet Union² aimed, in conformity with the Council conclusions of 25 May,³ at ensuring that the safety standards for new power stations and those kept in service are raised to the standards in force in the European Union, and that independent safeguards authorities are set up.*

Radiation protection

539. In the light of the opinion of the European Parliament, on 8 July the Commission adopted an amended proposal for a Council Directive laying down the basic safety standards for the protection of the health of the general public and workers against the dangers of ionizing radiation (Table II).

540. Pursuant to Article 33 of the Euratom Treaty, the Commission made 10 recommendations on draft national regulations. In accordance with Article 37 of the Treaty, it also delivered three opinions on plans for the disposal of radioactive waste from various nuclear facilities. In accordance with Article 35 of the Treaty, three visits were carried out this year to verify the operation and efficiency of facilities for monitoring the level of radioactivity in the environment.

541. On 3 December, the Commission adopted a proposal for a Regulation⁴ extending by five years Regulation (EEC) No 793/90 on conditions governing imports of agricultural products originating in third countries affected by fall-out from the accident at the Chernobyl nuclear power station.⁵ On the same date, it also adopted a Regulation establishing a new list of products excluded from the scope of the Regulation.

¹ Point 545 of this Report.

² Point 546 of this Report.

³ Bull. 5-1994, point 1.2.130.

⁴ COM(94) 597; Bull. 12-1994.

⁵ OJ L 82, 29.3.1990; Twenty-fourth General Report, point 639.

Plant safety

542. The policy on harmonization of safety criteria, requirements and practices in the Member States of the European Union continued to be implemented this year. Considerable progress was made on major safety matters such as certification of the non-destructive testing systems used to inspect the components of nuclear power stations and the application of the single failure criterion, diversity and reliability principles to major safety systems.

Radioactive waste

543. On 19 December, the Council adopted a resolution¹ on a Community radioactive waste strategy based on safety and environmental protection and covering all the sectors concerned in which it included the main points set out in the Commission communication of 2 March.² While emphasizing that each Member State is responsible for the management of its own radioactive waste, it stressed the need to increase research and cooperation and pointed out that it was still necessary to construct facilities for the treatment, processing, storage and disposal of waste as part of the creation of a safe radioactive waste management infrastructure.

544. Pursuant to Directive 92/3/Euratom on the supervision and control of shipments of radioactive waste,³ a list of competent national authorities responsible for the implementation of the Directive and their positions with respect to the automatic approval procedure were published in a Commission communication of 31 August.⁴

International action

545. On 8 September, the Commission adopted a proposal for a Decision (Table III) on the conclusion by the European Atomic Energy Community of the International Convention on Nuclear Safety. The Convention was opened for signature at the 38th IAEA Conference held in Vienna from 19 to 23 September. Its aim is to promote a high level of safety in nuclear power stations, to prevent accidents and to reduce their consequences by defining statutory obligations, chiefly in areas relating to nuclear safety but also as regards radiation

¹ OJ C 379, 31.12.1994; Bull. 12-1994.

² COM(94) 66; Bull. 3-1994, point 1.2.157.

³ OJ L 35, 12.8.1992; Twenty-sixth General Report, point 731.

⁴ OJ C 224, 12.8.1994.

protection and emergency planning. It also provides for reports to be submitted on the action taken to meet these requirements.

546. The Commission also continued to provide international coordination for the assistance on nuclear safety being given to the countries of Central and Eastern Europe and the former Soviet Union in the context of the G24.¹ On 28 March, the Council, for its part, adopted a Decision concerning the conclusion of an agreement between the Community and the EBRD providing for the payment by the Community of support amounting to ECU 20 million to the nuclear safety account opened at the EBRD to improve the safety of facilities in the countries of Central and Eastern Europe (Table III).

¹ Point 788 of this Report.

*Section 18***Euratom safeguards**

547. In 1994, the Euratom Safeguards Directorate conducted physical and accounting checks on average stocks of 330 tonnes of plutonium, 12 tonnes of highly-enriched uranium and 242 500 tonnes of low-enrichment uranium, natural uranium, depleted uranium, thorium and heavy water. These materials were held in over 750 nuclear installations in the European Union and gave rise to more than 1 million operator entries concerning physical movements and stocks. As in the past, the checks also covered equipment subject to external commitments under agreements concluded with non-member countries. The anomalies and irregularities detected by the Directorate were followed up rigorously by additional inspections.

548. The number of man-days of inspection throughout the Community in 1994 remained at the 1993 level,¹ i.e. nearly 8 000. The shift that had started in 1992² towards new activities (more stringent checks at the UP3 plant at La Hague, France, verification of the basic characteristics at the THORP plant, United Kingdom, and at the UP2-800 plant at La Hague) together with a decrease in certain 'traditional' activities, chiefly in Italy and Germany, again continued. The third report on the operation of Euratom safeguards (1991-92), which describes various trends for the coming years, was adopted by the Commission on 6 July.³

549. The Euratom Safeguards Directorate continued its efforts to install and fine-tune highly-automated safeguards systems for the major projects in progress (MELOX and UP2-800, France; THORP, United Kingdom). In addition, work continued on the establishment of Euratom laboratories at the Sellafield and La Hague sites, which represents the most effective, safest and most economic medium-term solution.

550. The year 1994 also saw the application of the principles underlying the new partnership approach (NPA), the framework for which had been set out by the Commission and the International Atomic Energy Agency (IAEA) in 1992.⁴ Despite the difficulties encountered, new practical inspection procedures were established and approved for most types of nuclear installation, although the

¹ Twenty-seventh General Report, point 493.

² Twenty-sixth General Report, point 718.

³ COM(94) 282; Bull. 7/8-1994, point 1.2.84.

⁴ Twenty-sixth General Report, point 721.

lack of reliability of certain new equipment put back the timetable initially planned. On the whole, however, the NPA is functioning to the satisfaction of all parties concerned.

551. On several occasions again this year the Euratom Safeguards Directorate took action in relation to cases of trafficking in nuclear materials from the East and played a very active role in the coordination of activities and follow-up of the various cases. While the materials seized had no strategic value in 1992 and 1993, two of the seizures this year involved much more significant quantities and grades of nuclear materials. In a communication of 7 September,¹ the Commission stressed the need for a comprehensive, coordinated response by the European Union to combat the illicit traffic in radioactive substances and nuclear materials based on three chief principles: efforts to help improve nuclear safeguards in the countries concerned by the traffic by involving in particular the Euratom Safeguards Directorate, the TACIS programme, with the support of the Joint Research Centre, and the Moscow-based Science and Technology Centre; action to halt the introduction of nuclear materials into the territory of the European Union by stopping them at the Union's external frontiers; stepping-up of cooperation between all the States concerned. These concerns were the subject of a resolution by the European Parliament of 29 September² in which it asked the Commission to put forward a comprehensive strategy to combat international fraud in fissile products pursuant to Article K.3(2) of the Treaty on European Union and called upon the Council, pursuant to Article K.1(9) of the Treaty to consider such traffic to be a serious form of international crime.

552. With a view to preventing this traffic, the Directorate carried out more than 20 training courses for experts from the Russian Federation, including the organization of a seminar in St. Petersburg in April on the inspection of and accounting checks on nuclear materials which was attended by more than 120 Russian experts. This year marked the end of the first stage of cooperation during which the concepts and objectives in this area were defined, and a large number of experts, mostly Russian, were given basic training. More extensive programmes are planned during the second stage of cooperation, which started this year and should continue in 1995 and in particular includes four major projects defined in agreement with the Russian authorities aimed at providing the basis for a modern, computerized nuclear materials inspection and accounting

¹ COM(94) 383; Bull. 9-1994, point 1.2.105.

² OJ C 305, 31.10.1994; Bull. 9-1994, point 1.2.106.

system. One-off programmes will continue at the same time along with intensive training courses for experts in Luxembourg.

553. At international level, the Safeguards Directorate maintained bilateral contacts with non-member countries, in particular Sweden, Finland and Austria, in the context of enlargement. The bilateral negotiations with the USA on a new agreement governing all transfers of nuclear materials, technology and equipment also continued, with the active involvement of the Safeguards Directorate.

Section 19

Social policy

Priority activities and objectives

554. The year 1994 was marked by the debate on the future of social policy, the foundations having been laid in 1993 by the Green Paper¹ and the process culminating in the adoption by the Commission, on 27 July, of a White Paper mapping the way forward for the next stage of social policy in the European Union.² The Green Paper and the new reference frame in the White Paper mark a decisive phase in the development of Community social policy, with the expiry of the social action programme implementing the Community Charter of Fundamental Social Rights of Workers³ and the entry into force of the Treaty on European Union, which has increased the scope for action, more particularly with an enhanced role for the social partners, against the background of a changing socio-economic situation and high unemployment rates requiring a reappraisal of the links between economic and social policies. The White Paper on growth, competitiveness and employment⁴ illuminated the course of the discussions, one of the key elements being the need to develop a pattern of growth generating more jobs without undermining the social protection system. On the basis of an action plan put forward by the Commission, the Essen European Council identified the principal areas in respect of which measures would have to be taken by the European Union to combat unemployment.⁵

The White Paper on European social policy,⁶ which is a follow-up to the reactions elicited by the Green Paper of November 1993 — including those of the Economic and Social Committee of 24 March⁷ and the European Parliament of 3 May⁸ — is intended to provide a basis for drawing up a new social action programme. The Commission's White Paper confirms that the quest for stable jobs must be the Union's number one priority, stressing that social progress is not an obstacle to economic competitiveness, but rather a key element, and calling for the integration of social and economic policies. Against this

1 COM(93) 551; Twenty-seventh General Report, point 426.

2 Point 582 of this Report.

3 Twenty-third General Report, point 394.

4 Point 17 of this Report.

5 Point 562 of this Report.

6 COM(94) 333; Bull. 7/8-1994, point 1.2.163.

7 OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.160.

8 OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.131.

background, the Commission has pinpointed the following lines of action in particular: completion of the legislative programme provided for in the Community Charter of Fundamental Social Rights of Workers (the Commission has presented the 21 proposals as planned, 13 of which have been adopted by the Council); implementation of existing legislation, particularly in the field of health and safety, where most of the Member States have not yet transposed all of the directives; closer cooperation on social security systems; implementation of a new action programme on equal opportunities for men and women and measures to combat all forms of discrimination; re-examination of the workings of the internal market from the point of view of freedom of movement for people; enhanced international cooperation and the incorporation of social questions into the work of the future World Trade Organization.¹ The Commission also points to an urgent need for massive investment in training and for a series of measures to promote the development of a truly European labour market. The White Paper was welcomed by the Committee of the Regions² and by the Economic and Social Committee² in November.

At the same time, considerable advances have been made in implementing the provisions of the Protocol on social policy annexed to the Treaty on European Union, on the basis of which the Council adopted in particular a Directive on European Works Councils.³ Marked improvements were made to the EURES⁴ system for the freedom of movement of workers within the European area; progress was also made in respect of living and working conditions, with the adoption by the Council of the Directive on the protection of young people at work,⁵ and in the field of occupational health and safety, with the creation of the European Agency for Safety and Health at Work.⁶

The European Parliament moved to upgrade the social dimension of the European Union, insisting that the body of fundamental Community-wide social rights established by the Social Charter be put fully into effect and expanded,⁷ and advocating presentation of a new social action programme⁸ and protection of the family unit following the end of the International Year of the Family.⁹ The Economic and Social Committee, for its part, delivered its opinion on the Commission's third report on implementation of the Social Charter.¹⁰

¹ Point 987 of this Report.

² Bull. 11-1994, point 1.2.195.

³ Point 556 of this Report.

⁴ Point 569 of this Report.

⁵ Point 576 of this Report.

⁶ Point 585 of this Report.

⁷ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.159.

⁸ Point 571 of this Report.

⁹ OJ C 18, 23.1.1995; Bull. 12-1994.

¹⁰ OJ C 295, 22.10.1994; Bull. 6-1994, point 1.2.189.

Implementation of the Protocol on social policy

555. There was a broad institutional debate on how the provisions of the Protocol on social policy should be put into effect. In its resolutions of 24 February¹ and 3 May,² Parliament called for an interinstitutional agreement covering implementation of the Protocol. The Economic and Social Committee, for its part, delivered an opinion³ on the Commission's 1993 communication outlining approaches to the implementation of the agreement on social policy,⁴ in which it stressed the importance of consulting the social partners. Finally, in the context of the Protocol on social policy, the Council adopted, on 6 December,⁵ a resolution on social policy in the European Union.

556. The first Directive adopted by the Council under Article 2 of the agreement on social policy annexed to the EC Treaty, which concerns only the 11 Member States which signed the agreement and thus excludes the United Kingdom,⁶ has to do with the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees. The Commission decided to have recourse to this agreement following the failure to achieve unanimous agreement within the Council, despite a broad consensus between most of the Member States on the proposal presented in 1991.⁷ Directive 94/45/EC, adopted by the Council on 22 September (Table II), seeks to improve the provision of information to, and the consultation of, employees in 'Community-scale' undertakings and groups of undertakings on matters which concern the undertaking or group as a whole or at least two of its establishments or group undertakings situated in different Member States. It defines 'Community-scale' undertakings or groups of undertakings as employing at least 1 000 people in all the Member States concerned and with at least two establishments in different Member States, each employing at least 150 people. It provides for the establishment, in such undertakings or groups, of a European Works Council or some alternative procedure for employee information and consultation, under conditions laid down in an agreement between central management and a special negotiating body or failing that, in accordance with subsidiary requirements adopted by the Member State in which the undertaking's central management is situated, and which must satisfy the provisions set out in the Annex to the Directive.

¹ OJ C 77, 14.3.1994; Bull. 1/2-1994, point 1.2.174.

² OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.132.

³ Bull. 11-1994, point 1.2.196.

⁴ COM(93) 600; Bull. 12-1993, point 1.2.163; Twenty-seventh General Report, point 426.

⁵ OJ C 368, 23.12.1994; Bull. 12-1994.

⁶ The Directive does, however, apply, in the other Member States, to establishments or undertakings belonging to a Community-scale group whose head office is located in the United Kingdom.

⁷ OJ C 336, 31.12.1991; COM(91) 345; Twenty-fifth General Report, point 451.

557. The Commission adopted, on 13 December,¹ the first report on the demographic situation in the Community in 1994, as required under Article 7 of the agreement on social policy.

Employment

Dialogue with management and labour

558. In the context of the social dialogue, the value of which was emphasized by the Essen European Council,² a conference on vocational training took place on 8 November;³ participants included Mr Delors, President of the Commission, Mr Flynn and Mr Ruberti, Members of the Commission, and a high-level delegation of European employers' and trade-union representatives. Thought was given to initiatives which could be taken in the field of vocational training,⁴ within the framework of the White Paper on growth, competitiveness and employment.⁵

559. The Social Dialogue Committee, for its part, turned its attention to implementation of the agreement on social policy signed by 11 Member States and sought to analyse the reasons for the social partners' failure to initiate negotiations on the European Works Council at the beginning of the year. In the inland waterways sector, the social partners decided to initiate negotiations on the basis of Article 4 of the agreement on social policy.

Employment and the labour market

560. The European Council, meeting in Corfu in June,⁶ examined the interim report on employment,⁷ following on from the tour of Member States' capitals undertaken by Member of the Commission Mr Flynn between February and June, and underlining the fact that the Member States have continued to reform their employment systems in accordance with the recommendations set out in the White Paper on growth, competitiveness and employment.⁵ The European Council encouraged these reforms, noting more marked economic growth and an improvement in the general employment climate. It nevertheless stressed the

¹ COM(94) 595; Bull. 12-1994.

² Bull. 12-1994.

³ Bull. 11-1994, point 1.2.200.

⁴ Point 300 of this Report.

⁵ Point 17 of this Report.

⁶ Bull. 6-1994, point I.5.

⁷ Bull. 6-1994, point 1.2.6; Supplement 2/94 — Bull.

urgent need for new structural measures to create more jobs and to deal with the possible negative effects on labour and employment of new forms of industrial change and productivity gains.

561. As part of the preparation for the Essen European Council, the Council adopted, on 22 September, a report on combating unemployment.¹ As a contribution to implementing the action plan to combat unemployment² adopted by the Brussels European Council, the Council identified four areas of particular importance: improving job skills; greater flexibility in working time; combating long-term unemployment; effective use of labour-market policy resources. It also underlined the important role of the social partners and the job-creating potential of newly identified needs linked mainly to the quality of life and protection of the environment. The European Parliament, for its part, adopted a resolution on these issues on 1 December.³

562. The European Council, meeting in Essen in December, confirmed that the fight against unemployment remained a priority task for the European Union and its Member States, and that structural problems needed to be tackled with renewed vigour. Endorsing the action plan put forward by the Commission,⁴ the European Council pinpointed the five major issues to be addressed: improvement of workers' employment prospects by promoting investment in vocational training (especially for young people); improving the employment intensity of growth through more flexible organization of the labour market and a wages policy favouring job-creating investment and encouraging initiatives, particularly at regional and local levels, paving the way for job creation in line with new requirements, for example in the environmental field and in social services; reduction of non-wage labour costs; more effective labour-market policies with the emphasis on active rather than passive measures, avoiding practices which cause demotivation; strengthening of measures to help those who are particularly vulnerable to unemployment, such as young people, women and older workers. The Council also called on the Member States to incorporate these recommendations into their national policies by drawing up multi-annual programmes commensurate with their economic and social situation, and made provision for a monitoring procedure to keep track of progress made, as suggested by the Commission.

563. The G7 conference, devoted for the first time to employment, took place in Detroit on 13 and 14 March⁵ and took a close look at the links between

¹ Bull. 9-1994, point 1.2.181.

² Bull. 12-1993, points 1.3 and 1.7.

³ OJ C 362, 19.12.1994; Bull. 11-1994, point 1.2.198.

⁴ COM (94) 529; Bull. 11-1994, point 1.2.197.

⁵ Bull. 3-1994, point 1.2.162.

employment, growth, flexibility and social protection. The Commission's representatives, Mr Christophersen and Mr Flynn, stressed that growth and labour market flexibility were not enough to resolve all the employment problems and that what was needed was an integrated approach bringing in other aspects such as the changes associated with the new technologies, training, taxation policy and social protection. On 30 March¹ and 22 September,² the Standing Committee on Employment examined how the new forms of work — and more particularly part-time work — might be extended with a view to creating jobs.

564. In its sixth annual report on employment in Europe (1994), adopted on 14 September,³ the Commission explained the recent main trends in employment and unemployment, emphasizing that, although immediate prospects for the European economy appeared relatively favourable, unemployment was still at a high level (at more than 11% of the working-age population), while labour-force participation was low, reflected in an employment rate (i.e. the proportion of persons actually in employment in the population of working age) of 58%, well below that of the United States or Japan (more than 70%). The Commission went on to analyse the data for certain key areas identified in the White Paper: mobility, labour turnover and labour-market flexibility; changes in working time; labour costs and the impact of social contributions and taxes; the characteristic features of unemployment and labour-market policies; the structure of employment; the main areas of employment growth.

565. Mindful of the serious employment situation, the European Parliament, for its part, adopted a resolution on 10 March⁴ welcoming the abandonment of the fatalistic acceptance of a continued rise in unemployment, and urged the Council to consider questions concerning employment on the same footing as macroeconomic and financial questions.

566. On 8 September, the Commission adopted a proposal for a Council Directive (Table II) on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses which seeks to revise the provisions of Directive 77/187/EEC⁵ in the light of completion of the internal market and the changing aspects of statute and case-law.

¹ Bull. 3-1994, point 1.2.163.

² Bull. 9-1994, point 1.2.183.

³ COM(94) 381; Bull. 9-1994, point 1.2.180.

⁴ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.161.

⁵ OJ L 61, 5.3.1977.

567. The European Employment Week,¹ sponsored by the Commission, took place from 15 to 17 November. The week, the second of its kind, provided an opportunity to tackle issues relating to employment and unemployment at both transnational and national levels. At the same time, the Commission gave details of projects and initiatives being undertaken in these areas, for the benefit of public- and private-sector bodies attending the event.

568. The Commission continued its activities aimed at disseminating information on developments in labour markets and employment policies, mainly through the observatory set up to monitor employment. As part of the follow-up to the White Paper on growth, competitiveness and employment, it published comparative tables of the measures taken by the Member States in conjunction with the priorities set out in the general framework for employment.

Freedom of movement for workers

569. In order to provide clear and accessible information for people wishing to move within the Union, the Commission speeded up establishment of the EURES (European employment service) network. This network, established by Regulation (EEC) No 2434/92,² came into being in 1993³ to serve as a Europe-wide employment agency and as a forum for the practical examination of questions to do with employment in Europe. It became fully operational at the end of the year with the inauguration of a computerized database of job vacancies. This tool, together with another database on living and working conditions, will be expected to facilitate links between other European Union initiatives (e.g. training schemes and ESF Community initiatives) and the world of work and to create a transnational framework for the exchange of experience.

570. Information on freedom of movement and migration policy is contained in Section 4 'Internal market' of Chapter II.

Combating social exclusion

571. On the basis of the 'solemn declaration on social exclusion',⁴ the Commission proposed in 1993 that the Council adopt a medium-term action programme (1994-99) to combat exclusion and protect solidarity (Table II).⁴ In

¹ Bull. 11-1994, point 1.2.199.

² OJ L 245, 26.8.1992; Twenty-sixth General Report, point 383.

³ Twenty-seventh General Report, point 434.

⁴ Twenty-seventh General Report, point 436.

a resolution of 27 October,¹ Parliament called for the programme to be adopted swiftly. Moreover, in a resolution of 24 February,² Parliament had pointed out that women were particularly vulnerable to poverty and exclusion.

Structural operations

572. European Social Fund operations are dealt with in Section 14 'Economic and social cohesion' of Chapter II.³

Social security

Social security and social action

573. The European Parliament adopted, on 27 October,⁴ a resolution on employment and social rights, in which it reaffirmed that social protection remained one of the priorities of social policy. It expressed concern at the threat in certain Member States to the protection of workers' rights and to social protection. Parliament also adopted, on 21 January,⁵ a resolution on the entitlement of divorced or separated women to share their ex-husband's pension rights in the Member States, in which Parliament called on the Commission to put forward a proposal to supplement the directives on equal treatment in matters of social security with provisions on the splitting of pension rights.

574. A report on agricultural provident schemes in the European Union was adopted by the Economic and Social Committee on 14 September.⁶ Parliament, for its part, adopted, on 15 December, a resolution on the social situation of agricultural workers.⁷

Social security for migrant workers

575. On 20 April, the Commission adopted a proposal for a Council Regulation (Table II) amending Regulations (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons and members of their families moving within the Community.⁸

¹ OJ C 323, 21.11.1994; Bull. 10-1994, point 1.2.111.

² OJ C 77, 14.3.1994; Bull. 1/2-1994, point 1.2.180.

³ Point 442 of this Report.

⁴ OJ C 323, 21.11.1994; Bull. 10-1994, point 1.2.110.

⁵ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.176.

⁶ Bull. 9-1994, point 1.2.185.

⁷ OJ C 18, 23.1.1995; Bull. 12-1994.

⁸ OJ L 149, 5.7.1971; OJ L 74, 27.3.1972 — Regulations last amended by Council Regulation (EEC) No 1945/93; OJ L 181, 23.7.1993.

Living and working conditions

Industrial relations

576. On 22 June, the Council adopted Directive 94/33/EC on the protection of young people at work (Table II), which lays down minimum requirements and seeks to strengthen the protection of young people under the age of 18 at work.

577. In a resolution of 11 February,¹ the European Parliament called on the Member States to adopt appropriate legislation to combat sexual harassment, in particular to provide victims with means of redress at various levels, and to appoint an in-house counsellor responsible specifically for combating such harassment.

Measures for workers in the ECSC industries

578. In 1994, ECU 157 million was granted in readaptation aid, pursuant to Article 56(1)(c) and (2)(b) of the ECSC Treaty, to 76 590 ECSC industry workers. The traditional form of aid programmes was supplemented in 1994 by aid under the steel industry social measures totalling ECU 86 million (ECU 20.8 million of which supplemented the 1993 grant), and under the coal industry social measures totalling ECU 40 million. The Commission adopted, on 1 July, a report² reviewing its activities in connection with readaptation aid in 1993 and in 1992.

579. In the context of the restructuring of the coal industry, the Commission adopted, on 7 April, an information note concerning the implementation of social measures,³ providing some ECU 110 million over the period 1994-97 for workers whose jobs are affected by restructuring or rationalization measures.

A breakdown of the total sum granted for readaptation aid in 1994, by Member State and sector, is given in Table 16.

¹ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.177.

² COM (94) 247.

³ OJ C 108, 16.4.1994.

TABLE 16
Readaptation aid — Appropriations committed (1994 programme)

Member State	Steelmaking and iron-ore mining				Coalmining			
	Traditional aid		Social measures		Traditional aid		Social measures	
	Workers	Amount (ECU)	Workers	Amount (ECU)	Workers	Amount (ECU)	Workers	Amount (ECU)
Belgium	1 646	3 670 349	888	3 141 347	400	989 299	525	1 248 949
Denmark								
Germany	15 149	38 574 659	7 672	33 464 608	9 590	23 487 668	4 000	9 910 990
Greece	6	11 470						
Spain	6 218	7 849 486	6 788	9 044 060	4 346	5 978 554	4 344	4 393 762
France	4 278	10 425 856	1 537	6 731 627	1 250	3 091 559	2 610	5 252 825
Ireland	134	256 957						
Italy	2 255	5 312 340	1 749	7 789 606	769	1 801 927		
Luxembourg	836	2 067 634	417	1 971 824				
Netherlands	5 936	8 836 851						
Portugal	656	1 291 746	656	1 478 595	442	698 323	212	490 842
United Kingdom	632	1 555 484	406	1 575 298	22 047	40 999 838	13 809	18 702 632
Total	37 746	79 852 832	20 113	65 196 965	38 844	77 147 168	25 500	40 000 000

580. The Commission also decided, on 31 May, on the apportionment of the sum (ECU 36 million) allocated for implementing the 12th programme of loans for ECSC subsidized housing, for the first two years.

581. Having regard to the increasing difficulties associated with the ECSC operating budget and in line with the approach already adopted for gradually scaling-down ECSC activities, while at the same time extending the field covered by the EC Treaty, the Commission decided, on 24 June,¹ to suspend application of Article 56 of the ECSC Treaty as regards joint financing of vocational training and employment aid programmes, which will henceforth be funded by the ESF.²

Health and safety

Health and safety at work

582. The Commission continued its work based on the guidelines laid down in November 1993.³ After consulting the institutions, it announced in its White Paper on European social policy its intention to propose in the near future a

¹ OJ C 178, 30.6.1994; Bull. 6-1994, point 1.2.134.

² Point 449 of this Report.

³ Twenty-seventh General Report, point 449.

fourth action programme on health and safety at work. In its resolution of 6 May,¹ the European Parliament backed the Commission's communication on the new framework for action, but said that the programme should run until the year 2000 and should comprise new legislative instruments with a view to improving implementation of existing directives. In an opinion delivered on 28 April² the Economic and Social Committee likewise gave its backing to the Commission's general framework for action, stressing the role of the Advisory Committee on Safety, Hygiene and Protection at Work.

583. On 14 March, the Commission adopted a proposal for a Council Directive amending Directive 89/655/EEC³ on the minimum safety and health requirements for the use of work equipment (Table II).

584. On 9 June, the Commission adopted an amended proposal for a Council Directive on the protection of the health and safety of workers from the risks related to chemical agents at work (Table II) followed, on 8 July, by an amended proposal for a Council Directive on similar risks related to physical agents (Table II).

585. On 18 July, the Council adopted Regulation (EC) No 2062/94 (Table II) setting up the European Agency for Safety and Health at Work. The Agency will be located in Bilbao and will be mainly required to collect and disseminate information on health and safety at work and provide back-up for exchanges of information and experience between Member States; it will further be required to organize conferences, supply the Commission with the requisite information for the preparation and evaluation of legislative texts, and set up a network linking the Member States' national networks.

586. The Advisory Committee on Safety, Hygiene and Protection at Work held three plenary meetings, in the course of which it gave its opinion on the provision of information for undertakings, standardization, research in these areas and the Commission's general framework for action.

Health and safety in the ECSC industries

587. The Safety and Health Commission for the Mining and Other Extractive Industries held three plenary meetings. The Safety and Health Commission's Restricted Committee, which deals with adaptation to technical progress, gave

¹ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.134.

² OJ C 195, 18.7.1994; Bull. 4-1994, point 1.2.159.

³ OJ L 393, 31.12.1989; Twenty-third General Report, point 427.

a favourable opinion on a draft Commission Directive adapting to technical progress Council Directive 82/130/EEC on approximation of the legislation of the Member States concerning electrical equipment for use in potentially explosive atmospheres.

588. A congress entitled '40 years of Community work on safety and health in the extractive and steel industries' provided a forum for reviewing the full range of ECSC social research.

589. A congress on pollution in the steel industry was organized in order to evaluate and measure the impact of the 118 projects funded within the framework of the research project concerned with technical control of nuisances and pollution at the place of work and in the environment of iron- and steelworks (ECU 23.4 million).

Equal opportunities

590. The importance of promoting equal opportunities for men and women, particularly on the labour market, was emphasized by the Essen European Council.¹ The Council had previously adopted two resolutions on this subject,² on 22 June and 6 December. For its part, the Commission adopted, on 23 June, a memorandum on equal pay for work of equal value.³ The memorandum, provision for which was made in the third medium-term Community action programme for equal opportunities, contains a detailed analysis of the European Court of Justice's case-law on the subject and sets out guidelines for complementary measures. The Commission also adopted, on 16 September,⁴ a report on the implementation of Directive 86/613/EEC,⁵ which has the aim of remedying the situation whereby spouses working in family businesses, including the agricultural sector, lack professional status. The Commission points out that the effects of the Directive are still insufficient. For its part the European Parliament has, on a number of occasions, spoken out in favour of positive action for women in terms of achieving equal opportunities for men and women, more particularly in agriculture,⁶ science,⁷ small and medium-sized enterprises⁸ and in decision-making bodies.⁹ It also adopted a resolution on 22 April concerning discrimination in the field of employment in Northern Ireland.¹⁰

¹ Bull. 12-1994.

² Bull. 6-1994, point 1.2.123; OJ C 368, 23.12.1994; Bull. 12-1994.

³ COM(94) 6; Bull. 6-1994, point 1.2.194.

⁴ COM (94) 163.

⁵ OJ L 359, 19.12.1986; Twentieth General Report, point 494.

⁶ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.182.

⁷ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.136.

⁸ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.135.

⁹ OJ C 91, 28.3.1991; Bull. 3-1994, point 1.2.167; OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.181.

¹⁰ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.162.

European Foundation for the Improvement of Living and Working Conditions

591. The end of 1994 marked the halfway point of the Dublin-based Foundation's four-year programme (1993-96), covering six main subject areas: social cohesion; access to employment; innovation and organization of work; human relations in businesses, social dialogue and industrial relations; health and safety; socio-economic aspects of the environment; equal opportunities for women and men.

592. A series of conferences, seminars and workshops, along with new publications and information tools, helped to complement and support the Foundation's research programme. In addition, and at the Commission's request, the Foundation prepared a synthesis of reactions to the Green Paper on European social policy.¹

International cooperation

593. Following the Council's Decision of 6 June renewing the pragmatic approach regarding the Commission's participation in the International Labour Conference (ILC), the Commission took part in the ILC's 81st session with a view to the adoption by the International Labour Organization of a convention and a recommendation on part-time working and on health and safety in mines (Table III). In addition, the Commission adopted, on 12 January, a proposal for a Council Decision on the exercise of external competence at international labour conferences in cases falling within the joint competence of the Community and the Member States (Table II).

594. A delegation from the Commission, headed by Mr Flynn, was received in October by the Japanese Ministers for Labour and Health² and Social Protection.² Discussions focused on cooperation between Japan and the European Union, and on their respective policies in areas such as unemployment and social protection.

¹ Point 554 of this Report.

² Bull. 10-1994, point 1.2.112.

Section 20

Agricultural policy¹

Priority activities and objectives

595. Activity during 1994, as in the two previous years, related mainly to the reform of the common agricultural policy (CAP). It either involved a tightening of the measures introduced in 1993 or the presentation by the Commission of its ideas for the reform of those major sectors not covered by the decisions taken in 1992 and 1993. Consolidation of the reform process was achieved despite the attempts to dilute its effects which delayed agreement on the annual price proposals.²

Results from the first of the three years planned for the reform programme showed a highly satisfactory start, particularly in the arable sector, where production fell, internal consumption rose and farm incomes improved over all.

In addition, the Council adopted several Regulations aimed at intensifying efforts to combat fraud.³ On the international level, agricultural questions formed an important part of the accession negotiations with the EFTA countries.⁴ One of the key elements in the agreements reached is that applicant countries will apply the CAP as from accession. On 20 July, the Commission also proposed the negotiation of a new bilateral agricultural agreement with Switzerland (Table III).⁵

Content of the common agricultural policy

596. Following its communication in 1993⁶ on the wine sector, on which the Economic and Social Committee and the European Parliament delivered opinions on 22 February⁷ and 9 March⁸ respectively, on 11 May the Commission presented its proposals for the reform of the common organization of this

¹ For further details, see *The Agricultural Situation in the European Union — 1994 Report*, published in conjunction with this Report (available from the Office for Official Publications).

² Point 600 of this Report.

³ Point 635 of this Report.

⁴ Point 726 of this Report.

⁵ Point 784 of this Report.

⁶ COM(93) 380; Twenty-seventh General Report, point 528.

⁷ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.129.

⁸ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.26.

market.¹ On 27 July, it also adopted a communication on the development and future of Community policy in the fruit and vegetable sector² and, on 24 June, a discussion paper on beekeeping in Europe.³ Parliament also adopted a resolution on beekeeping, on 9 February.⁴ On 16 November, it adopted a proposal to amend the common organization of the market in sugar.⁵ In addition, on 19 May, the Commission adopted its 19th annual report on the agricultural situation in the Community (1993).⁶

597. In an opinion of 14 September, the Economic and Social Committee set out its ideas on a 'contract between agriculture and society'.⁷ On 27 April, it also turned its attention to the situation of young farmers.⁸

598. On 27 July, the Council adopted Regulation (EC) No 2100/94 on Community plant variety rights (Table II).⁹

Implementation of the CAP reform

599. The bulk of the legislation for implementing CAP reform was adopted in 1993; but on 24 January, the Council adopted Regulation (EC) No 231/94¹⁰ which makes the procedures for applying the scheme for the set-aside of arable land more flexible, without losing sight of its overriding purpose. Taking account of the situation on the cereals market, on 5 December the Council adopted a regulation reducing the percentage of land subject to compulsory set-aside by three percentage points for the 1995/96 marketing year.¹¹ On 23 March,¹¹ the Economic and Social Committee gave its opinion on the Commission's discussion paper of May 1993¹² on the arable set-aside policy.

Agricultural prices for 1994/95

600. When presenting its 1994/95 price proposals, the Commission took the view that, since many key institutional prices had already been decided in the context of CAP reform, any changes to the programme of reform should be kept

¹ Point 615 of this Report.

² Point 616 of this Report.

³ COM(94) 256; Bull. 6-1994, point 1.2.142.

⁴ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.118.

⁵ Point 614 of this Report.

⁶ COM(94) 172; Bull. 5-1994, point 1.2.99.

⁷ Bull. 9-1994, point 1.2.139.

⁸ OJ C 195, 18.7.1994; Bull. 4-1994, point 1.2.109.

⁹ Point 120 of this Report.

¹⁰ Point 612 of this Report.

¹¹ OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.118.

¹² COM(93) 226; Twenty-seventh General Report, point 515.

to an essential minimum and be introduced quickly, so as to maintain stability in the farming sector. However, a variety of extraneous demands introduced during the negotiations delayed the process, with the result that Regulations (EC) No 1866/94 to 1882/94 and 1884/94 to 1895/94 fixing the prices for this marketing year were not adopted until 27 July (Table II) and then only after an overall compromise including Regulation (EC) No 1883/94 on milk quotas (Table II). Further related decisions were also taken in the form of Regulations¹ on reductions in the monthly increases for cereals and rice, an extension of the areas eligible for durum wheat production aid, the maintenance of export refunds for whisky, a reduction in the reimbursement of sugar storage costs, the introduction of reference quantities for potato starch and a further reduction in the butter intervention price.

Transitional arrangements applicable to Spain and Portugal

601. On 14 February, the Council adopted Regulation (EC) No 370/94 (Table II) extending by one year the transitional period provided for in the Act of Accession of Spain and Portugal.

Structures and rural development

602. On 21 November, the Council adopted Regulation (EC) No 2843/94 amending Regulations (EEC) No 2328/91² on production structures and No 866/90³ on processing and marketing structures.⁴

603. The activities of the EAGGF Guidance Section are dealt with in the 'Economic and social cohesion' section in Chapter II.⁵

Forestry, environment and agriculture

604. Pursuant to Regulation (EEC) No 2080/92⁶ instituting a Community aid scheme for forestry measures in agriculture, 17 programmes (11 national, six regional) and 19 subprogrammes (for Italy) were approved by the Commission.

¹ OJ L 197, 30.7.1994; Bull. 7/8-1994, point 1.2.134.

² OJ L 218, 6.9.1991.

³ OJ L 91, 6.4.1990; Twenty-fourth General Report, point 432.

⁴ Point 454 of this Report.

⁵ Point 453 of this Report.

⁶ OJ L 215, 30.7.1992; Twenty-sixth General Report, point 516.

605. Regulation (EEC) No 1615/89¹ establishing a European Forestry Information and Communication System (EFICS) was extended until 1997 by Council Regulation (EC) No 400/94,² adopted on 21 February.

606. Several measures were also taken concerning the preservation of European forests. Parliament echoed this concern in its resolutions of 11 February³ and 11 March.⁴ Pursuant to Regulation (EEC) No 2158/92⁵ on protection of the Community's forests against fire, the Commission approved lists of high and medium-risk areas and gave a favourable opinion on the protection plans. Pursuant to Regulation (EEC) 3528/86,⁶ on the protection of the Community's forests against atmospheric pollution, it also adopted Regulations (EC) No 836/94⁷ and No 1091/94.⁸

607. In addition, on 20 June the Council adopted Regulation (EC) No 1467/94 on the conservation of genetic resources in agriculture (Table II).

608. Lastly, on 9 December the Commission proposed, under Regulation (EEC) No 1765/92,⁹ to count arable land withdrawn from production for environmental or afforestation purposes towards non-rotational set-aside (Table II).

Quality of agricultural products

609. Pursuant to Regulation (EEC) No 2082/92,¹⁰ the Commission made available to operators the Community symbol and indication which may be applied to registered traditional specialities.¹¹

610. The transitional measures provided for in Regulation (EEC) No 2092/91¹² on the organic production of agricultural products and their presentation were extended until July 1995, with the adoption of Council Regulation (EC) No 1468/94 on 20 June.¹³

¹ OJ L 165, 15.6.1989; Twenty-third General Report, point 564.

² OJ L 54, 25.2.1994; Bull. 1/2-1994, point 1.2.119.

³ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.120.

⁴ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.120.

⁵ OJ L 217, 31.7.1992; Twenty-sixth General Report, point 516.

⁶ OJ L 362, 17.11.1986; Twentieth General Report, point 618.

⁷ OJ L 97, 15.4.1994.

⁸ OJ L 125, 18.5.1994.

⁹ OJ L 181, 1.7.1992; Twenty-sixth General Report, point 507.

¹⁰ OJ L 208, 27.7.1992; Twenty-sixth General Report, point 518.

¹¹ OJ L 275, 26.10.1994.

¹² OJ L 198, 22.7.1991; Twenty-fifth General Report, point 546.

¹³ Point 119 of this Report.

611. At the international level, the question of the quality of agricultural products was the central theme of Parliament's resolution of 6 May¹ on trade in agricultural products with the countries of Central and Eastern Europe.

Management of the common agricultural policy

Adjustments to the market organizations

Crop products

612. As part of the gradual implementation of the CAP reform over three marketing years, the institutional prices for cereals were reduced for the second time. This price cut was offset by an increase in the compensatory payment fixed per hectare, subject to the rotational set-aside of 15% of the area for which compensation is applied for; producers applying for compensatory payments for an area producing less than 92 tonnes of cereals are exempt from the set-aside requirement. In order to simplify the set-aside scheme for producers, in January the Council adopted Regulation (EC) No 231/94 (Table II), amending Regulation (EEC) No 1765/92² and introducing greater flexibility for the drawing up of regionalization plans by the Member States, the option, subject to an increase in the set-aside rate, of using other, non-rotational forms of set-aside, the transfer of set-aside to other producers as part of a specific plan drawn up by the Member States, and greater flexibility in some of the criteria for eligibility for compensatory payments. On 5 December, Regulation (EEC) No 1765/92 was amended with the adoption by the Council of Regulation (EC) No 2990/94 (Table II), providing, for the 1995/96 marketing year, for a reduction in the set-aside requirement from 15 to 12%.³ At the same time, the Council adopted Regulation (EC) No 3316/94,⁴ providing, in the framework of the 1994/95 price package, for changes to the durum wheat regime (Table II). In addition, on 24 January, the Council adopted Regulation (EC) No 232/94 (Table II), making the necessary amendments to the support system for oilseeds by fixing the maximum area eligible for compensatory payments for oilseeds. Lastly, on 18 November, the Commission adopted a proposal for a Regulation on the common organization of the market in dried fodder (Table II).

613. On 27 July, as part of the price proposals, the Council adopted Regulation (EC) No 1875/94 (Table II) fixing the maximum guaranteed quantity for which

¹ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.108.

² OJ L 181, 1.7.1992; Twenty-sixth General Report, point 507.

³ OJ L 316, 9.12.1994.

⁴ OJ L 330, 21.12.1994.

production aid can be paid in the olive-oil sector for the 1994/95, 1995/96 and 1996/97 marketing years. In the same context, on 29 November the Commission also adopted a proposal for a Regulation laying down general rules for the grant of production aid in this sector (Table II).

614. Community sugar production and the sugar market remain subject to a production quota system, which continues to be applied in 1994/95 under Council Regulation (EC) No 133/94 (Table II), adopted on 24 January. This Regulation also introduces a production scheme for inulin syrup similar to the arrangements applicable to production quotas for sugar and isoglucose. On 16 November, the Commission adopted a proposal for a Regulation to amend the market organization for sugar to take account of any future reductions in the quotas needed to implement the Uruguay Round and the expiry, on 30 June 1995, of the existing agreements (Table II).

615. On 21 March, the Commission adopted its Report on the development of vineyards in the Community.¹ On 11 May, it also adopted a proposal for the reform of the common organization of the market in wine (Table II), which aims to balance the market by giving priority to bringing supply into line with demand and allowing the regions and the Member States, in collaboration with the Commission, to determine the exact procedures in the form of regional adjustment programmes. On 15 November, the Committee of the Regions issued an own-initiative opinion on this proposal.² In addition, the EEA Agreement entered into force on 1 January.³ This agreement provides, in particular, for the abolition of technical barriers to trade in wines and spirits. Various bilateral agreements facilitating trade in wine (with Australia, Bulgaria, Hungary and Romania) or providing for the reciprocal protection of designations (with Bulgaria, Hungary and Romania) also entered into force or were formalized this year (Australia (Table III)). In particular, on 14 November, as a result of the application of the agreements with Hungary and Romania, the Council adopted Regulation (EC) No 2796/94 authorizing imports of wine with a total alcoholic strength by volume exceeding the Community limit of 15% vol.⁴ With similar intent, on 21 February the Council adopted a Decision on the conclusion of an agreement in the form of an exchange of letters with the United States on the mutual recognition of certain spirit drinks (Table III).

616. In the fresh fruit and vegetables sector, as part of the price proposals, on 27 July the Council adopted Regulation (EC) No 1890/94 (Table II) reactivating for 1994/95 the aid scheme for the grubbing of apple trees which had been

¹ COM(94) 28; Bull. 3-1994, point 1.2.127.

² Bull. 11-1994, point 1.2.143.

³ Point 778 of this Report.

⁴ OJ L 297, 18.11.1994; Bull. 11-1994, point 1.2.145.

applied from 1990 to 1993. For its part, on 27 July¹ the Commission adopted a communication on the development and future of Community policy in the fruit and vegetables sector with a view to encouraging a debate prior to the formulation of proposals for the reform of the current market organization in this sector. The document proposes strengthening the positive aspects of the current arrangements (market orientation, decentralization, consolidation of supply) by increasing the flexibility of their application and ironing out the flaws (operation of certain producers' organizations, subsidized withdrawals which have become structural, poor perception of the quality standards, gaps in the statistics). The Economic and Social Committee gave its opinion on the communication on 21 December.² With regard to processed fruit and vegetables, on 17 June the Commission adopted a report on the implementation of the reform of the arrangements for dried grapes.

617. The common organization of the market in bananas entered into force on 1 July 1993.³ It lays down certain rules for bananas produced in the Community as well as those imported from third countries. Most of the detailed rules for its application have already been adopted. These concern the import arrangements,⁴ safeguard measures,⁵ abandoning production,⁶ compensatory aid,⁷ producers' organizations⁸ and quality standards.⁹

618. In the context of the common organization of the market in seeds, the Commission adopted Regulation (EC) No 1476/94,⁹ fixing the reference price of hybrid maize and hybrid sorghum intended for sowing for the 1994/95 marketing year, and Regulation (EC) No 1495/94,¹⁰ fixing the countervailing charges in the seeds sector. In addition, Commission Regulation (EC) No 1475/94⁹ amends Regulation (EEC) No 1445/76¹¹ and lays down the list of different varieties of *Lolium perenne* L. eligible for Community aid from 1 July 1994.

619. Each year, the Council fixes the level of aid payable for hops produced in the European Union. On 10 October, the aid for the 1993 harvest was fixed at ECU 395/ha for the aromatic varieties, ECU 435/ha for the bitter varieties and ECU 307/ha for the other varieties and experimental strains (Table II).

¹ COM(94) 360; Bull. 7/8-1994, point 1.2.136.

² Bull. 12-1994.

³ OJ L 47, 25.2.1993; Twenty-seventh General Report, point 529.

⁴ OJ L 142, 12.6.1993.

⁵ OJ L 158, 30.6.1993.

⁶ OJ L 157, 29.6.1993.

⁷ OJ L 170, 13.7.1993.

⁸ OJ L 106, 27.4.1994.

⁹ OJ L 159, 28.6.1994.

¹⁰ OJ L 161, 29.6.1994.

¹¹ OJ L 161, 23.6.1976.

620. Implementation of the reform of the common organization of the market in raw tobacco¹ was continued. The reform introduces a system of quotas per Member State and per group of varieties and abolishes intervention and export refunds. The Commission took certain measures to support the reform and set up controls in the sector.² The experience gained also led it to formulate a proposal introducing various measures to adapt production (Table II). While fixing the agricultural prices, the Council adopted Regulation (EC) No 1895/94 (Table II) and, while fixing the quotas, Regulation (EC) No 1641/94 (Table II).

621. On 10 November, the Council adopted Regulation (EC) No 2760/94 amending for the fourth time the aid scheme for cotton (Greece) (Table II). The cultivation of fibre flax, which until now has been grown mostly in France, Belgium and the Netherlands, has recently become more widespread in the United Kingdom. Regulation (EC) No 1469/94 of 27 June³ adjusts the Community rules to take account of this development.

Livestock products

622. In the milk and milk products sector, the price proposals adopted by the Council included Regulations (EC) No 1880/94 to (EC) 1883/94 (Table II), which provide for the abolition of the buying-in scheme for 'grana padano' and 'parmigiano reggiano' cheese and the grant of private storage aid for these cheeses, an additional 1% reduction in the price of butter and the corresponding adjustment to the target price for milk and, lastly, an increase, definitive for Spain and provisional for Italy and Greece, in the guaranteed total quantity. The Council also adopted Regulation (EC) No 230/94 (Table II), authorizing a levy on the price paid to producers in order to finance measures to promote consumption in the Community. In addition, on 19 April, the European Parliament adopted a resolution on the milk policy⁴ and, on 21 December, the Commission and the Council reached joint conclusions on the quotas.⁵ On 14 November, and 5 December, respectively, the Council adopted Regulations (EC) No 2807/94 concerning a single definition for butter (Table II) and (EC) No 2991/94 concerning the definition, categorization and naming of spreadable fats (Table II). The Commission also adopted Regulation (EC) No 211/94⁶ on the supply of certain milk products to schools. Commission Regulations (EC) No 780/94⁷ and No 1553/94⁸ extend the derogation fixing at 35% the minimum

¹ OJ L 215, 30.7.1992; Twenty-sixth General Report, point 509.

² OJ L 197, 30.7.1994.

³ OJ L 159, 28.6.1994.

⁴ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.121.

⁵ Bull. 10-1994, point 1.2.88.

⁶ OJ L 27 du 1.2.1994.

⁷ OJ L 91, 8.4.1994.

⁸ OJ L 166, 1.7.1994.

quantity of skimmed-milk powder (SMP) to be incorporated into compound feedingstuffs. The guaranteed total quantities fixed in Article 3 of Council Regulation (EEC) No 3950/92¹ were adjusted following the adoption of Commission Regulation (EC) No 647/94.² On 2 March, moreover, the Commission proposed the introduction of an aid scheme for abandonment of milk production, and compensation measures (Table II).

623. No beef and veal has been offered for nor bought into intervention since the end of 1993. When the estimates were adopted for 1994,³ it was agreed to restrict non-quota imports of calves to 167 600 head and open an exceptional import quota for 11 430 tonnes of high-quality beef. In addition to the special traditional arrangements for preferential imports, the Community decided to improve access to the Community market for certain quantities of beef and veal at duties and levies reduced by 60% as from 1 July 1993 under the interim trade agreements concluded with some of the countries of Central and Eastern Europe;⁴ it also undertook to open additional import quotas for high-quality meat. In addition, on 3 November, the Commission adopted a proposal for the consolidation of the various texts concerning the common organization of the market in beef and veal.⁵

624. In the sheepmeat sector, the introduction of the premium quota scheme in 1992⁶ stabilized the number of head in 1994. Discussions are currently under way with the Community's trading partners on the import agreements to be applied in 1995, following the Council's adoption of negotiating instructions on 5 December (Table III). On 3 May, the Council adopted Regulation (EC) No 1278/94, which extends until 1997 the current definition of the Community standard quality.⁷

625. With regard to poultrymeat, on 29 March the Council adopted Regulation (EC) No 774/94⁸ opening, *inter alia*, two annual quotas of 15 500 tonnes for boned poultrymeat and 2 500 tonnes for turkeymeat which may be imported at a 0% levy from 1 July 1994.

¹ OJ L 405, 31.12.1992.

² OJ L 80, 24.3.1994.

³ OJ L 22, 27.1.1994; Bull. 1/2-1994, point 1.2.135.

⁴ OJ L 152, 18.6.1994.

⁵ OJ C 321, 18.11.1994; Bull. 11-1994, point 1.2.150.

⁶ Twenty-sixth General Report, point 535.

⁷ OJ L 140, 3.6.1994; Bull 5-1994, point 1.2.106.

⁸ OJ L 91, 8.4.1994.

Other work

Approximation of laws

626. For the approximation of laws on animal health, public health, feeding-stuffs, plant health products and seeds and propagating material, see Chapter II, Section 4 ('Internal market') of this report.¹

Agrimonetary measures

627. Council Regulation (EEC) No 3528/93² amended the agrimonetary arrangements to take account of the greater variability in exchange rates following the increase in the fluctuation margins of the EMS exchange-rate mechanism to 15%.³ To this end, as a temporary measure for 1994, the gaps authorized between the agricultural conversion rates and the market rates were increased, particularly for revaluing currencies. In addition, the conditions for granting compensation for revaluations were made more stringent in cases where they precede or follow devaluations. The ecu correction factor remained unchanged at its 1993 level of 1.207509. No agricultural conversion rates were reduced, but increases in the agricultural conversion rates were made after fairly moderate devaluations in the case of the Greek drachma, the Spanish peseta, the Italian lira, the Portuguese escudo and the Pound sterling. The operation of the new agrimonetary arrangements,⁴ which entered into force on 1 January 1993,⁵ was still being examined by the Council at the end of the year, on the basis of a report by the Commission,⁶ accompanied by proposals to adjust the arrangements (Table II).

Food aid for the needy

628. The European Union continued its programme⁷ of food aid for the needy.⁸ The programme's budget was increased by ECU 25 million to total ECU 175 million. Since Germany again did not participate in the programme, this amount was shared among the other Member States.

¹ Point 121 of this Report.

² OJ L 320, 22.12.1993; Twenty-seventh General Report, point 542.

³ Twenty-seventh General Report, point 33.

⁴ OJ L 387, 31.13.1992; Twenty-sixth General Report, point 541.

⁵ Twenty-seventh General Report, point 540.

⁶ COM(94) 498; Bull. 11-1994, point 1.2.135.

⁷ Twenty-seventh General Report, point 543.

⁸ OJ L 352, 15.12.1987; Twenty-first General Report, point 588.

Food aid to certain non-member countries

629. On 27 July,¹ the Council approved aid worth ECU 204 million for the people of Georgia, Armenia, Azerbaijan, Kyrgyzstan and Tadjikistan. On 24 October, it also adopted Regulation (EC) No 2621/94 on the supply of agricultural products to Moldova.²

State aid

630. In 1994, the Commission examined 225 notifications concerning draft aid schemes for agriculture and the food industry. It also examined 65 measures which had not been notified in accordance with Article 93(3) of the EC Treaty. Following interviews with representatives of the Member States and requests for additional information, amendments were made to many of the draft aid schemes. The Commission was thus able to accept without objections a total of 210 schemes. It proposed measures under Article 93(1) of the EC Treaty in respect of three existing aid schemes. The Article 93(2) procedure was initiated against several Member States with regard to 25 schemes. The Commission decided to terminate the said procedure with a positive result for five measures. It addressed six negative final decisions to the Member States.³

Farm accountancy data network (FADN)

631. The management committee responsible for the network held four meetings in 1994, one of which was spent examining a Commission working paper on the feasibility of incorporating information on non-agricultural activities and income into the FADN. Work continued on amending the FADN to accommodate changes resulting from the reform of the CAP and analyses of vineyards and of holdings in less-favoured areas were published. Contacts were also made with the countries applying for accession, to consider how to treat forestry in the farm classification system.

Advisory committees and relations with trade organizations

632. During the 90 meetings of advisory committees and working parties organized in 1994, the Commission informed and conferred with representatives of the producers, processors, traders, consumers and workers about the

¹ O J L 201, 4.8.1994; Bull. 7/8-1994, point 1.3.40.

² O J L 280, 29.10.1994.

³ For detailed information, see the Twenty-fourth Report on Competition Policy, due to be published in 1995.

application, development and future of the CAP. However, because of financial difficulties, which had already begun to be felt in 1993,¹ the frequency of the meetings was inadequate.

TABLE 17

The agricultural management and regulatory committees

Committee	From 1 January to 31 December 1994			
	Meetings ¹	Favourable opinions	No opinion	Unfavourable opinion
Management Committee for Cereals	49	956	121	—
Management Committee for Pigmeat	19	62	4	—
Management Committee for Poultrymeat and Eggs	15	68	9	—
Management Committee for Fruit and Vegetables	17	73	6	—
Management Committee for Wine	22	63	5	—
Management Committee for Milk and Milk Products	25	197	18	—
Management Committee for Beef and Veal	27	103	5	—
Management Committee for Sheep and Goats	10	17	—	—
Management Committee for Oils and Fats	22	76	14	—
Management Committee for Sugar	50	121	6	—
Management Committee for Live Plants	2	2	—	—
Management Committee for Products Processed from Fruit and Vegetables	12	38	5	—
Management Committee for Tobacco	9	14	—	—
Management Committee for Hops	6	12	—	—
Management Committee for Flax and Hemp	6	8	—	—
Management Committee for Seeds	5	9	—	—
Management Committee for Dried Fodder	2	1	1	—
Management Committee for Agricultural Income Aid	—	—	—	—
Implementation Committee for Spirit Drinks	6	2	—	—
Implementation Committee for Aromatized Wine-based Drinks	2	—	—	—
Management Committee for Bananas	19	11	17	—
Joint meetings of Management Committees ²	30	28	7	1
Committee for Loans to the ex-USSR and its Republics	—	—	—	—
EAGGF Committee	18	20	2	—
Standing Committee on Feedingstuffs	11	8	—	—
Standing Veterinary Committee	39	290	1	—
Standing Committee on Seeds and Propagating Material for Agriculture, Horticulture and Forestry	13	14	—	—
Committee on Agricultural Structures and Rural Development	14	329	7	—
Community Committee on the Farm Accountancy Data Network	3	—	1	—
Standing Committee on Agricultural Research	1	—	—	—
Standing Committee on Plant Health	26	13	—	—

¹ Twenty-seventh General Report, point 548.

TABLE 17 (Continued)

Committee	From 1 January to 31 December 1994			
	Meetings ¹	Favourable opinions	No opinion	Unfavourable opinion
Standing Committee on Zootechnics	1	1	—	—
Standing Forestry Committee	18	46	—	—
Standing Committee on Organic Farming	5	5	—	—
Standing Committee on Propagating Material and Ornamental Plants	6	1	—	—
Standing Committee on Propagating Material and Plants of Fruit Genera and Species	6	1	—	—
Committee on Geographical Indications and Designations of Origin ²	—	—	—	—
Committee on Certificates of Specific Character ²	3	1	—	—
Committee on the Conservation, Characterization, Collection and Utilization of Genetic Resources in Agriculture	1	2	—	—
Standing Committee on Plant Variety Rights	2	—	—	—
<i>Ad Hoc</i> Committee on the Supplementary Trade Mechanism	—	—	—	—

¹ Except those on trade mechanisms (13 meetings) and agrimonetary questions (4 meetings)

² Agricultural products and foodstuffs.

Financing the common agricultural policy: the EAGGF

Guarantee Section

633. The initial 1994 budget, adopted on 16 December 1993,¹ provided EAGGF Guarantee Section appropriations amounting to ECU 36 465 million (not including the monetary reserve of ECU 1 billion), broken down as follows (in ECU million):

EAGGF Guarantee Section (subsection B1)	36 450
including	
• Fisheries Guarantee Fund (Chapter B1-26)	37
• Income aid (Chapter B1-40)	58
• Accompanying measures (Chapter B1-50)	545
Special provisions (chapter B0-40)	15
Guarantee Section total	36 465

¹ OJ L 34, 7.2.1994; Twenty-seventh General Report, point 551.

Preliminary draft supplementary and amending budget No 2/94 provided for an ECU 1 678 million reduction in relation to the initial budget; total EAGGF Guarantee Section appropriations for 1994 therefore amounted to ECU 34 787 million (not including the monetary reserve), leaving a margin of ECU 1 678 million in relation to the agricultural guideline, fixed at ECU 36 465 million for 1994.

634. The 1995 preliminary draft budget¹ initially allocated appropriations amounting to ECU 36 994 billion to the EAGGF Guarantee Section, not including the monetary reserve, which has been reduced to ECU 500 million from the 1995 financial year. On 25 July, the Council adopted the 1995 draft budget without amendments and decided to increase the appropriations for milk quotas by ECU 293 million. In letter of amendment No 1, the Commission took account of this decision and certain proposals made by Parliament in the three-way discussion. When the budget was adopted in December, the appropriations allocated to the EAGGF Guarantee Section were fixed at ECU 37 922.5 million for commitments. In view of the new requirements for appropriations as a result of the enlargement, the guideline was increased by ECU 950 million to ECU 37 944 million.

635. In order to step up the fight against fraud, the Council adopted Regulation (EC) No 3094/94 (Table II) amending Regulation (EEC) No 4045/89² on scrutiny by Member States of transactions forming part of the system of financing by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund and Regulations (EC) No 163/94 (Table II) providing for customs checks to be targeted on high-risk sectors and No 165/94 (Table II) extending for 1995 the arrangements for the part-financing of remote sensing under the integrated administration and control system for certain Community aid schemes. In addition, on 8 November (Table II), the Commission adopted a proposal for a Regulation concerning the use of securities and guarantees and providing for the repeal of Regulation (EEC) No 352/78.³

636. On 31 October,⁴ the Commission adopted the Twenty-third Financial Report (1993) on the activities of the EAGGF Guarantee Section (see Table 18). On 20 December, it also adopted Decision 94/871/EC⁵ on the clearance of accounts for the 1991 financial year and, on 1 July, two proposals for Regulations to rationalize the accounts clearance arrangements (Table II).

¹ Point 1112 of this Report.

² OJ L 388, 30.12.1989.

³ OJ L 50, 20.2.1978.

⁴ COM(94) 464; Bull. 10-1994, point 1.2.90.

⁵ OJ L 352, 31.12.1994.

TABLE 18
EAGGF Guarantee Section expenditure, by sector

(ECU million)				
Sector	Expenditure 1992	Expenditure 1993	Expenditure 1994 ¹	Appropriations 1995 ²
Arable crops ³	10 218.3	10 610.7	12 652.3	14 779
Sugar	1 937.4	2 188.6	2 061.5	1 947
Olive oil	1 754.3	2 468.2	1 819.3	892,5
Fruit and vegetables, wine, tobacco	3 573.8	4 338.6	3 834.3	4 466.6
Milk and milk products	4 006.8	5 211.3	4 248.8	4 059
Beef, sheepmeat, goatmeat and pigmeat	6 304.6	5 987.6	5 162.8	6 678
Other sectors	1 748.9	2 077.6	1 847.3	1 706.4
Refunds on processed products	699.6	743.5	631.4	534.5
MCAs + ACAs	29.1	143.5	4.7	p.m.
Impact of accounts clearance decisions	78.9	- 384.8	- 611.9	- 550
Others:				
• interest	86.0	100.3	83.4	80
• distribution to the needy in the Community	130.2	130.2	136.4	200
• fraud control	24.6	80.1	76.4	85
• rural development activities	304.4	444.7	339.8	471
• food aid	221.6	160.4	86	140
Other measures	—	—	47.1	23
Total A ⁴	31 118.5	34 300.5	32 419.6	35 512
Guideline (until 1992)	35 039.0	—	—	—
Fisheries	32.1	32.4	35.5	47
Sub-total B	31 150.6	34 332.9	32 455.1	35 559
Set-aside (share borne by Guidance Section) ⁵	138.0	—	—	—
Income aid	25.9	35.8	32	44.5
Accompanying measures	—	221.7	437.3	1 372 ⁶
Total B	31 314.5	34 590.4	32 924.4	36 975.5
Enlargement	—	—	—	950 ⁷
Guideline (from 1993)	—	36 657.0	36 465	37 944
Depreciation of stocks and disposal of butter	799.5	—	—	—
Total C ⁸	32 114.0	34 590.4	32 924.4 ⁹	37 925.5 ¹⁰
Margin from 1993	—	2 066.6	3 540.6	18.5

N.B.: p.m. = pro-memoria.

¹ Provisional figures.

² 1995 budget.

³ Including cereals, oilseeds, peas and field beans and share of set-aside borne by the Guarantee Section.

⁴ Total financed within the guideline until 1992.

⁵ As from 1993, the financing of expenditure in this chapter is borne by the EAGGF Guarantee Section.

⁶ ECU 1 369 million in payment appropriations.

⁷ Increase in the guideline following enlargement: ECU 950 million; this amount is entered as credit in Chapter B0-40

⁸ Total financed within the guideline from 1993.

⁹ Not including the appropriations for the monetary reserve (ECU 1 billion).

¹⁰ Expressed as commitment appropriations and not including the appropriations for the monetary reserve (ECU 500 million).

Guidance Section

637. Financing from the EAGGF Guidance Section, like that from the other Structural Funds, is broken down by the Objectives to which it contributes, namely the adjustment of regions whose development is lagging behind (Objective 1), the adjustment of agricultural structures (Objective 5(a)) and the development of rural areas (Objective 5(b)). The use to which the appropriations were put under the 1993 budget is shown in Table 19.

TABLE 19

EAGGF Guidance Section — Agriculture: summary of 1993 budget implementation
(commitment appropriations)

(million ECU)

Type of financing	Total	Objective 1	Objective 5 (a) ¹	Objective 5 (b)	Transitional
Direct:	46.798	11.207	—	17.429	18.162
• regional	46.798	11.207	—	17.429	18.162
• general	—	—	—	—	—
Indirect:	1 335.247	606.198	701.968	16.008	11.073
• regional	121.714	94.633	—	16.008	11.073
• general	1 213.533	511.565	701.968	—	—
Operational programmes:	1 613.874	918.228	221.916	473.730	—
• regional	1 119.029	645.299	—	473.730	—
• marketing/ processing	494.845	272.929	221.916	—	—
Pilot projects, etc.: (Article 22, Regulation (EEC) No 797/85 and Article 8, Regulation (EEC) No 4256/88)	30.004	—	—	—	30.004
Global grant:	64.474	63.585	—	1.477	2.412
• Community initiatives	64.474	63.585	—	1.477	2.412
Total	3 093.397	1 599.218	923.884	508.644	61.651

¹ Objective 5(a) measures in areas not covered by Objective 1.

638. The appropriations under the 1994 budget amount to ECU 3.410 billion for commitments, i.e. 17.4% of the total for the Structural Funds, and to ECU 2.864 billion for payments. As a result of the adjustments decided in the transfers, these appropriations were increased to ECU 3.359 billion for commitments and ECU 2.829 billion for payments. Unlike last year,¹ these amounts include the

¹ Twenty-seventh General Report, point 555.

share of the appropriations allocated for the implementation of structural measures in the territory of the former German Democratic Republic by the EAGGF Guidance Section under Regulation (EEC) No 3575/90.¹ Conversely, the commitment appropriations do not concern fisheries, which have been managed separately from the EAGGF Guidance Section for agriculture since 1 January 1990. However, payment appropriations are still earmarked for payments relating to a number of projects for which the funds were committed before that date. Lastly, the amounts intended for implementation of the programmes for the most remote regions are again included in the budget chapter on 'Structural Funds'.

639. Since 1994 is the first year of the new programming period (1994-99), the budget has been rectified in line with the budget profile established for that period and the results of the negotiations on the new Community support frameworks (CSFs) and single programming documents (SPDs) drawn up for 1994-99. The 1995 budget will probably have to be amended for the same reasons.

¹ OJ L 353, 17.12.1990; Twenty-fourth General Report, point 24.

Section 21

Fisheries

Priority activities and objectives

640. *The most important aspect of Community activity in the fisheries sector was work relating to enlargement of the European Union,¹ in view of the socio-economic importance of the sector in some of the applicant countries. The Council also decided to adapt the arrangements for fisheries laid down in the Act of Accession of Spain and Portugal,² to introduce identical arrangements for access for the vessels of all the Member States from 1 January 1996. Moreover, in adopting Regulation (EC) No 1626/94 on 27 June (Table II), the Council, harmonizing certain national rules, established common arrangements for the conservation and management of fishery resources in the Mediterranean, on the basis of available scientific work and allowing for the socio-economic role of fisheries in certain coastal regions. The importance attached to a policy for the conservation and management of resources acceptable to and applicable by all the countries bordering the Mediterranean, led the European Union to organize a conference on the management of fisheries in the Mediterranean, which took place in Crete in December. The Commission also presented a communication on the use of large drift-nets in the framework of the common fisheries policy.³*

The ecological impact of fishing has also been fully integrated into Community activity, in particular by seeking scientific advice when drafting decisions on the exploitation of resources, or for structural measures. Fisheries policy thus took a full part in measures in favour of resource conservation, the preservation of marine biodiversity and the rational pursuit of fishing on a sustainable basis.

The Commission also adopted, on 19 July, a communication relating to the crisis in the Community fisheries sector,⁴ and on 30 September a proposal for an amendment to the Regulation governing the common organization of markets in fishery products.⁵

¹ Point 726 of this Report.

² Point 644 of this Report.

³ Point 649 of this Report.

⁴ Point 664 of this Report.

⁵ Point 665 of this Report.

Fisheries policy

641. On 8 December, the Commission adopted a proposal for a Council Regulation (Table II) to introduce greater flexibility in the management of TACs and quotas by means of 'interannual' management.

Implementation of the basic Regulation

642. On 27 June, the Council adopted Regulation (EC) No 1627/94 (Table II) on special fishing permits. This Regulation, applicable to Community fishing vessels and to vessels flying third-country flags operating in the Community fishing area, is intended to improve the conditions for exploiting resources. This Regulation was supplemented by the adoption, on 22 December, of a Regulation applicable to Community vessels operating in the waters of a third country in the context of a fisheries agreement (Table II). On 24 January, the Commission had adopted Regulation (EC) No 109/94 on the Community fishing vessel register,¹ setting rules on collection by Member States of the data necessary to determine their vessels' fishing effort exerted on fish stocks, so as to ensure balanced exploitation of them.

Monitoring application of the common fisheries policy

643. The Commission continued to monitor compliance with TACs and quotas in Community waters and in certain international waters, which led it to the closure of 80 fisheries during 1994. Outstanding infringement procedures due to overfishing in past years were also pursued. The Commission also monitored compliance with conservation measures, fisheries agreements with non-Community countries and international agreements, and continued its fishery surveillance work in the NAFO regulatory area. Council Decision 89/631/EEC² was amended on 12 April by Council Decision 94/207/EC (Table II), which provides that the Community shall, by way of an exception, meet 100% of the expenditure incurred for certain pilot projects involving a system of satellite monitoring.

Adjustment of Spanish and Portuguese accession arrangements

644. Following the report adopted by the Commission in December 1992,³ the Council adopted on 30 May Regulation (EC) No 1275/94 (Table II) on adjustments to arrangements in the fisheries chapters of the Act of Accession of

¹ OJ L 19, 22.1.1994; Bull. 1/2-1994, point 1.2.145.

² OJ L 364, 14.12.1989; Twenty-third General Report, point 598.

³ Twenty-sixth General Report, point 564.

Spain and Portugal, to achieve full integration of those arrangements into the general rules for the conservation and management of resources from 1 January 1996. The new arrangements, based on full respect for the *acquis communautaire*, confirm the principle of equal access to waters while maintaining the exemptions from that principle provided for in the basic Regulation on the common policy.¹ They also take account of the preservation of the special needs of the regions whose socio-economic development is especially dependent on fisheries. In the framework of the new arrangements, on 22 December the Council approved the conditions of access to the areas where limitations applied under the accession arrangements and the control measures needed to ensure compliance with those conditions (Table II).

645. On 19 December, the Council adopted three Regulations determining the 1995 fishing rights for vessels of the Member States authorized to fish in Spanish and Portuguese waters and for Spanish or Portuguese vessels authorized to fish in the waters of the other Member States.² These are the last renewal of the transitional measures provided for in the Act of Accession.

Internal resources and policy on conservation and monitoring

Community measures

646. On 20 December, the Council adopted Regulation (EC) No 3362/94 (Table II) fixing the TACs (annual catch levels) and quotas for 1995.³

647. Regulation (EC) No 3676/93⁴ fixing the TACs and quotas for 1994 was amended twice⁵ during the year. The Council also allocated for 1994 certain additional catch quotas for certain Norwegian and Icelandic fisheries, by means of Regulation (EC) No 1092/94 (Table II) of 6 May.⁶

648. On 18 July the Council adopted Regulation (EC) No 1796/94 (Table II) amending for the 15th time Regulation (EEC) No 3094/86⁷ so as to incorporate certain technical measures previously covered by the annual regulation on TACs and quotas.

¹ OJ L 388, 31.12.1992; Twenty-sixth General Report, point 559.

² OJ L 341, 30.12.1994; Bull. 12-1994.

³ OJ L 363, 31.12.1994; Bull. 12-1994.

⁴ OJ L 341, 31.12.1993; Twenty-seventh General Report, point 566.

⁵ OJ L 294, 15.11.1994; Bull. 11-1994, point 1.2.160; OJ L 321, 14.12.1994; Bull. 12-1994.

⁶ OJ L 121, 12.5.1994; Bull. 5-1994, point 1.2.113.

⁷ OJ L 288, 11.10.1986; Twentieth General Report, point 662.

649. On 8 April, the Commission adopted a communication on the use of drift-nets, in which it analyses the ecological impact of the use of this type of gear by Community vessels. At the same time, the Commission presented a proposal for a Regulation amending for the 16th time (Table II) Regulation (EEC) No 3094/86, with a view to adapting technical measures for conservation and to reinforcing the controls applicable to this form of fishing, so as to take account of its ecological impact. On 9 November, the Commission adopted a proposal to amend the same Regulation for the 17th time (Table II), with a view in particular to introducing technical measures applicable to fishing with passive gear, on which it had adopted a communication on 10 June,¹ to examine the impact on fish stocks of the use of this type of gear, particularly fixed gill-nets, and to determine to what extent current Community legislation, which has hitherto concentrated on towed gear, should be extended to passive gear.

650. On 22 December, the Council adopted a Regulation (Table II) amending Regulation (EEC) No 2930/86² defining characteristics for fishing vessels.

651. Parliament has been considering the long-term consequences of industrial fishing for the future of marine stocks, in particular in its resolution of 22 April.³

National measures

652. The Commission was notified by the Member States of 112 national conservation measures, of which 84 were either the subject of comments or approved and 28 are still under examination.

External resources

653. The agreement (Table III) signed on 24 May between the Community and Argentina is the first fisheries agreement with a South American country. Besides opening up important opportunities for fishing by Community vessels in Argentinian waters, it embraces creation of joint enterprises and scientific and technical cooperation, and tariff reductions to promote supply of the Community market with Argentinian fishery products.

654. The Council decided on implementation of new protocols to the fishery agreements with Angola, Côte d'Ivoire, Equatorial Guinea, Mauritania,

¹ COM(94) 235; Bull. 6-1994, point 1.2.160

² OJ L 274, 24.9.1986; Twentieth General Report, point 663.

³ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.131.

Mauritius, Cape Verde and the Comoros (Table III). The Commission also proposed to the Council the conclusion of a draft agreement with Greenland and Denmark (Table III), amending the existing tripartite agreement, to encourage the setting up of associations between Greenland and Community shipowners, and a draft third protocol laying down conditions for fishing from 1 January 1995 to 31 December 2000 (Table III). Negotiations have also been concluded for the renewal of the protocol to the existing agreement with Senegal Table III. The Council authorized Spain and Portugal to extend until 7 March 1995 their agreements on mutual fishery relations with the Republic of South Africa.¹ On 23 November (Table III), the Council adopted negotiation guidelines for a new fisheries agreement with Morocco. The Commission submitted to the Council a recommendation for a decision authorizing it to negotiate a fisheries agreement with South Africa (Table III) and a recommendation for a decision supplementing the negotiation guidelines for a fisheries agreement with Namibia, with a view to authorizing the creation of joint enterprises.

655. On 19 and 20 December, the Council adopted the Regulations on the allocation for 1995 of the catch quotas in the fishing zones and the technical measures for the conservation and management of resources in the Faeroes, the Baltic States, Norway and the zone around Jan Mayen,² Poland and Russia.³ New catch quotas were also fixed for Iceland and Greenland for 1995.³

656. On 12 April, the Council adopted Regulation (EC) No 858/94 (Table II) introducing a system for the statistical monitoring of trade in bluefin tuna, in line with the resolution adopted under the International Convention for the Conservation of Atlantic Tunas (ICCAT). On 5 April, the Council adopted Regulation (EC) No 1043/94⁴ amending Regulation (EC) No 3680/93⁵ so as to incorporate the latest recommendations of the NAFO (Northwest Atlantic Fisheries Organization) from the ninth meeting which the Commission attended in November.

657. On 10 November the Council adopted Regulation (EC) No 2762/94 (Table II) extending until 31 December the pilot observer scheme introduced by Council Regulation 3928/92 for vessels operating in the NAFO regulatory area. On 15 December the Commission proposed to extend it until 31 December 1995.⁶ In addition, on 20 December the Council adopted Regulation (EC) No 3366/94 laying down, for 1995, measures for the conservation and management of fishery resources in the NAFO regulatory area.³

¹ Bull 6-1994, point 1.2.161.

² Until 31 March 1995 for Norway and Jan Mayen.

³ OJ L 363, 31.12.1994; Bull. 12-1994.

⁴ OJ L 114, 5.5.1994; Bull. 4-1994, point 1.2.137.

⁵ OJ L 341, 31.12.1993; Twenty-seventh General Report, point 572.

⁶ COM(94) 630; Bull. 12-1994.

658. On 16 September, the Commission presented to the Council a proposal for a Decision (Table II) on the accession of the Community to the agreement creating the Indian Ocean Tuna Commission and, on 22 July, a proposal for a Decision (Table III) on the accession of the Community to the agreement to promote compliance with international conservation and management measures, an agreement reached in the framework of the FAO in 1993¹.

659. The Community participated in the work of several international fishing organizations, including the 13th meeting of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) and the fourth United Nations International Conference on Straddling Stocks and Highly Migratory Species, at which the Commission spoke in favour of an approach in the spirit of the United Nations Convention on the Law of the Sea of 1982,² and in the framework of international cooperation, to ensure rational, responsible and sustainable exploitation of living marine resources. The Community also participated in the annual meetings of the North Atlantic Salmon Conservation Organization (NASCO), the NAFO, the International Baltic Sea Fishery Commission (IBSFC) and the Northeast Atlantic Fisheries Commission (NEAFC). In addition, in November, the Commission organized an international conference of fisheries in the Baltic Sea,³ bringing together the nine Baltic coastal States for the first time.

Market organization

660. On 15 December, the Council adopted Regulations (EC) Nos 3136/94 to 3138/94 fixing guide prices for fishery products in 1995.⁴

661. On 6 May, the Council adopted Regulation (EC) No 1093/94 (Table II) setting the terms under which fishing vessels of a third country may land directly and market their catches at Community ports. This Regulation allows direct landing of catches, subject, when the products are not intended for processing, to special conditions concerning health checks, declaration and prices.

662. Owing to major upheavals in the Community market, the Commission adopted Regulations (EC) No 274/94 and No 275/94⁵ and Regulations (EC)

¹ Twenty-seventh General Report, point 813.

² Point 1056 of this Report.

³ Bull. 11-1994, point 1.2.173.

⁴ OJ L 332, 22.12.1994; Bull. 12-1994.

⁵ OJ L 32, 5.2.1994; Bull. 1/2-1994, point 1.2.151.

No 585/94 and No 586/94¹ making imports of certain fishery products² subject to reference prices and minimum prices until 17 May.

663. Parliament adopted two resolutions on the crisis in the fishing industry, on 10 February³ and 11 March.⁴

664. As the situation continued to give cause for concern, the Commission adopted on 19 July a communication in which it analyses the causes of the crisis that has affected the fishing industry since early 1993, and which was once more mainly apparent in 1994 in the significant and widespread decline in prices for the major species of fish. The Commission notes that, in view of operating constraints, many firms in the sector are facing a shortage of financial resources due to the decline in prices; this crisis situation is tending to become entrenched because of the growing share of imports, upon which at this stage the Community market is dependent for over 50% of its supply. The purpose of the Commission communication is to launch wide-ranging debate on the situation and outlook for Community fisheries. On this basis, the Council adopted conclusions on 28 September.⁵

665. On 22 December, the Council decided to amend (Table II) Regulation (EEC) No 3759/92⁶ on the common organization of the market in fishery and aquaculture products. The amendments fall into three groups: adjustments to take account of enlargement, the simplification of the machinery for the compensatory allowance for tuna, in accordance with the conclusions in the report presented by the Commission on 28 June,⁷ and adjustments to respond to certain problems resulting from the crisis in the industry, in particular through the reinforcement of the role of producer organizations and through the introduction of measures to protect producers' incomes. On 25 November, the Council adopted Regulation (EC) No 2892/94 on quotas and the suspension of autonomous tariff duties for certain fisheries products in 1995.⁸

666. On 6 May, Parliament called on the Member States to improve their cooperation on fisheries research.⁹ On 23 June, the Commission adopted a report on aquaculture research,¹⁰ which complements the 1993 report on fisheries

¹ OJ L 74, 17.3.1994; Bull. 3-1994, point 1.2.143.

² Atlantic salmon, cod, coalfish, haddock, hake, monkfish and Alaska pollack.

³ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.152.

⁴ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.142.

⁵ Bull. 9-1994, point 1.2.150.

⁶ OJ L 388, 31.12.1992; Twenty-sixth General Report, point 581.

⁷ COM(94) 266; Bull. 6-1994, point 1.2.168.

⁸ OJ L 305, 30.11.1994.

⁹ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.111.

¹⁰ COM(94) 258; Bull. 6-1994, point 1.2.156.

research.¹ The Commission sets out the objectives, operating conditions and current problems facing European aquaculture research and looks at the prerequisites for Community action in this field. On 6 May, Parliament also adopted a resolution² supporting the conclusions in the Commission's 1992 communication³ on a quality policy for fishery products.

Structural action

667. This is now covered in the 'Economic and social cohesion' section, section 14 of Chapter II.⁴

State aid

668. Under Articles 92 and 93 of the Treaty, Member States notified 17 proposed aid schemes for fisheries and aquaculture. The Commission also examined one that had not been notified. The Commission raised no objection to implementation of 6 proposed aid schemes. It decided to terminate the Article 93(2) procedure in respect of one proposed scheme. On 27 July, it adopted the guidelines for examining national aid in the fisheries sector.⁵

¹ COM(93) 95; Twenty-seventh General Report, point 561.

² OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.119.

³ Twenty-sixth General Report, point 557.

⁴ Point 462 of this Report.

⁵ OJ C 260, 17.9.1994; Bull. 7/8-1994, point 1.2.155.

Section 22

Consumer policy

Priority activities and objectives

669. *Within the context of the second three-year action plan in favour of European consumers (1993-95),¹ the Commission has adopted a number of measures designed to enhance consumer protection, including the publication in 1993 of two Green Papers, one on guarantees for consumer goods and after-sales services and the other on consumer access to justice, making consumers more aware of their rights through the appropriate provision of information. The Commission has also continued its efforts to integrate consumer policy into other Community policies, more especially on the question of cross-border payments.²*

Consumer participation

670. On 8 February, the Commission adopted Decision 94/146/EC³ amending the rules of procedure of the Consumers' Consultative Council (CCC) and adjusting the representation of the various consumers' organizations in their dealings with the Commission. Representatives of various consumers' organizations, producers and a large number of experts took part in the first European consumer forum, which was held in Brussels on 4 October.⁴

Consumer information and education

671. The Commission gave a significant boost to the dissemination of consumer law by inaugurating, on 19 May, the Coline European network, which creates a computerized link between five national consumer information centres;⁵ the possibility of extending the network to the European Union as a whole is now being looked into. In addition, and as provided for in the second three-year action plan (1993-95) in favour of European consumers,⁶ a European consumer

¹ COM(93) 378; Twenty-seventh General Report, point 372.

² COM(94) 436; point 134 of this Report.

³ OJ L 64, 8.3.1994; Bull. 1/2-1994, point 1.2.194.

⁴ Bull. 10-1994, point 1.2.124.

⁵ Germany, Spain, France, Portugal and Luxembourg.

⁶ COM(93) 378; Twenty-seventh General Report, point 372.

guide to the single market was published. This guide is to be circulated widely to specific target groups.

672. The final of the first European competition for young consumers, the aim of which was to encourage young people to question their own behaviour and motivate them to become aware of consumer issues, was held in Brussels on 24 May. The first prize went to an Irish group. The theme of the competition 'How to choose a product' gave an opportunity to more than 300 groups of schoolchildren of 10 to 14 years of age, from the 12 Member States, to tackle the question of consumer behaviour by reference to various aspects such as price, quality, information, safety and durability.

673. In a resolution of 22 April,¹ the European Parliament welcomed the interpretative Commission communication concerning the use of languages for informing consumers in the Community². With regard to the indication of prices of products, the Commission adopted, on 6 December, a proposal for a Parliament and Council Directive (Table I) amending Council Directive 79/581/EEC on consumer protection in the indication of the prices of foodstuffs, as amended by Directive 88/315/EEC,³ and Directive 88/314/EEC³ on consumer protection in the indication of the prices of non-food products. The proposal aims to extend the current system for four years to give time for new, simplified arrangements to be devised and implemented.

Protection of consumer health and safety

674. Parliament and Council Decision 3092/94/EC establishing a Community system of information on home and leisure accidents (Ehlass) was adopted on 7 December (Table I), making it possible, for a period of four years, to collect information in hospitals and households on this particular type of accident, with a view to taking preventive measures.

675. After consulting professional interests, the Commission adopted, on 29 June,⁴ the 17th Directive adapting to technical progress Directive 76/768/EEC⁵ relating to cosmetic products, with a view to amending the lists of substances which are banned, subject to restrictions or authorized. It also adopted, on 15 December,⁶ its first annual report on progress made with the

¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.173.

² COM(93) 456; Twenty-seventh General Report, point 71.

³ OJ L 142, 9.6.1988; Twenty-second General Report, point 615.

⁴ OJ L 181, 15.7.1994.

⁵ OJ L 262, 27.9.1976; Tenth General Report, point 124.

⁶ COM(94) 606.

development, validation and legal acceptance of possible alternative methods to animal experiments for testing ingredients of cosmetic products.

Protection of consumers' economic and legal interests

676. On 26 October, the Council and Parliament adopted Directive 94/47/EC (Table I) concerning protection for purchasers in respect of certain aspects of contracts relating to the purchase of the right to use immovable properties on a timeshare basis, which lays down provisions on the prior information which purchasers must receive on the constituent parts of a contract, the procedures for cancellation and withdrawal, and the ban on advance payments.

677. On 23 June, the Commission adopted a communication on new directions on the liability of suppliers of services,¹ which effectively means withdrawing the 1990 proposal.² The Commission intends to pursue its work along three main lines: improved information for consumers, the preparation of specific texts concerning sectors for which particular needs are established, and support for initiatives in respect of access to justice.

678. Subsequent to the consultations on the Green Papers on guarantees for consumer goods and after-sales services³ and on consumer access to justice,⁴ which received a favourable response from the other institutions,⁵ the Commission gave notice of Community action at the Council meeting on 8 December.⁶

679. On the subject of comparative advertising, the Commission adopted, on 21 April, an amended proposal for a Parliament and Council Directive (Table I) amending Council Directive 84/450/EEC concerning misleading advertising.⁷ The amendments proposed by the Commission are designed to reflect the opinions delivered by Parliament and the Economic and Social Committee on the one hand and, on the other, the undertaking the Commission entered into at the Edinburgh European Council in 1992 to take a fresh look at its proposal in the light of the principle of subsidiarity.

¹ COM(94) 260; Bull. 6-1994, point 1.2.207.

² OJ C 12, 18.1.1991; COM(90) 482; Twenty-fourth General Report, point 551.

³ COM(93) 509; Twenty-seventh General Report, point 382.

⁴ COM(93) 576; Twenty-seventh General Report, point 382.

⁵ Council — Bull. 5-1994, point 1.2.152; Economic and Social Committee — OJ C 295, 22.10.1994; Bull. 6-1994, points 1.2.208 and 1.2.209; European Parliament — OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.175; OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.150; Committee of the Regions — Bull. 5-1994, point 1.2.151.

⁶ Bull. 12-1994.

⁷ OJ L 250, 19.9.1984; Eighteenth General Report, point 399.

Section 23

Public health and solidarity

Priority activities and objectives

680. *The European Union's powers in the area of public health have a specific legal basis since the entry into force of the Treaty on European Union: Article 129 of the EC Treaty sets out a framework for action and defines the respective roles of the Member States and the Union. The Union's task is to help to ensure a high level of health protection by encouraging cooperation between the Member States and, if necessary, supporting the action they take. The Union's action in this area is mainly concerned with preventing illnesses and major health scourges, by promoting research into their causes and transmission and providing information and education. This year the Commission proposed four Community action programmes on health promotion, combating cancer, combating AIDS and other transmissible diseases, and the prevention of drug addiction, in the context of the communication on the framework for Community action in the field of public health adopted in November 1993.*

Since the entry into force of the Treaty on European Union, health protection has become an element of other Community policies. The White Paper on European social policy¹ emphasizes the relationship between public health policy and social, environmental and economic policy. This relationship encompasses the harmful effects of poverty, unemployment and social exclusion; the increasing pressure of demographic trends and an ageing population on health and welfare services; the role of the prevention and rehabilitation programme in social integration; the repercussions of environmental conditions on public safety and the specific health needs created by increasing mobility within the Union and immigration from non-member countries.

Public health

681. On 2 June, the Council adopted a resolution² on the Commission communication of November 1993 setting up a framework for Community action in the field of public health;³ the Economic and Social Committee gave

¹ Point 554 of this Report.

² OJ C 165, 17.6.1994; Bull. 6-1994, point 1.2.200.

³ COM(93) 559; Twenty-seventh General Report, point 593.

a favourable opinion on 6 July.¹ The Council Resolution stresses the need, in the interests of continuity and consistency in Community policy, for multiannual programming of existing and future initiatives and the identification of priority areas for action such as cancer, drug dependence, AIDS and other transmissible diseases, health promotion, education and training, disease surveillance and the collection of reliable health data. The same day, the Council adopted a Resolution on cardiovascular diseases,² which are among the main causes of premature death. On 11 March, Parliament passed a resolution on upgrading the status of nursing staff and ensuring intra-Community mobility.³ It also passed a resolution on the cases of cholera in southern Italy.⁴

682. On 1 June, the Commission adopted a communication accompanied by a proposal for a Parliament and Council Decision adopting a programme of Community action (1995-99) on health promotion, information, education and training (Table I).⁵ This programme defines an information and education strategy based on both general and specific measures and identifying priority areas for action designed to influence behaviour in the field of health, particularly in schools and workplaces.

683. On 21 December, the Commission adopted a communication on blood safety and self-sufficiency in the European Union.⁶

Fight against cancer

684. On 29 March, the Commission adopted a proposal for a Parliament and Council Decision adopting an action plan 1995-99 to combat cancer (Table I), accompanied by a communication assessing the situation in the Member States and describing the proposed approach to combat the disease.⁷ This third action plan will ensure the continuity of the 'Europe against cancer' programme launched in 1987.⁸ On 5 December, a Commission report was published on the execution of the 'Europe against cancer' programme in 1993.⁹

¹ Bull. 7/8-1994, point 1.2.174.

² OJ C 165, 17.6.1994; Bull. 6-1994, point 1.2.204.

³ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.172.

⁴ OJ C 341, 5.12.1994; Bull. 11-1994, point 1.2.217.

⁵ COM(94) 202; Bull. 6-1994, point 1.2.201.

⁶ COM(94) 652; Bull. 12-1994.

⁷ OJ C 139, 21.5.1994, COM(94) 83; Bull. 3-1994, point 1.2.171.

⁸ Twenty-first General Report, point 440.

⁹ COM(94) 550; Bull. 12-1994.

Fight against AIDS

685. On 22 December, the Council decided to extend the 'Europe against AIDS' programme¹ until 31 December 1995, so as to avoid interruption of current activities (Table I). On 25 November, the Commission adopted a report on the implementation of the 'Europe against AIDS' action plan in 1993.²

686. On 9 November, the Commission proposed a Community action programme on the prevention of AIDS and certain transmissible diseases (Table I) as part of the action on public health. This five-year programme (1995-99) is designed to continue and develop Community action against AIDS and help prevent certain transmissible diseases such as sexually-transmissible diseases, tuberculosis and hepatitis.

Fight against drugs

687. Further to its communication of 23 June on an action plan to combat drugs for 1995-99,³ the Commission proposed a Community action programme on the prevention of drug dependence (Table I).⁴ This programme, which is a public health measure aimed at reducing demand for drugs, is primarily concerned with preventing the use of narcotics and psychotropic substances and the abuse of alcohol and pharmaceutical products, and meeting the health and social needs of drug addicts.

688. On 22 December, the Council adopted Regulation (EC) No 3294/94 (Table II) amending the budget and financial provisions for the European Monitoring Centre for Drugs and Drug Addiction⁵ created in February 1993,⁵ which actively pursued the installation process in Lisbon throughout the year. On 6 May, Parliament passed a resolution on sport and doping.⁶

689. The second European Drug Prevention Week was organized from 15 to 22 October. It was coordinated and supported by the Commission and involved sustainable prevention measures targeted mainly at young people.

¹ Twenty-fifth General Report, point 223.

² COM(94) 525; Bull. 11-1994, point 1.2.215.

³ COM(94) 234, Bull. 6-1994, point 1.4.6; Point 1081 of this Report.

⁴ COM(94) 223; Bull. 6-1994, point 1.2.206.

⁵ Twenty-seventh General Report, point 598.

⁶ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.144.

International cooperation

690. Given the impact of certain environmental nuisances on human health, and with an eye to the European conference of the World Health Organization on this theme which took place in June,¹ Parliament adopted a resolution on 6 May in which it called for more detailed and coordinated epidemiological research and for application of the principle of proportionality in the implementation of environmental and health policy objectives.²

691. The second European Conference on Environment and Health took place in Helsinki from 20 to 22 June under the aegis of the WHO; it was attended by Mr Paleokrassas, Member of the Commission.³ The debates covered such matters as health and the environment in towns and cities and the role of international cooperation. The Conference adopted an action plan for the environment and health in Europe. The Commission will play an active role in implementing this plan.

Solidarity

Measures to help the disabled

692. On 6 December, the Council adopted Decision 94/782/EC (Table II) concerning the continued development until 31 December 1996 of the Handynet system within the framework of Decision 93/136/EEC establishing a third Community action programme to assist disabled people (Helios II) (1993-96).⁴ The purpose is to extend and develop the Handynet multilingual computerized information system for disabled people.

Measures to help older people.

693. In a resolution adopted on 24 February, Parliament welcomed the results of the multiannual action programme and of the European Year of Older People and Solidarity between Generations (1993).⁵ It recommended a number of measures relating to a minimum income, self-reliance, adequate health monitoring and better integration into economic, social, cultural and political life.

¹ Point 497 of this Report.

² OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.145.

³ Bull. 6-1994, point 1.2.170.

⁴ OJ L 56, 9.3.1993; Twenty-seventh General Report, point 602.

⁵ OJ C 77, 14.3.1994; Bull. 1/2-1994, point 1.2.190.

Measures to help disaster victims in the Union

694. The purpose of emergency Community aid within the Union is to relieve the suffering of people affected by sudden disasters as quickly as possible. The provision of emergency relief is intended as a symbol of solidarity between citizens. It cannot be considered in any way as compensation for damage suffered by victims of disasters or to economic infrastructure. This year, the Commission granted emergency aid to victims of disasters in 11 cases, totalling ECU 10.2 million.¹

695. Parliament also asked the Commission on several occasions to grant aid to victims of specific disasters, particularly fires, floods, storms and bad weather.²

¹ Bull. 1/2-1994, point 1.2.191; Bull. 5-1994, point 1.2.146; Bull. 7/8-1994, point 1.2.176; Bull. 10-1994, points 1.2.118, 1.2.120 and 1.2.122; Bull. 11-1994, point 1.2.220; Bull. 12-1994.

² OJ C 44, 14.2.1994; Bull. 1/2-1994, points 1.2.192 and 1.2.193; OJ C 128, 9.5.1994; Bull. 4-1994, points 1.2.170, 1.2.171 and 1.2.172; OJ C 305, 31.10.1994; Bull. 9-1994, points 1.2.190, 1.2.191 and 1.2.192; OJ C 323, 21.11.1994; Bull. 10-1994, points 1.2.119, 1.2.121 and 1.2.123; OJ C 341, 5.12.1994; Bull. 11-1994, points 1.2.219 and 1.2.221; Bull. 12-1994.

Section 24

Information, communication, audiovisual media and culture

Priority activities and objectives

696. *At a time of declining support for the European Union,¹ the institutions have been pursuing policies aimed at bringing the European Union closer to the people, in keeping with the Declaration on the right of access to information² and in accordance with the principles of transparency, responsiveness to demand, consistency and user-friendliness which underlie the Commission's new approach to information and communication.³ In this context, the Commission has developed decentralized and carefully targeted measures to supply information that people are interested in. It has set up a number of internal systems designed to ensure that the Community's activities are better coordinated and complement each other and, lastly, it has taken certain measures to implement the code of conduct on access to documents held by the institutions.⁴ In line with the Union's increasing international role, the Commission has extended its information activities in non-member countries.⁵ With regard to audiovisual matters, priority has been given to consulting the professionals on the information society, using as a basis the Green Paper on strategy options to strengthen the European programme industry,⁶ with a view to the revision of the television without frontiers Directive and the new plan for aid to the programme industry (MEDIA II). Meanwhile, the action plan for the introduction of advanced television services in Europe⁷ has proved increasingly successful. The new Article 128 of the EC Treaty, which formed the basis for a Commission paper and two proposals for Decisions on books and reading and on artistic and cultural activities, adopted on 27 July,⁸ sets the tone for the Union's cultural activities. Subsidiarity and respect for national and regional diversity are the guiding principles. The Union should also highlight Europe's common cultural heritage and take account of cultural aspects in its other policies.*

¹ Eurobarometer No 41 — Bull. 6-1994, point 1.2.216.

² The Declaration is annexed to the Treaty on European Union (Declaration No 17).

³ Twenty-seventh General Report, point 609.

⁴ Twenty-seventh General Report, point 611.

⁵ Point 722 of this Report.

⁶ Point 712 of this Report.

⁷ Decision 93/424/EEC — OJ L 196, 5.8.1993; Twenty-seventh General Report, point 625.

⁸ COM(94) 356; Bull. 7/8-1994, point 1.2.178.

Information and communication policy

697. In keeping with the guidelines set out in its 1993 communication,¹ the Commission has stepped up its activities for the general public and more specific target groups, acting through its offices in the Member States and national relays and networks. It has also continued refining its opinion-canvassing techniques² and its analyses of trends in public opinion.

698. In addition to its traditional publications for the general public, the Commission brought out a series of 128 brochures to publicize the practical help the Union gives to the regions,³ set up a department responsible for the citizens' advice desks and welcomed some 25 000 visitors, giving priority to those from the countries which are applicants for membership. The 'Sources d'Europe' information centre in Paris was officially opened, and work is currently in progress on another such centre in Lisbon (Jacques Delors Centre).⁴

699. A special effort was made to improve communications with the outside world and to make better use of audiovisual media. For example, the launching of 'Europe by satellite', linking the Commission's headquarters with its offices in the Member States means that press briefings can be organized from headquarters. It has also led to the development of a network of audiovisual correspondents in the offices, facilitated communication with the national and regional media and helped the Commission to target its information more effectively. In addition, television stations and producers were provided with over 50% more production and back-up services than in 1993. The Community continued to support training for journalists.

700. Efforts to inform and communicate with specific target groups were intensified through relays such as the European documentation centres in universities and rural *carrefours*. Various activities were organized for specific groups. For example, a special information campaign aimed at young people was launched, a campaign to inform people about the White Paper on growth, competitiveness and employment was planned,⁵ the Niki Prize was awarded to television programmes best illustrating the role of women in modern society⁶ and the Stendhal Prize was given to newspapers, television stations and journalists making the biggest contribution to understanding of the process of European integration.⁷ Contacts and cooperation with the sporting community were also

¹ Twenty-seventh General Report, point 609.

² Eurobarometers — Bull. 1/2-1994, point 1.2.201; Bull. 6-1994, point 1.2.216.

³ Bull. 5-1994, point 1.2.155.

⁴ Bull. 11-1994, point 1.2.226.

⁵ Point 17 of this Report.

⁶ Bull. 3-1994, point 1.2.174.

⁷ Bull. 10-1994, point 1.2.132.

kept up. Examples include the European Sports Forum,¹ the Eurathlon programme, launched this year,² and the creation of a 'Sport info Europe' desk. The Commission also awarded the 'gold stars of town-twinning' to 36 towns for their exemplary commitment to European integration and closer links between the people of Europe.³

701. In academic circles, the Commission continued to encourage European integration studies. As part of the Jean Monnet Project for 1994, the Commission gave its support to the creation of 53 new Jean Monnet chairs, bringing the total to 190.⁴ In addition, 93 permanent courses, 85 European modules and five research grants linked to the chairs were supported by the Commission. Since it was started in 1990,⁵ the Jean Monnet Project has supported 886 initiatives in total. The Commission has also encouraged the development of transnational research and cooperation through associations of academics specializing in European integration.⁶

702. The new internal coordination mechanisms have now been set up. The Users' Advisory Council met for the first time on 11 October.⁷ The Council is responsible for canvassing opinion on the Commission's information and communication policy among people with specialist knowledge in the field of information. The aim is to tailor the policy to the public's requirements.⁸

Information and transparency

703. On 8 February, the Commission adopted a decision on implementation of the code of conduct on access to Council and Commission documents.⁹ The guide to public access to documents, mentioned in the 1993 Commission communication,¹⁰ was duly published in October.⁹ Quite apart from the code of conduct, it is part of the Commission's information and communications policy to make information available to the public, wherever appropriate. Relations with interest groups were stepped up.¹¹

¹ Bull. 11-1994, point 1.2.227.

² OJ C 297, 25.10.1994; Bull. 10-1994, point 1.2.133.

³ Bull. 10-1994, point 1.2.130.

⁴ Bull. 4-1994, point 1.2.178.

⁵ Twenty-fourth General Report, point 963.

⁶ E.g., ECSA Europe and ECSA World, which organized a conference this year on federalism, subsidiarity and democracy.

⁷ Bull. 10-1994, point 1.2.131.

⁸ Twenty-seventh General Report, point 609.

⁹ Point 10 of this Report.

¹⁰ Twenty-seventh General Report, point 612.

¹¹ Point 12 of this Report.

Press, radio and television

704. As in previous years, the number of journalists accredited to the Commission in Brussels remained high at over 750, from 56 countries, of whom 645 were from the press and 105 from radio and television. This total includes representatives of 75 national and international press agencies.

705. The Spokesman's Service held 235 meetings with the press on Commission decisions, proposals and reactions and 43 press conferences following Commission meetings. The President and Members of the Commission gave 79 press conferences on key issues, several of which were given jointly with visitors to the Commission. The Spokesman's Service also conveyed to the press the Commission position on the occasion of Council and European Council meetings and part-sessions of Parliament. Special arrangements were made to cover international events involving the Community such as the G7 Summit in Naples.¹

706. More than 2 800 information memos and papers were released to the accredited press, while the offices in the Member States and the delegations in non-member countries received over 800 telexed memos and commentaries drafted specially to enable them to brief local press contacts on a daily basis.

Office for Official Publications

707. The Office celebrated its 25th anniversary this year. At Parliament's request, it produced a detailed report on its operations and its dealings with the institutions in January. The Office took measures to put into practice the policy on transparency and access to information held by the Community, making an even greater effort to ensure selective and speedy distribution of documents. The computerized system for the consolidation of Community legislation was used to consolidate 36 more sets of instruments. An interinstitutional agreement on consolidation was signed at a conference on 20 December. As part of its work on tools to improve the flow of information between the institutions, the Office helped promote a harmonized layout for texts, which will also make publication easier. With enlargement in mind, the Office recruited new language teams in the last three months of the year to enable it to publish the entire body of Community legislation² and other publications from the beginning of 1995 in the languages of the acceding countries. Printers have also been chosen which can handle all 12 languages.

¹ Point 818 of this Report.

² 50 000 to 60 000 pages per language.

708. In view of the public's increasing appetite for electronic products, the Office has introduced a new strategy to facilitate access to databases: it has decentralized distribution, bringing the product closer to the customers, and introduced a uniform pricing system. Significant changes have been made to CELEX,¹ the computerized interinstitutional administrative directory (IDEA) is now complete and on the market, a publications catalogue has been produced on CD-ROM (Eurocat) and the market research is being carried out prior to production of a prototype CD-ROM version of the Official Journal. The Office brought out the first issues of the *Bulletin of the European Union* using desktop publishing technology. It is hoped that this will reduce costs and speed up production. Desktop publishing has become more common since the entry into force of the new contracts for the production of the Official Journal. The Office also changed the presentation of the 'S' series of the Official Journal to enable it to cope with the volume of public procurement contracts which have to be published.

Historical archives

709. The Commission released for consultation² the historical archives of the ECSC High Authority, the EEC Commission and the Euratom Commission for 1963,³ thus adding over 2 500 files to the 22 500, dating from 1952 for the ECSC and 1958 for the EEC and Euratom, which have been made accessible to the public under the 30-year rule.⁴

710. The report on 'Archives in the European Union',⁵ produced by a group of national experts chaired by the Commission, in association with the other institutions of the Union, was endorsed by the Council on 17 June.⁶ The Council asked the Commission to take certain measures in this area in cooperation with the Member States. For example, the Commission was asked to organize a multidisciplinary forum on problems with the management, storage, preservation and recovery of machine-readable data.

711. The Commission continued to help with work on the archives from the former Yugoslavia.⁷ At the special seminar on microfilm copying and restoration held at the Commission's initiative in Vienna in 1993,⁷ an action plan was

¹ Point 1289 of this Report.

² Kept at the European University Institute in Florence — point 318 of this Report.

³ Twenty-seventh General Report, point 621.

⁴ OJ L 43, 15.2.1983; Seventeenth General Report, point 54.

⁵ Office for Official Publications of the European Communities, Luxembourg 1994; available in English, French and German. Work is already under way on the other language versions.

⁶ Bull. 6-1994, point 1.2.211.

⁷ Twenty-seventh General Report, point 623.

devised for saving archives which were in danger of being destroyed and ensuring freer access to archives necessary for succession purposes.

Audiovisual policy

712. In line with the plans it announced in the White Paper on growth, competitiveness and employment,¹ the Commission adopted on 6 April a Green Paper on strategy options to strengthen the European programme industries in the context of the audiovisual policy of the European Union.² The Green Paper is based on a report from a think tank made up of representatives of the audiovisual industry and contributions from the Member States and professional organizations. It identifies current problems, occurring against a background of a changing world market and the emergence of the information society. Analysis of the issues and audiovisual policy instruments at both national and Community level is followed by a number of suggestions covering three main areas: the rules of the game, financial stimulation at EU level and convergence of national support systems. Very extensive consultations were held on the Green Paper with people working in the industry (the Commission organized a European audiovisual conference,³ which took place in Brussels from 30 June to 2 July), and the follow-up measures have been fully integrated into the action plan 'Europe's way to the information society'.⁴ The Green Paper was endorsed by the Committee of the Regions⁵ and the Economic and Social Committee.⁵

713. The Commission continued with implementation of the MEDIA programme (1991-95).⁶ In line with the guidelines adopted in 1993,⁷ the 19 projects developed under the programme are closely coordinated. Activities are split into three main areas: training, development of production projects and distribution of European works.

714. On 3 March, the Commission adopted a communication⁸ reviewing implementation of the measures provided for in Directive 89/552/EEC⁹ (television without frontiers) to promote the production and distribution of European and independent television programmes. Parliament delivered an opinion on the communication on 6 May¹⁰ and another on the Community's

¹ Bull. 12-1993, point 1.2.44.

² COM(94) 96; Bull. 4-1994, point 1.2.179.

³ Bull. 7/8-1994, point 1.2.181.

⁴ Point 397 of this Report.

⁵ Bull. 9-1994, point 1.2.196.

⁶ OJ L 380, 31.12.1990; Twenty-fourth General Report, point 179.

⁷ Twenty-seventh General Report, point 624.

⁸ COM(94) 57; Bull. 3-1994, point 1.2.178.

⁹ OJ L 298, 17.10.1989; Twenty-third General Report, point 227.

¹⁰ Bull. 5-1994, point 1.2.156.

strategy for introducing high definition television (HDTV) on 20 April.¹ On 19 April, Parliament endorsed² the communication presented by the Commission in 1993 on the framework for a Community policy on digital video broadcasting,³ with the Council following suit on 27 June.⁴ On 22 December, the Council also adopted a common position on the amended proposal for a Parliament and Council Directive on the use of standards for the broadcasting of television signals (Table I), repealing Council Directive 92/38/EEC.⁵

715. The Commission continued to support film festivals and audiovisual events intended to promote European works and raise awareness of Europe's audiovisual heritage.⁶

Culture

716. Following the entry into force of the Treaty on European Union and taking account of the new Article 128 of the EC Treaty, stressing the importance of cultural diversity and the subsidiarity principle, the Commission presented a communication on the European Union's action in support of culture on 27 July.⁷ This builds on the foundations laid in the communication adopted in 1992⁸ and was favourably received by the Council on 10 November.⁹ Parliament passed a resolution on these matters on 20 January.¹⁰

717. At the same time, the Commission held consultations in the Member States with a view to producing a communication on cultural heritage and an action programme. On 17 June, the Council adopted conclusions stating its intention to fuse the various strands of cultural heritage policy into a single project.¹¹ The Commission and Parliament held a conference on 'The citizen and cultural heritage' on 4 and 5 October.¹²

718. Pending adoption of the new programmes developed on the basis of Article 128, work continued on existing pilot projects. As part of the campaign to preserve Europe's architectural heritage, ECU 3.74 million was allocated to

¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.182.

² OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.181.

³ COM(93) 557; Twenty-seventh General Report, point 625.

⁴ OJ C 181, 2.7.1994; Bull. 6-1994, point 1.2.217.

⁵ OJ L 137, 20.5.1992; Twenty-sixth General Report, point 182; Twenty-seventh General Report, point 625.

⁶ Bull. 3-1994, point 1.2.176.

⁷ COM(94) 356; Bull. 7/8-1994, point 1.2.178.

⁸ Twenty-sixth General Report, point 183.

⁹ OJ C 348, 9.12.1994; Bull. 11-1994, point 1.2.223.

¹⁰ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.197.

¹¹ Bull. 6-1994, point 1.2.210.

¹² Bull. 10-1994, point 1.2.128.

53 pilot projects concerned with this year's theme — buildings and sites related to the performing arts¹ — and a travelling exhibition on the protection of Europe's architectural heritage opened on 30 April.² The Commission took part in other projects intended to raise awareness of heritage, some of which were organized by the Member States and others by international organizations such as the Council of Europe, which was behind the European open monument days.³ With regard to books and reading, the proposal for a Decision on a multiannual Ariane programme (Table I), aimed at promoting knowledge and distribution of European literary works (through translation, for example), widens the scope of the Union's activities. In 1994, the Union allocated ECU 282 395 for the translation of 80 works by European authors. Priority was given to the less-widely-spoken languages.⁴ The European literature prize and the European translation prize (Aristeion Prizes) were awarded in Lisbon on 2 December.⁴ The 'Reading for Pleasure' European awareness campaign, launched in 1993,⁵ was officially brought to a close on 8 October. This provided an opportunity to review the meetings of experts, organized in the Member States with Commission support, which pointed the way to areas that might be explored further at Community level. In the field of education, the Council adopted conclusions on children and culture in June.⁶

719. Through its annual Kaleidoscope programme,⁷ the Commission encouraged cultural exchanges in every artistic discipline and allocated ECU 3.36 million in Community aid to 127 projects, which it selected. On 27 July, a proposal was put forward for a Parliament and Council Decision setting up a multiannual Kaleidoscope 2000 programme (Table I).

720. Once again the Commission supported a number of high-profile projects such as the European Community Youth Orchestra and Baroque Orchestra, the European City of Culture (Lisbon),⁸ European Cultural Month (Budapest in 1994, Nicosia in 1995, St Petersburg in 1996 and Ljubljana in 1997).⁹ As an expression of its solidarity in the face of disasters affecting Europe's cultural heritage, it also decided to help fund the rebuilding of the Gran Teatro del Liceo in Barcelona, which Parliament had called for on 10 February,¹⁰ and the

¹ Bull. 6-1994, point 1.2.212.

² Bull. 5-1994, point 1.2.153.

³ Bull. 9-1994, point 1.2.195.

⁴ Bull. 12-1994.

⁵ Twenty-seventh General Report, point 629.

⁶ Bull. 6-1994, points 1.2.214 and 1.2.215.

⁷ Twenty-fifth General Report, point 237.

⁸ Bull. 1/2-1994, point 1.2.196.

⁹ Bull. 6-1994, point 1.2.213.

¹⁰ Bull. 1/2-1994, point 1.2.155.

restoration of Brittany's old parliament building in Rennes, both of which had been damaged by fires.¹

721. By way of cultural cooperation extending beyond the Community's frontiers, the Commission spent ECU 980 000 on 37 projects in non-member countries, particularly the countries of Central and Eastern Europe and certain Latin American countries, with which the Community has agreements containing special clauses on culture.²

¹ Bull. 1/2-1994, points 1.2.199 and 1.2.200.

² Bull. 7/8-1994, point 1.2.179.

Chapter III

Role of the European Union in the world

Section 1

Priority activities and objectives

722. *Enlargement became a reality in 1994 when agreement was reached on the accession of Austria, Finland and Sweden, while the Union continued to develop its various external relations policies. At the European Council meeting held in Essen in December, the Heads of State or Government stressed the importance of securing long-term peace and stability in Europe and neighbouring regions by paving the way for the accession of the associated countries of Central and Eastern Europe and by developing the Union's special relationship with other neighbours, particularly in the Mediterranean. With the entry into force of the Union Treaty in November 1993, this was the first year in which the common foreign and security policy (CFSP) was operational, and the Union made every effort to ensure that the objectives and activities of that policy were consistent with those pursued in the more traditional areas of its external relations. The Union also increased its influence in international bodies such as the United Nations and its agencies.*

The European Union carried out a number of joint actions under the CFSP, notably in respect of the former Yugoslavia, the Middle East peace process, Russia, South Africa, the pact on stability in Central and Eastern Europe, nuclear non-proliferation and exports of dual-use (civilian and military) products. The implementation of these actions engendered a preventive diplomacy initiative in the form of a conference launching the Stability Pact in May, followed by a series of regional round tables. Other developments included the dispatch of EU observers to monitor elections, notably those in South Africa, and the administration of the city of Mostar in Bosnia. The Council also adopted a number of common positions imposing economic and arms embargoes on, amongst others, Serbia and Montenegro and the Bosnian Serbs, and established the main points of its policy towards certain countries.

A major highlight of the year was the conclusion of the accession negotiations with Austria, Finland, Sweden and Norway, and the referendums that followed

the signing of the respective accession treaties. The Austrians, the Finns and the Swedes all voted in favour, while the Norwegians rejected accession, with the result that the European Union will comprise 15 members as of 1 January 1995. The Union will now have to establish a new equilibrium, redefining its priorities in the light of all its members' interests; this process should enable it to step up its activities in the social and environmental fields, drawing on the experience of its new members in these areas.

Economic and political ties with the EFTA countries were progressively strengthened throughout the year following the entry into force of the European Economic Area Agreement in January. The Commission also started talks with Switzerland with a view to developing Euro-Swiss relations in areas of mutual interest.

With the Union about to be enlarged to 15 Member States, the Essen European Council confirmed that the next phase of enlargement would involve Cyprus and Malta, and Poland and Hungary have already submitted formal accession applications; but throughout the year the Union was at pains to demonstrate its desire for balanced relations with all its neighbours, with the Central and East European countries an obvious priority. In response to a request issued by the Corfu European Council, the Commission drew up a strategy paving the way for the accession of the associated Central European countries. It submitted two communications concerning the strengthening of the Union's ties with the associated countries through the conclusion of Europe Agreements, and major steps were taken to formalize relations between the parties. The Essen European Council constituted a watershed in the history of the European Union's relations with the associated Central European countries, giving new weight and momentum to a process designed to bring them closer to the Union and to prepare the ground for their eventual accession. A general strategy was adopted along the lines suggested by the Commission, reflecting the needs of the countries concerned. It involves introducing structured political relations between the associated countries and the EU institutions with a view to promoting mutual trust and laying the foundations for their integration into the single market on the basis of a White Paper to be drawn up by the Commission. The Union was also keen to strengthen its ties with the Baltic States, and the Essen European Council expressed the hope that the Europe Agreements then under negotiation, incorporating the free trade agreements signed in the course of the year, would be quickly concluded so that the countries concerned could be included in the strategy of rapprochement adopted for the Central European countries. However, the accession negotiations should not start before the institutional arrangements required to enable the Union to function efficiently have been established at the Intergovernmental Conference of 1996.

Another area of great strategic importance to the Union is the Mediterranean. Here too the Commission set out a new approach designed to build on the

existing social, political and economic ties. Its views were endorsed by the Essen European Council, which called for a Euro-Mediterranean partnership covering a number of spheres of political and economic cooperation, eventually leading to the creation of a free trade area that will secure political stability, peace and prosperity throughout the Mediterranean. The policy should be backed by substantial financial assistance, and would specifically involve the Euro-Mediterranean partnership agreements, completion of a customs union with Turkey and a Euro-Mediterranean ministerial conference to be held in 1995.

The European Union continued to support the Middle East peace process. As the biggest donor to the Palestinian Territories, the Union added its weight to the endeavours of the protagonists, using resources available under the new Mediterranean policy measures and adopting a joint action in support of the peace process. It is also likely that the Union's role in the region will be enhanced as its new strategy for the Mediterranean develops.

The continued fighting in the former Yugoslavia remained a constant source of concern to the Union. In addition to its political and humanitarian activities in support of Bosnia-Herzegovina, the Union sought to step up its relations with Yugoslavia's successor Republics. Both the former Yugoslav Republic of Macedonia and Slovenia received financial and technical assistance under the PHARE programme, and the Commission proposed that Croatia too should benefit from such assistance.

The European Union supported the reforms undertaken by the Independent States of the former Soviet Union and laid the foundations for full and fruitful cooperation with several of them by negotiating a new generation of partnership and cooperation agreements. The Corfu European Council welcomed the signing of partnership agreements with Russia and Ukraine, though voicing its concern with regard to the issue of nuclear safety in Ukraine. The Essen European Council therefore expressed particular satisfaction at the adoption of a common position setting out the Union's objectives and priorities with regard to Ukraine, and confirmed the support it had expressed throughout the year for the reforms under way in that country. It also applauded the ratification of the Non-proliferation Treaty by Ukraine and Moldova, and expressed the hope that the agreement signed with Russia would be speedily ratified, enabling the Union to launch a constructive dialogue for partnership with that country.

The Final Act of the Uruguay Round multilateral trade talks was signed in Marrakesh on 15 April, opening the way for the further liberalization of world trade. The Uruguay Round, which was launched in Punta del Este in 1986, thus achieved unprecedented results, including a substantial reduction of customs tariffs, greater market access, the liberalization of trade in new economic sectors such as services, investment and intellectual property, and the creation of the

World Trade Organization (WTO), which will replace GATT in 1995, with greater powers to monitor and manage the world trading system. In December, with Parliament's assent, the Council adopted a Decision approving the conclusion of the GATT negotiations. Elsewhere in the field of trade policy, the Council also adopted a number of Regulations rationalizing the Community's trade policy instruments.

More generally, the Commission and the Council continued to assess the possibilities for coordinating development policy in a number of key areas, such as poverty, education and food security, and the European Union was a participant in the conference on population and development held in Cairo in September. The Commission presented a communication setting out guidelines for a revised and modernized generalized system of preferences (GSP) scheme for 1995-2004. The proposed changes are designed to improve the efficiency of the system as a development policy instrument targeting the least developed countries, and added incentives aimed at promoting workers' rights in developing countries, environmental protection and sustainable development policies are offered to countries choosing that option.

The European Union adopted a pro-active, global approach in assessing the requirements and strategic priorities of its relations with two of the world's major growth areas, namely Asia and Latin America.

The Commission attaches great importance to political and economic dialogue with the Latin American countries and the regional integration process under way there, and actively pursued its cooperation with the Rio and San José groups. Following a strategic assessment of the options for strengthening EU policy towards Mercosur, the Commission proposed the creation of a new, broader partnership between the two regions, initially in the form of a trade and economic cooperation agreement which could be superseded eventually by an inter-regional association between Mercosur and the Union. In welcoming this innovative proposal, the Essen European Council sent an important political signal to the countries concerned, at the same time calling for closer ties between the Union, Chile and Mexico.

The European Union also took steps to improve its relations with the Asian countries. In response to the increasing economic and political significance of the Asia-Pacific countries the Commission set out a number of strategic guidelines for a more vigorous policy towards the region, an approach that was endorsed by the Essen European Council. The guidelines redefined existing policies while broaching new areas of cooperation and stepping up the dialogue with the countries concerned, particularly through the medium of ASEAN. At political level, the annual EU-ASEAN ministerial meeting looked ahead to more extensive cooperation and a closer relationship, while the Union's involvement

with the ASEAN regional forum also increased its contribution to the debate on political cooperation and security issues. As regards bilateral relations with the Asian countries, the political dialogue with China was stepped up, while new agreements were concluded with Sri Lanka and India and a cooperation and partnership agreement negotiated with Nepal.

The future of the European Union's relations with the ACP countries was the subject of negotiations aimed at a mid-term review of the fourth Lomé Convention. The three main areas of reform tabled were: the promotion of human rights, democratic values, the rule of law and good governance; improved dialogue and cooperation strategy within the Community; and greater consistency and efficiency in the application of the instruments and procedures of ACP-EC cooperation. The Union also moved fast to send humanitarian aid to Rwanda, expediting the disbursement of funds available under the different EDFs and working through the European Community Humanitarian Office (ECHO) to bring exceptionally rapid aid to the victims of the fighting.

The European Union strongly signalled its support for the historic decision of the people and Government of South Africa to embrace multiracial democracy, offering a package of measures aimed at meeting the country's immediate needs. Designed to foster economic development, trade and political dialogue, they include the extension to South Africa of the Community's GSP scheme and the stepping-up of financial and technical assistance. The conclusion of a simplified cooperation agreement in December provided a legal framework for building up EU-South Africa cooperation, and constituted a first step towards closer ties between the two parties.

The crucial issues affecting the European Union's relations with the other industrialized countries were the upgrading of the multilateral trading system and the problems of growth and employment. These issues were debated in September at a meeting between the EU, the US, Canada and Japan in Los Angeles and at the G7 summit held in Naples in July, which endorsed the growth strategy adopted in Tokyo in 1993 but also advocated measures to respond to the challenges of job creation and the increasing internationalization of markets and economies. The G7 also discussed ways of improving international cooperation on the environment, organized crime and money laundering, and reiterated their commitment to helping countries in the throes of development and transition. At the Naples summit the Russian president, Mr Boris Yeltsin, was fully involved with the policy discussions for the first time. The Essen European Council wholeheartedly endorsed the desire for a qualitative change in the EU's relations with the United States, Japan and Canada under the joint declarations signed with those countries in 1990. The political and economic dialogue with the United States was stepped up at all levels and a number of working parties were set up to foster closer cooperation

in areas of mutual interest and improve the mutual understanding and coordination of the parties' positions. The dialogue between the EU and Canada was relaunched along the same lines, with both parties confirming their commitment to closer bilateral economic ties and evincing greater convergence in their views on numerous international issues. While the Union continued to call for a reduction of Japan's trade surplus, the dialogue-based approach adopted in 1993 produced significant progress, particularly as regards market access.

The number of diplomatic missions accredited to the European Communities rose to 163 in 1994, while the Commission itself opened new delegations in Tbilisi (Georgia) and Alma-Ata (Kazakhstan), taking the total number of diplomatic missions to 121. The Commission also stepped up its information activities in third countries, particularly as regards the EFTA accession candidates, the Central and East European countries and the Independent States of the former Soviet Union.

Section 2

Enlargement of the European Union

EFTA countries

723. On 1 January 1995, Austria, Finland and Sweden will accede to the European Union, thus creating a new landmark in the history of European integration.

724. After the considerable progress achieved at the ministerial meetings in Brussels in December 1993,¹ the beginning of the year saw fresh developments in the accession negotiations with the four applicant countries, Austria, Sweden, Finland and Norway.² The accession conference, which was held in Brussels between 25 February and 1 March,³ marked a turning point. The negotiations were concluded at political level on 1 March with Austria, Sweden and Finland, and on 16 March with Norway, which had required further talks on several specific issues, notably fisheries. Following these political agreements, the Union was able to settle the last outstanding question, on institutions, on 27 March.⁴ All the negotiating chapters were finally approved on 30 March and the political agreements then had to be given legal form for the drawing-up of the instruments of accession (treaty and act of accession consisting of annexes, protocols and declarations). The texts were approved at the final session of the conference on 12 April. On 19 April the Commission adopted a favourable opinion on the four countries' membership applications in accordance with Article O of the Treaty on European Union.⁵ On 4 May Parliament held a debate on enlargement which ended with assent by a very large majority to the accession of the four applicant countries.⁶ However, in its four resolutions on 5 May,⁷ Parliament expressed its concern at shortcomings in the institutional development of the Union and asked the European Council in Corfu to give a formal undertaking on Parliament's full participation in the review process planned for 1996.⁸ The Treaties of Accession and related Final Acts were signed on 24 June by the representatives of the 12 Member States and the four applicants at the European

¹ Twenty-seventh General Report, point 634 *et seq.*

² Bull. 1/2-1994, points 1.3.21 to 1.3.24.

³ Bull. 3-1994, point 1.3.26.

⁴ Points 726 and 1170 of this Report.

⁵ COM(94) 148; Bull. 4-1994, point 1.3.16.

⁶ OJ C 205, 25.7.1994; Bull. 5-1994, points 1.3.20 and 1.6.4.

⁷ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.3.21.

⁸ Point 1176 of this Report.

Council meeting in Corfu.¹ This marked the beginning of the interim period during which representatives of the acceding countries could attend meetings of the Council and several other bodies of the Union as observers.

725. In the meantime referendums were organized in the four applicant countries. On 12 June, the people of Austria endorsed their country's accession to the Union by a majority of 66.6%.² On 16 October, Finland voted in favour of membership by a majority of 56.9%.³ On 13 November, Sweden voted for accession by a majority of 52.3%.⁴ The people of Norway, however, voted against membership of the Union by a majority of 52.8% on 28 November.⁵ Ratification procedures in the three applicant countries and the 12 Member States were completed by the end of the year.

726. The underlying principle of the negotiations was that the applicants should accept the Treaties and their objectives and the secondary legislation known as the *acquis communautaire* with no question of permanent derogations. As regards the single market, the applicant countries accepted the whole body of legislation on the four freedoms. In cases where the applicants had higher health, safety or environmental standards than the Union, constituting barriers to the free movement of goods, there will be a four-year transitional period during which they can maintain their legislation but are required to abolish border controls. During the transitional period the enlarged Union will re-examine its legislation, with the new Member States participating fully in the decision-making process. The common foreign and security policy (CFSP) was accepted both by Norway and by the three neutral countries, Austria, Finland and Sweden, which endorsed in full Title V of the Treaty on European Union. In its resolutions of 9 February⁶ and 24 March,⁷ Parliament underlined the importance of this aspect of the negotiations with reference in particular to the role of the Western European Union (WEU). Agriculture and regional policy proved key issues in the negotiations from the outset, for three reasons: these subjects are not covered by the European Economic Area Agreement;⁸ the four applicant countries, for strategic, environmental, social and cultural reasons, all use agricultural policy as an instrument of regional policy; and lastly, because agricultural and regional policies are of such budgetary and political significance to the European Union. It was agreed that the four applicants would adopt the basic machinery of the common agricultural policy (CAP) and would align their

¹ Bull. 6-1994, point 1.3.15.

² Bull. 6-1994, point 1.3.16.

³ Bull. 10-1994, point 1.3.16.

⁴ Bull. 11-1994, point 1.3.18.

⁵ Bull. 11-1994, point 1.3.19.

⁶ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.25.

⁷ OJ C 114, 25.4.1994; Bull. 3-1994, point 1.3.30.

⁸ Point 778 of this Report.

farm prices from the start on those in the rest of the Union. Acceptance of the immediate alignment of farm prices was linked to financial assistance from the Community in the form of an agro-budgetary package agreed between the applicants and the European Union. Provision was also made for several transitional measures relating to market organization and veterinary and plant health legislation. Sweden will be integrated fully into the CAP from the first day of accession, while Austria, which is keen on preserving its traditional alpine farming, and Finland, whose agriculture is also highly protected, have been authorized to make special income support payments to farmers for a maximum period of five years. The two Nordic countries are also allowed, subject to certain conditions, to grant State aids to farmers in certain regions to compensate for the handicaps peculiar to farming in an arctic or sub-arctic environment. The solution to the regional policy issue, which was the subject of a resolution adopted by Parliament on 22 April,¹ combines these agricultural measures with more traditional instruments of regional policy. The Burgenland region of Austria was declared eligible for assistance under Objective 1 of the Structural Funds,² while for certain Nordic regions, which differ from the rest of the Union in that they are thinly populated and have a harsh climate and widely-dispersed infrastructure, a new objective, Objective 6, was included specifically for the purpose of promoting the development and structural adjustment of regions with extremely low population density. A number of specific points also had to be settled, including the problem of the transit of heavy goods vehicles through the Alps, which had been one of Austria's concerns from the outset of the negotiations. Agreement was reached on a three-stage transitional period lasting until 2003 and an accompanying policy review.³ A major concern for Norway was the common fisheries policy.³ The negotiations in this area demonstrated the European Union's readiness to develop its legislation in tune with Norway's policies on fisheries and fish stock management. Following Norway's decision not to ratify the Accession Treaty, future relations on fisheries matters will be conducted in the legal framework appropriate to relations with a non-member country. Institutional issues did not pose any particular problems during the negotiations but gave rise to debates in Parliament⁴ and the Council, which opted for an arithmetic extrapolation of the existing arrangements for the Union of Twelve. On the specific point of qualified majority voting, the informal Council meeting of foreign ministers at Ioannina in Greece on 27 March⁵ produced a solution that allowed a comprehensive agreement to be reached with the applicant countries on

¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.107.

² Point 444 of this Report.

³ Bull. 3-1994, point 1.3.26.

⁴ Point 1184 of this Report.

⁵ Bull. 3-1994, point 1.3.27; point 1170 of this Report.

30 March.¹ The Commission issued a statement on this compromise on 30 March.² The prospect of the accession of the three applicant countries on 1 January 1995 meant that appropriate amendments had to be introduced in the preparation of the 1995 budget.³

727. Following Norway's decision not to join the European Union, the Council reached agreement on 20 December⁴ on the Commission's proposals adapting the instruments relating to the accession of new Member States, establishing the order of presidency of the Council and amending the Council Decision of 29 March concerning qualified majority decision-taking by the Council.⁵

Cyprus and Malta

728. The Corfu European Council⁶ welcomed the considerable progress achieved with regard to the applications by Cyprus and Malta for membership of the European Union, which were the subject of a Commission opinion delivered in 1993.⁷ The Council stressed that any solution to the Cyprus problem should respect the country's sovereignty, independence, territorial integrity and unity. The European Council meeting in Essen⁴ confirmed that the next stage in the enlargement of the Union would involve Cyprus and Malta.

Hungary and Poland

729. Hungary and Poland lodged formal applications for membership of the European Union on 31 March and 5 April respectively.⁸ The Council decided on 18 April to set in train the procedure for accession laid down in Article O of the Treaty on European Union.⁸ The Commission is therefore required to prepare opinions. The Corfu European Council welcomed the applications for membership by the two countries.⁶ The European Council in Essen⁹ confirmed the conclusions of the Copenhagen and Corfu Council meetings stating that the associated States of Central and Eastern Europe can become members of the European Union if they so desire as soon as they are able to fulfil the relevant preconditions. The institutional arrangements for ensuring the proper functioning of the Union will be established at the 1996 Intergovernmental Conference before accession negotiations begin.

¹ Bull. 3-1994, point 1.3.28; point 1170 of this Report.

² Bull. 3-1994, point 1.3.29; point 1170 of this Report.

³ Point 1112 of this Report.

⁴ Bull. 12-1994.

⁵ Point 1170 of this Report.

⁶ Bull. 6-1994, point 1.3.14.

⁷ Twenty-seventh General Report, points 643 and 644.

⁸ Bull. 4-1994, points 1.3.18 and 1.3.19.

⁹ Point 1196 of this Report.

Section 3

Common foreign and security policy

General

730. Implementation of the common foreign and security policy (CFSP) got under way in 1994 following the entry into force of the Treaty on European Union in November 1993 and the guidelines issued by the European Council in Brussels in October and December the same year.¹ The Council made the first key contribution to the gradual and pragmatic development of the CFSP by adopting joint actions in the former Yugoslavia, Russia, South Africa and the Middle East. It also launched joint actions on the creation of a pact on stability and on the export of dual-use goods. In the field of common security policy, the guidelines for a first joint action, on nuclear non-proliferation, were adopted by the European Council at Corfu in June.² The need for a common policy in this area was confirmed by Parliament in a resolution adopted on 24 March.³

731. Cooperation with international bodies involved in European security was stepped up, with the Western European Union (WEU) participating in the administration of the city of Mostar and closer relations being forged with NATO. These issues were the subject of Parliament resolutions on 20 January⁴ and 24 February.⁵

732. Article C of the Treaty on European Union establishes the principle of a single institutional framework designed to ensure the consistency and continuity of the activities carried out, while respecting the *acquis communautaire* and the Union's external relations, security, economic and development policies. The Council and the Commission have ensured such consistency.

Financing of the common foreign and security policy

733. In line with the provisions on the financing of the CFSP set out in Article J.11 of the Union Treaty, administrative expenditure is charged to the budget of the European Communities, while operational expenditure is charged either to the Community budget, or to the Member States, as the Council decides.

¹ Twenty-seventh General Report, point 921.

² Point 744 of this Report.

³ OJ C 114, 25.4.1994; Bull. 3-1994, point 1.3.1.

⁴ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.3.1.

⁵ OJ C 77, 14.3.1994; Bull. 1/2-1994, point 1.3.2.

734. On 13 June, the Council agreed the procedures for financing the CFSP,¹ defining the categories of expenditure regarded as administrative, to be financed from the 'Council' section of the general budget, and clarifying the options set out by the Treaty for operational expenditure. To date, most actions have been financed from the 'Commission' section of the budget. Parliament gave its opinion on this matter on 26 October.²

Role of the Commission

735. Article J.9 of the Union Treaty states that the Commission 'shall be fully associated with the work carried out in the common foreign and security policy field'. To ensure the consistency of the Union's external activities and to implement its right of initiative, the Commission has developed a policy of presenting 'mixed communications' to the Council, which combine proposals coming under the EC Treaty with others coming under the CFSP. Examples include the communications on Ukraine³, the Central and East European countries,⁴ the Asian countries,⁵ Mercosur,⁶ the Mediterranean countries⁷ and the Baltic States,⁸ and on drugs.⁹ The Commission's participation as a permanent member of the EU troika has improved the consistency of the European Union's external representation and the continuity of its activities in this area. Under Article J.6 of the Union Treaty, Commission delegations to non-member countries and international conferences cooperate in ensuring that joint actions and common positions adopted by the Council are applied consistently.

Joint actions

736. Joint actions are a key instrument in the pursuit of a more active EU policy on the international stage. In line with Article J.3 of the Union Treaty, the Council decides which areas should be the subject of joint action, and also the objectives of such actions and their implementing procedures, scope and duration, on the basis of guidelines from the European Council. Article J.5 makes practical implementation of these actions the responsibility of the

¹ Bull. 6-1994, point 1.3.2.

² OJ C 323, 21.11.1994; Bull. 10-94, point 1.3.1.

³ Point 816 of this Report.

⁴ Point 785 of this Report.

⁵ Point 875 of this Report.

⁶ Point 896 of this Report.

⁷ Point 845 of this Report.

⁸ Point 787 of this Report.

⁹ Point 1081 of this Report.

presidency, assisted if need be by representatives of the previous and next Member States to hold the presidency (the troika), in association with the Commission.

737. The European Council meeting of October 1993¹ provided the first guidelines for five joint actions. Two of them, humanitarian aid to Bosnia-Herzegovina² and the dispatch of a team of observers for the Russian parliamentary elections,³ were immediately put into practice after approval by the Council. Two further joint actions were adopted by the Council in 1993, support for the transition to democracy in South Africa,⁴ and the pact on stability.⁵ The fifth joint action, in support of the Middle East peace process,⁶ followed on 19 April, while the first joint action — concerning the 1995 Conference on the Non-proliferation Treaty⁷ — to be undertaken under the security component of the CFSP, the guidelines for which were adopted by the European Council at Corfu in June, was approved on 25 July. A further joint action relating to the export of dual-use goods was adopted on 19 December.⁸

Former Yugoslavia

738. The extraordinary European Council of 29 October 1993⁹ adopted a declaration on the situation in the former Yugoslavia and the conveying of humanitarian aid in Bosnia-Herzegovina. This was followed on 8 November 1993 by Council Decision 93/603/CFSP establishing a joint action to provide logistical support for humanitarian aid,⁹ and on 20 December the same year by Council conclusions increasing the Union's contribution and designating priority routes for rehabilitation, in support of aid deliveries.⁹ Decision 93/603/CFSP was extended by Decision 94/158/CFSP of 7 March 1994,¹⁰ and the joint action was redefined on 16 May in the light of the Washington Agreements of 18 March creating a Croat-Moslem Federation, to incorporate the administration of the city of Mostar, a task assigned to the European Union.¹¹ The joint action was once again extended by Decision 94/789/CFSP of 12 December.¹² Decision 94/510/CFSP of 27 July established the procedure for disbursing ECU 7.15

¹ Twenty-seventh General Report, point 921.

² Twenty-seventh General Report, point 922; point 738 of this Report.

³ Twenty-seventh General Report, point 922; point 739 of this Report.

⁴ Twenty-seventh General Report, point 922; point 740 of this Report.

⁵ Twenty-seventh General Report, point 924; point 742 of this Report.

⁶ Point 743 of this Report.

⁷ Point 744 of this Report.

⁸ Bull. 12-1994.

⁹ Twenty-seventh General Report, point 922.

¹⁰ OJ L 70, 12.3.1994; Bull. 3-1994, point 1.3.7.

¹¹ OJ L 134, 30.5.1994; Bull. 5-1994, point 1.3.3.

¹² OJ No L 326, 17.12.1994; Bull. 12-1994.

million, part of the contribution approved in November 1993.¹ On 31 October the Council approved the granting of ECU 80 million for the administration of Mostar in 1995.² On 12 December it adopted Decision 94/790/CFSP continuing support for the town's administration and granting, at that stage, a further ECU 20 million.³ The EU's presence in the city, scheduled to last two years, is an important element in the implementation of the peace plan for the former Yugoslavia. The main aim is to help the parties find a lasting overall solution for the administration of the city. Pending such a solution, the EU administration will comprise a civilian and a police component, the latter being provided by the WEU. A memorandum of understanding was signed on 5 July⁴ setting out the practical details of setting up the administration, which proceeded satisfactorily. Mr Koschnick began work as city administrator on 23 July.⁵ The EU troika visited Mostar on the same day.⁵ It had also participated in an international ministerial meeting on Bosnia-Herzegovina held in Geneva on 13 May.⁶ On 17 November Parliament adopted, pursuant to Article J.7 of the Treaty on European Union, a recommendation to the Council on the situation in Bosnia-Herzegovina.⁷

EU observers monitor Russian elections

739. The Brussels European Council meeting of October 1993 had agreed to buttress the electoral process in Russia by responding to the Russian authorities' invitation to send EU observers to monitor the parliamentary elections on 12 December of the same year. This joint action was approved by the Council on 8 and 9 November, permitting the setting-up of an EU observers centre in Moscow⁸ to coordinate the work of 66 teams made up of 116 MEPs and 91 experts. The operation's success lent credibility to Russia's electoral process while demonstrating the European Union's capacity to provide effective support for the democratic process.

Support for the transition to multiracial democracy in South Africa

740. On 29 October 1993 the European Council had issued guidelines for a joint action to support the transition to multi-ethnic democracy in South Africa, and the implementation decision was approved on 6 December 1993.⁸ The

¹ OJ L 205, 8.8.1994; Bull. 7/8-1994, point 1.3.1.

² Bull. 10-1994, point 1.3.2.

³ OJ L 326, 17.12.1994; Bull. 12-1994.

⁴ Bull. 7/8-1994, point 1.3.2.

⁵ Bull. 7/8-1994, point 1.3.3.

⁶ Bull. 5-1994, point 1.3.4.

⁷ OJ C 341, 5.12.1994; Bull. 11-1994, point 1.3.2.

⁸ Twenty-seventh General Report, point 922.

action consisted of a number of complementary initiatives, comprising a coordinated programme of assistance in organizing and monitoring the elections of 28 April and the creation of an appropriate cooperation framework to consolidate the economic and social foundations of the transition, in accordance with UN Security Council resolution 883 (1993). In this way the Union sent a clear political signal to the government and people of South Africa, demonstrating the EU's determination to contribute to the country's political and economic development.

741. The first phase of the joint action was a success, with the European electoral unit coordinating the logistical back-up and monitoring of the elections. South Africa's first free elections took place without incident, and the European Union applauded the election of the new government.¹ The second phase, which focused on establishing new, closer ties between the Union and South Africa, involved a two-stage approach. The first step consisted of a package of immediate measures approved by the Council on 18 and 19 April² with a view to laying the foundations for a long-term relationship, while the second took the form of a cooperation agreement concluded in December.² In line with the objectives laid down, the Union will seek to foster political stability and economic development in southern Africa as a whole. In this context, a ministerial conference was held in Berlin on 5 and 6 September, bringing together the European Union and member countries of the Southern African Development Community (SADC), including the newly admitted South Africa.³

Pact on stability in Europe

742. The European Council of 29 October 1993 decided that a Stability Pact 'would be a staple component of a joint action to promote stability and peace in Europe', tackling the problem of minorities and strengthening the inviolability of frontiers by reinforcing the democratic process and regional cooperation in Central and Eastern Europe.⁴ The European Council meeting of 10 and 11 December 1993 decided to launch the diplomatic process that would eventually result in the conclusion of a pact on stability in Europe. On 20 December 1993 the Council approved, on the basis of the European Council's guidelines, a joint action focusing on the organization and preparation of a conference to launch the pact. On 22 April 1994, in line with Article J.7 of the Union Treaty, Parliament presented a recommendation to the Council in which it asked to be

¹ Bull. 5-1994, point 1.3.52.

² Point 843 of this Report.

³ Point 934 of this Report.

⁴ Twenty-seventh General Report, point 924.

fully associated with the conference,¹ which was held in Paris on 26 and 27 May,² with the participation of the six associated Central and East European countries and the three Baltic States. The concluding document stated that the objectives of stability would be achieved through the promotion of good-neighbourly relations and the organization of regional round tables. A second document covered the organization of two such round tables, one for the Baltic region and the other for the Central and East European countries, the financing of which the Council approved in its conclusions of 17 May.³ The first stage having thus been completed, the Council adopted, on 14 June, Decision 94/367/CFSP, extending the joint action to cover the follow-up process leading to the conclusion of the pact itself, in accordance with the final documents issued by the conference.⁴

Middle East

743. On 19 April, in line with the guidelines laid down by the Brussels European Council of December 1993,⁵ the Council adopted Decision 94/276/CFSP launching a joint action in support of the Middle East peace process with a view to securing a general peace settlement, redefining the relations between the countries of the region, monitoring Israeli settlements in the Occupied Territories and lifting the Arab boycott of Israel.⁶ The joint action also provides for support for the organization of an international economic conference on infrastructure projects in the region and for the conclusion of a new agreement with Israel.⁷ The current priorities under the joint action are EU participation in the temporary international presence in the Occupied Territories, help in organizing and monitoring elections in Gaza and the West Bank, and support for the new Palestinian police force.⁸

Treaty on the Non-proliferation of Nuclear Weapons

744. At Corfu on 24 and 25 June⁹ the European Council established guidelines for a joint action on the preparation of the 1995 Conference on the Treaty on the Non-proliferation of Nuclear Weapons (NPT), Parliament having already

¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.3.

² Bull. 5-1994, point 1.3.2.

³ Bull. 5-1994, point 1.3.1.

⁴ OJ L 165, 1.7.1994; Bull. 6-1994, point 1.3.4.

⁵ Twenty-seventh General Report, point 925.

⁶ OJ L 119, 7.5.1994; Bull. 4-1994, point 1.3.2.

⁷ Point 867 of this Report.

⁸ Point 862 of this Report.

⁹ Point 1194 of this Report.

expressed its views on this question on 24 March¹ and 21 April.² This, the first joint action in the field of security, was approved by the Council on 25 July with the adoption of Decision 94/509/CFSP,³ the aim being to strengthen the international non-proliferation system by promoting the Treaty's general objectives and by extending it indefinitely and unconditionally in order to encourage all States to accede. A number of initiatives, including meetings between the EU troika and non-EU countries, were launched with a view to broadening the consensus on the approach to non-proliferation adopted by the Union in the run-up to the 1995 conference.

Export controls on dual-use goods

745. In accordance with the guidelines laid down by the Lisbon European Council of June 1992,⁴ the Council adopted, on 19 December, a Regulation⁵ and Decision 94/942/CFSP⁶ concerning a joint action to control exports of dual-use goods. Both instruments will enter into force on 1 March 1995. Dual-use goods can be used for civil and military purposes. The provisions adopted introduce a system of Community controls on the export to non-member countries of the dual-use goods listed in the Annex to the joint action Decision. Under these provisions, intra-Community trade in the goods concerned will remain subject to certain controls during a transitional period. Such controls will not, however, be applied at the Community's internal frontiers.

Common positions

746. The systematic cooperation on policy provided for in Article J.2(1) of the Treaty on European Union, which was already the main instrument of European political cooperation, is based on a regular exchange of information and consultation between Member States on all foreign and security policy issues of general interest, the aim being to ensure that their combined influence is exerted as effectively as possible. This process can, if the Member States so wish, lead to the Council adopting a common position. In line with Article J.2(2) and (3) of the Union Treaty, the Member States undertake to ensure that their national policies conform to such common positions, notably in international organizations and conferences, where compliance with this undertaking is of

¹ OJ C 114, 25.4.1994; Bull. 3-1994, point 1.3.2.

² OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.1.

³ OJ L 205, 8.8.1994; Bull. 7/8-1994, point 1.3.4.

⁴ Twenty-sixth General Report, point 1100.

⁵ Point 1004 of this Report.

⁶ OJ L 367, 31.12.1994; Bull. 12-1994.

particular importance in terms of effectiveness and credibility. This process, which need not take place in the public domain, can however lead to the issuing of a statement where issues of special political significance are involved.

747. Article C of the Union Treaty contains an obligation to ensure the consistency of the Union's activities. Therefore, a common position adopted on the basis of Article J.2, while respecting the division of responsibilities set out in the Treaty, has to be compatible with the guidelines governing the EU's economic relations with a third country or group of countries and with the objectives and priorities of its external policies, although it is the European Community that is responsible for adopting practical measures.

748. The Union has adopted a number of common positions under Article J.2 of the Union Treaty, some of which are discussed in this Report.

749. On 13 June the Council adopted Decision 94/366/CFSP¹ on the common position prohibiting satisfaction of the claims referred to in paragraph 9 of UN Security Council resolution 757 (1992); this refers to the prohibition on the Federal Republic of Yugoslavia (Serbia and Montenegro) obtaining compensation for the negative repercussions of the embargo. On 10 October, in the light of developments in the former Yugoslavia and of Security Council resolutions 942 (1994) and 943 (1994), the Council adopted Decisions 94/672/CFSP and 94/673/CFSP reinforcing the embargo on the Bosnian Serbs and lifting certain restrictions affecting Serbia and Montenegro.²

750. Following adoption by the Security Council of resolution 944 (1994) ending the embargo on Haiti, the Council approved, on 14 October, Decision 94/681/CFSP lifting the restrictive measures applied to that country.³

751. The Council's objectives and priorities for action with regard to Rwanda were set out in Decision 94/697/CFSP of 24 October.⁴

752. On 28 November the Council set out the EU's objectives and priorities with regard to Ukraine in Decision 94/779/CFSP.⁵

753. An embargo on the sale of arms and military equipment to Sudan was imposed on 15 March with the adoption by the Council of Decision 94/165/CFSP.⁶

¹ OJ L 165, 1.7.1994; Bull. 6-1994, point 1.3.5; point 850 of this Report.

² OJ L 266, 15.10.1994; Bull. 10-1994, point 1.3.5; point 850 of this Report.

³ OJ L 271, 21.10.1994; Bull. 10-1994, point 1.3.3.

⁴ OJ L 283, 29.10.1994; Bull. 10-1994, point 1.3.4.

⁵ OJ L 313, 6.12.1994; Bull. 11-1994, point 1.3.1.

⁶ OJ L 75, 17.3.1994; Bull. 3-1994, point 1.3.8.

EU statements and presidency press statements

754. The following is a summary of the positions adopted in the European Union's statements and in press statements issued by the presidency on behalf of the Union in the field of international policy. They refer to events in the Independent States of the former Soviet Union, the former Yugoslavia, the Mediterranean, the Middle East, Africa, Latin America and Asia.

Former Soviet Union

755. The European Union welcomed the agreement eliminating all nuclear weapons in Ukraine and the country's accession to the Non-proliferation Treaty.¹ The Union noted the successful completion of Ukraine's parliamentary elections² and reiterated its endorsement of the country's territorial integrity.³ It also applauded the signing of the Non-proliferation Treaty by Kazakhstan,⁴ Georgia,⁵ Kyrgyzstan⁶ and Moldova.⁷

756. With the renewal of hostilities in Nagorno-Karabakh,⁸ the European Union confirmed its endorsement of the territorial integrity of Azerbaijan, calling for the resumption of negotiations under the aegis of the Minsk Group of the CSCE,⁹ and for the application of UN Security Council resolutions.¹⁰ It applauded the decision of the leaders of Armenia, Azerbaijan and Nagorno-Karabakh to observe the ceasefire pending the conclusion of an agreement.¹¹

757. The Union welcomed the decision by the Council of Europe to examine the Russian Federation's membership application.¹² The first multi-party elections to be held in Moldova were closely monitored by the EU, which exhorted the authorities to continue with their reforms.¹³ While welcoming the extension of the mandate of the UN's special emissary and the opening of a permanent CSCE office in Tadjikistan,¹⁴ the Union called on that country's authorities to cooperate with the UN and the CSCE in repatriating refugees, and

¹ Bull. 1/2-1994, points 1.3.17 and 1.3.18; Bull. 11-1994, point 1.3.16; Bull. 12-1994.

² Bull. 4-1994, point 1.3.15.

³ Bull. 5-1994, point 1.3.9.

⁴ Bull. 3-1994, point 1.3.17.

⁵ Bull. 4-1994, point 1.3.9.

⁶ Bull. 7/8-1994, point 1.3.14.

⁷ Bull. 11-1994, point 1.3.17.

⁸ Twenty-seventh General Report, point 928.

⁹ Point 1068 of this Report.

¹⁰ Bull. 1/2-1994, point 1.3.7.

¹¹ Bull. 7/8-1994, point 1.3.5; Bull. 9-1994, point 1.3.5.

¹² Bull. 1/2-1994, point 1.3.10.

¹³ Bull. 3-1994, point 1.3.19.

¹⁴ Twenty-seventh General Report, point 929.

to reach a political arrangement that might form the basis for national reconciliation.¹ It also expressed its concern regarding military transit to and from Kaliningrad, emphasizing the need for Lithuania and Russia to reach early agreement on this matter.²

Former Yugoslavia

758. The European Union continued throughout the year³ to be closely involved in the search for a peaceful solution acceptable to all parties to the conflict in the former Yugoslavia,⁴ while also seeking to secure free access for humanitarian aid to all parts of the region.⁵ The Union expressed its outrage at the shelling of Sarajevo and expressed its backing for the use of all means necessary to ensure that the siege was lifted.⁶ The Bosnian Serbs' attack on Gorazde was roundly condemned, and the Union called for an unconditional ceasefire to enable Unprofor troops to be deployed in the town. It further called on the international community to step up diplomatic efforts.⁷ The Union called on the parties concerned to approve the memorandum of understanding on the EU administration of Mostar,⁸ and on 18 July it enjoined all concerned to grasp the opportunity for peace by accepting the plan submitted to them as the only viable basis for a peaceful solution to the conflict.⁹ The Essen European Council condemned the Bosnian Serbs' violation of the Bihac safe area. It censured the use of humanitarian aid as an instrument of war, stressing that peace would come about only if there were a negotiated settlement and that the closing of the border between the Federal Republic of Yugoslavia and Bosnia-Herzegovina would help achieve that end.²

Baltic States

759. With regard to the withdrawal of Russian troops from the territory of the Baltic States,¹⁰ the European Union welcomed the signing of the agreements securing their withdrawal from Latvia and Estonia.¹¹ In the context of the campaign to secure stability in Europe,¹² the Union welcomed the friendship

¹ Bull. 5-1994, point 1.3.18; Bull. 7/8-1994, point 1.3.19.

² Bull. 12-1994.

³ Twenty-seventh General Report, points 931 to 933.

⁴ Bull. 1/2-1994, point 1.3.5.

⁵ Bull. 4-1994, point 1.3.7.

⁶ Bull. 1/2-1994, point 1.3.6.

⁷ Bull. 6-1994, point 1.3.8.

⁸ Bull. 6-1994, point 1.3.9; point 850 of this Report.

⁹ Bull. 7/8-1994, point 1.3.9.

¹⁰ Twenty-seventh General Report, point 927.

¹¹ Bull. 3-1994, point 1.3.14; Bull. 5-1994, point 1.3.14; Bull. 7/8-1994, points 1.3.7 and 1.3.8.

¹² Point 742 of this Report.

and cooperation treaty concluded between Latvia and Poland¹ but expressed grave concern at certain aspects of the law on foreigners adopted in Estonia² and the law on citizenship adopted by Latvia.³

Mediterranean

760. The European Union was alarmed by the deterioration in the human rights situation in Turkey and the political problems in the south-east of the country.⁴ It said that measures against terrorism should be conducted in compliance with the rule of law and human rights, and called on the Turkish Government to honour its undertakings to introduce constitutional changes in this field.⁵

761. Condemning all forms of violence, the Union reiterated its support for efforts in Algeria aimed at fostering democracy, rebuilding the economy and conducting political dialogue.⁶

Support for the peace process

762. As part of its support for the Middle East peace process,⁷ the EU reaffirmed its commitment to the continuation of the negotiations.⁸ Outraged by the acts of violence and terrorism in Hebron,⁹ Afula¹⁰ and Tel Aviv,¹¹ it backed the UN Security Council's decision to set up an international presence in the Occupied Territories¹² and expressed its satisfaction at the signing of the agreement between Israel and the PLO on Gaza and Jericho.¹³ The Union also welcomed the inauguration of the Palestinian authority in Jericho and Mr Arafat's first visit to Jericho and Gaza.¹⁴ It welcomed the meeting in July between Prime Minister Rabin and King Hussein of Jordan¹⁵ and the signing, in September, of the peace treaty between Israel and Jordan.¹⁶ The Union continued

¹ Bull. 3-1994, point 1.3.16.

² Bull. 5-1994, point 1.3.10.

³ Bull. 6-1994, point 1.3.12.

⁴ Bull. 12-1994.

⁵ Bull. 3-1994, point 1.3.25; Twenty-seventh General Report, point 934.

⁶ Bull. 9-1994, point 1.3.3; Twenty-seventh General Report, point 935.

⁷ Twenty-seventh General Report, point 936.

⁸ Bull. 4-1994, point 1.3.2, Bull. 5-1994, points 1.3.13 and 1.3.46; Bull. 10-1994, point 1.3.11.

⁹ Bull. 1/2-1994, point 1.3.15.

¹⁰ Bull. 4-1994, point 1.3.10.

¹¹ Bull. 10-1994, point 1.3.11.

¹² Bull. 3-1994, point 1.3.20; point 863 of this Report.

¹³ Bull. 5-1994, point 1.3.13.

¹⁴ Bull. 7/8-1994, point 1.3.20.

¹⁵ Bull. 7/8-1994, point 1.3.13.

¹⁶ Bull. 10-1994, points 1.3.12 and 1.3.42.

to encourage all the parties to persevere in their search for solutions to unresolved issues in an effort to bring the peace process to a successful conclusion and underscored the importance of economic and financial aid for the Palestinians.¹

Middle East

763. Alarmed by the troop movements in Iraq, the European Union fully endorsed the declaration by the UN Security Council reiterating that body's commitment to Kuwait's sovereignty and territorial integrity.²

764. Anxious to see long-term stability come to Yemen,³ the Union welcomed the signing of an agreement by the various political parties and the government's undertakings to uphold democracy.⁴ It called on the authorities to start a political dialogue with all the parties concerned, while reiterating its commitment to providing the Yemeni people with humanitarian aid.

Africa

765. Concerned by the climate of political violence prevailing in the run-up to South Africa's first democratic elections,⁵ the European Union welcomed the initiatives taken to preserve democracy,⁶ particularly the agreement between Mr F.W. De Klerk, president of the National Party, Mr Nelson Mandela, president of the African National Congress, and Mr Mangosuthu Buthelezi, president of the Inkatha Freedom Party.⁷ The Union responded to the holding of the May elections and their outcome by lifting all remaining restrictions on South Africa,⁸ and undertook to act immediately to step up dialogue and cooperation with South Africa with a view to meeting the needs and aspirations of its people.⁹

766. Having condemned the fighting and expressed its concern at the political crisis in Lesotho,¹⁰ the Union supported the mediation efforts by South Africa, Botswana and Zimbabwe in the search for a peaceful settlement and welcomed

¹ Bull. 11-1994, point 1.3.15.

² Bull. 10-1994, point 1.3.10.

³ Twenty-seventh General Report, point 939.

⁴ Bull. 7/8-1994, point 1.3.22.

⁵ Twenty-seventh General Report, point 940.

⁶ Bull. 3-1994, point 1.3.11.

⁷ Bull. 4-1994, points 1.3.5 and 1.3.6.

⁸ Point 843 of this Report.

⁹ Bull. 5-1994, points 1.3.7 and 1.3.8.

¹⁰ Bull. 1/2-1994, point 1.3.11; Bull. 7/8-1994, point 1.3.15.

the commitments entered into in the memorandum of understanding signed by the democratic authorities on their restoration to power.¹

767. It also expressed its satisfaction at the reintegration of Walvis Bay into Namibia, a move which secured the peaceful restoration of that country's territorial integrity.² The Union welcomed the successful holding of the first general and presidential elections there on 7 and 8 December.³

768. In response to the spread of atrocities in Rwanda, the Union repeatedly called on those responsible to respect the Arusha agreements⁴ and comply with UN Security Council resolution 912 (1993).⁵ The EU also encouraged all initiatives designed to promote national reconciliation, welcomed the decision of the UN High Commissioner on Human Rights to send a mission to monitor the human rights situation in Rwanda and Burundi, and dispatched an EU troika mission to assess the humanitarian situation created by the influx of refugees into neighbouring countries.⁶ At the same time, the Union helped organize humanitarian aid to the region⁷ and praised the work carried out on the ground by the United Nations, non-governmental organizations and France. In November,⁸ however, the Union expressed its concern at the deteriorating situation in the refugee camps on Rwanda's borders and called for the overall approach advocated by the Council in October to be implemented as swiftly as possible.⁹ Shocked by the deaths of the Heads of State of Rwanda and Burundi, the Union called for an international committee of inquiry to be set up.¹⁰ It called on the new government in Kigali to take steps to restore law and order and reassure the people, and offered to help the government rebuild the country. It insisted, however, that those responsible for crimes against humanity be brought to trial. The Union expressed its concern at the deterioration in the situation in Burundi.¹¹ However, on 5 October, it applauded the steps taken towards reconciliation and the investiture of President Ntibantunganya and offered to help Burundi achieve its goals of development and stability.¹²

769. In response to the increasingly frequent violent clashes in Congo, the EU issued a statement underlining its commitment to the process set up by the

¹ Bull. 9-1994, point 1.3.6.

² Bull. 3-1994, point 1.3.21.

³ Bull. 12-1994.

⁴ Twenty-seventh General Report, point 949.

⁵ Bull. 4-1994, points 1.3.13 and 1.3.14; Bull. 5-1994, points 1.3.16 and 1.3.17.

⁶ Bull. 5-1994, point 1.3.17; Bull. 9-1994, point 1.3.30.

⁷ Bull. 4-1994, points 1.3.13 and 1.3.14; Bull. 7/8-1994, point 1.3.18.

⁸ Bull. 11-1994, point 1.3.12.

⁹ Point 973 of this Report.

¹⁰ Bull. 4-1994, point 1.3.12.

¹¹ Bull. 1/2-1994, point 1.3.8; Bull. 3-1994, point 1.3.12; Bull. 7/8-1994, point 1.3.6.

¹² Bull. 10-1994, point 1.3.7.

Libreville agreement.¹ While continuing to give humanitarian aid to the Zairean people suffering under the crisis, on 27 July the Union expressed the hope that the inauguration of a transitional government in Zaire would lead to genuine democratization.² Alarmed at the resurgence of banditry and violence in Somalia, the Union endorsed UN Security Council resolution 897 (1994) and supported the steps taken to encourage reconciliation and reconstruction in the country, in particular through the organization of consultations between the various clans and factions, and the efforts of countries and organizations in the region to get the dialogue moving with the aim of reaching a political settlement.³ The Union condemned the upsurge in fighting in Angola, which resulted in the suspension of humanitarian flights and undermined the progress made in the Lusaka negotiations. It called on the parties concerned to persevere with the talks and welcomed the government's decision to accept offers of mediation aimed at national reconciliation.⁴ The EU welcomed the initialling and subsequent signing of the peace accord between the Angolan Government and UNITA.⁵

770. The Union expressed satisfaction at the successful holding of elections in Guinea-Bissau,⁶ Togo,⁷ Uganda,⁸ São Tomé and Príncipe,⁹ Mozambique,¹⁰ and Malawi, where the entry into force of a new constitution enshrined the protection of human rights.¹¹ In response to the election of a constituent assembly in Ethiopia, the Union noted that the country was making progress towards democracy but regretted that the main opposition parties had not taken part in the elections.¹² It welcomed the establishment of the Council of State in Liberia and expressed the hope that this would be consolidated by disarmament and elections.¹³ It expressed satisfaction at the signing, in October, of the peace agreement between the Government of Niger and the Tuareg armed resistance coordination.¹⁴

770. Having demanded the immediate withdrawal of the troops massing on the border between Nigeria¹⁵ and Cameroon,¹⁶ the Union called on the Nigerian

¹ Bull. 1/2-1994, point 1.3.9; Twenty-seventh General Report, point 943.

² Bull. 7/8-1994, point 1.3.23; Twenty-seventh General Report, point 945.

³ Bull. 3-1994, point 1.3.23; Twenty-seventh General Report, point 950.

⁴ Bull. 6-1994, point 1.3.10; Twenty-seventh General Report, point 948.

⁵ Bull. 11-1994, points 1.3.4 and 1.3.5.

⁶ Bull. 7/8-1994, point 1.3.12.

⁷ Bull. 1/2-1994, point 1.3.16; Bull. 3-1994, point 1.3.24; Twenty-seventh General Report, point 941.

⁸ Bull. 4-1994, point 1.3.11.

⁹ Bull. 11-1994, point 1.3.13.

¹⁰ Bull. 11-1994, point 1.3.11.

¹¹ Bull. 5-1994, point 1.3.15; Twenty-seventh General Report, point 947.

¹² Bull. 6-1994, point 1.3.11.

¹³ Bull. 3-1994, point 1.3.18; Twenty-seventh General Report, point 942.

¹⁴ Bull. 10-1994, point 1.3.14.

¹⁵ Twenty-seventh General Report, point 946.

¹⁶ Bull. 1/2-1994, point 1.3.13.

Government to respect human rights¹ and repeatedly condemned the practice of arbitrary arrests and the suspension of the democratic process in the two countries.² It also expressed its concern at the deteriorating situation in Sudan and the attitude of the government,³ called for a ceasefire and a solution to the conflict and offered to talk to the authorities about the political and humanitarian issues that were causing the international community concern.⁴ Shocked by the attempt to overthrow the democratically elected government of Gambia,⁵ the Union noted with concern the worsening human rights situation and decided to suspend cooperation with that country, with the exception of projects targeting the most needy.⁶ It reiterated its concerns in November and expressed its grave reservations about the timetable for elections announced by the Provisional Council of the armed forces' government.⁷

Latin America and the Caribbean

772. The EU considered the investiture of Mr Emile Jonassaint as President of Haiti unconstitutional and backed the efforts of the United Nations, the Organization of American States (OAS) and the United States to promote the restoration of democracy, the return of the legitimately elected president, Mr Jean-Bertrand Aristide, and respect for human rights.⁸ It therefore welcomed the constitutional government's return to power, expressing the hope that the UN would be able to implement its support programme without delay and confirming its willingness to help the government promote national reconciliation and to play a part in rebuilding the country.⁹

773. In view of the fresh prospects for peace opened up by the Mexico and Oslo agreements between the Government of Guatemala and the Guatemalan National Revolutionary Unity (URNG), the European Union welcomed the President's desire to foster peace, human rights and democratic reforms, roundly condemned the resurgence of violence and reiterated its support for the process under way.¹⁰

774. The Union welcomed the peaceful settlement of the border dispute between Argentina and Chile over the Laguna del Desierto as the agreement

¹ Bull. 6-1994, point 1.3.13.

² Bull. 7/8-1994, point 1.3.16.

³ Bull. 10-1994, point 1.3.15.

⁴ Bull. 1/2-1994, point 1.3.14.

⁵ Bull. 7/8-1994, point 1.3.10.

⁶ Bull. 10-1994, point 1.3.8.

⁷ Bull. 11-1994, point 1.3.8.

⁸ Bull. 5-1994, point 1.3.12; Twenty-seventh General Report, point 954.

⁹ Bull. 9-1994, point 1.3.4; Bull. 10-1994, point 1.3.9; point 973 of this Report.

¹⁰ Bull. 5-1994, point 1.3.11; Bull. 7/8-1994, point 1.3.11; Twenty-seventh General Report, point 953.

between the two countries opened the way for wider cooperation between them.¹

Asia

775. The European Union endorsed the UN Security Council's statement of 24 January calling for the cessation of hostilities in Afghanistan and the launching of a political process aimed at installing a broad-based government acceptable to the people. It supported the UN's humanitarian efforts.²

776. Convinced that nuclear proliferation constitutes a major threat to international peace and security, the Union called on North Korea to honour the commitments it had entered into when it signed the Non-proliferation Treaty, to allow the IAEA to complete its inspections as agreed and to start talks with South Korea with a view to implementing the Joint Declaration on the denuclearization of the peninsula.³

777. The Union expressed its concern at the heightened tension in East Timor and reiterated the need to uphold human rights, particularly freedom of religion and free access to the territory for international organizations, if there was to be an internationally acceptable solution.⁴ The EU expressed its disapproval of the attitude of the Indonesian authorities towards workers' organizations.⁵ The European Union welcomed the successful holding of presidential elections in Sri Lanka and expressed the wish that this would contribute towards a peaceful solution to the problems facing the north and east of the country.⁶ It also welcomed the holding of the Asia-Pacific Economic Cooperation meeting in Bogor at which the participants decided to boost the economic integration of the Asia-Pacific region.⁷

¹ Bull. 12-1994.

² Bull. 1/2-1994, point 1.3.4; Bull. 3-1994, point 1.3.10.

³ Bull. 3-1994, point 1.3.13; Twenty-seventh General Report, point 962.

⁴ Bull. 7/8-1994, point 1.3.21.

⁵ Bull. 11-1994, point 1.3.9.

⁶ Twenty-seventh General Report, point 966; Bull. 11-1994, point 1.3.14.

⁷ Bull. 11-1994, point 1.3.6.

Section 4

European Economic Area, EFTA countries

European Economic Area

778. The Agreement creating the European Economic Area (EEA) entered into force on 1 January.¹ With over 370 million inhabitants, the EEA is the world's largest integrated trading area. It extends to Austria, Finland, Iceland, Norway and Sweden the four freedoms of the EU single market (free movement of goods, services, people and capital) and opens up great possibilities for cooperation in many sectors.

779. Responsibility for implementing the agreement lies with the EEA Joint Committee of representatives from the contracting parties, which held its inaugural meeting in January. By mid-March, the Committee had adopted a number of decisions amending and updating Protocols 1, 21, 30 and 37 to the Agreement. The EEA rules of origin were also revised so that producers could include materials originating in Switzerland in their products. On 21 March, the Committee adopted a decision amending Protocol 47 and a number of annexes with a view to incorporating in the agreement the additions to the *acquis communautaire* adopted between 1 August 1991 and 1 January 1994.² This wide-ranging decision entered into force on 1 July after the assent of Parliament on 5 May,³ ratification by the parliaments of the EFTA States concerned and formal adoption by the Council on 13 June.⁴ Over 400 acts of Community legislation were thereby incorporated in the agreement. Over the year, the Joint Committee adopted more decisions to include the most recent Community legislation on the single market. Those parts of the agreement governing cooperation outside the four freedoms were updated in June to enable the contracting parties to take part in a number of Community programmes.⁵ Agreement was reached in August on the participation of EEA countries in the fourth R&D framework programme⁶ and in the work of the European Environment Agency.⁷ A further 31 decisions on incorporation of Community legislation were taken by the Committee in the last quarter of the year.

¹ Bull. 1/2-1994, point 1.3.27.

² Bull. 3-1994, point 1.3.31.

³ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.3.23.

⁴ OJ L 160, 28.6.1994; Bull. 6-1994, point 1.3.17.

⁵ Particularly in the information technology, education, small and medium-sized enterprises, audiovisual, tourism and trade development fields.

⁶ Point 236 of this Report.

⁷ Point 483 of this Report.

780. The EEA Council, made up of members of the Council of the European Union and the Commission plus one member from each signatory EFTA government, is responsible for giving the political impetus needed to implement the agreement and for setting out general guidelines for the work of the EEA Joint Committee. At its first meeting on 17 May, the EEA Council responded favourably to Liechtenstein's wish to join the EEA.¹ Work has already begun on examining the changes the country intends to make to its regional union with Switzerland, particularly as regards its customs legislation, and on 7 December the Commission presented a communication proposing amendments to the EEA Agreement to enable Liechtenstein to participate.² At its second meeting on 20 December, the EEA Council reached agreement on the substance of the amendments to the protocols and annexes to the agreement needed for Liechtenstein. A formal decision on the matter will be taken in early 1995. The Council also reaffirmed its commitment to the EEA Agreement and its institutional set-up as a framework for future relations between the partners.

781. The EEA Joint Parliamentary Committee, which held its inaugural meeting on 24 and 25 January,³ subsequently met on three occasions, furthering dialogue between members of the European Parliament and members of parliament in EFTA countries belonging to the EEA. The EEA Consultative Committee, set up to act as a forum for contacts between employer and union representatives, met on 8 February⁴ and 21 June. With the participation of Mr Christophersen, it focused its discussions on the main areas of economic policy (growth, competitiveness and employment).

Relations with the EFTA countries

782. Bilateral relations with Austria, Finland, Norway and Sweden focused on enlargement⁵ and on implementation of the EEA Agreement.⁶ These were the main areas dealt with in visits to Finland by Mr Delors from 21 to 23 July⁷ and Mr Christophersen on 21 June,⁸ and in visits to the Commission by Mr Esko Aho, the Finnish Prime Minister, on 24 January⁹ and 7 June,¹⁰ and his Foreign

¹ Bull. 5-1994, point 1.3.22.

² Bull. 12-1994.

³ Bull. 1/2-1994, point 1.3.29.

⁴ Bull. 1/2-1994, point 1.3.28.

⁵ Point 723 of this Report.

⁶ Point 778 of this Report.

⁷ Bull. 7/8-1994, point 1.3.24.

⁸ Bull. 6-1994, point 1.3.19.

⁹ Bull. 1/2-1994, point 1.3.32.

¹⁰ Bull. 6-1994, point 1.3.18.

Minister, Mr Pertti Salolainen, on 10 January.¹ They were also top of the agenda for the visit by Mr Christophersen to Sweden on 17 and 18 February.²

783. Visits to the Commission in July by the Icelandic Prime Minister, Mr David Oddsson, and the Foreign Minister, Mr Jón Baldvin Hannibalsson, focused more on the future of bilateral relations in view of the accession of three members of the EEA to the European Union.³

784. Relations with Switzerland, following its rejection of EEA membership in its referendum,⁴ were conducted on the basis of the conclusions adopted by the Council in November 1993⁵ relating to the opening of bilateral sectoral negotiations based on an overall balance of mutual concessions. However, after the referendum of 20 February, approving a ban on the transit of all road haulage traffic through the Swiss Alps from 2004, the Council instructed the Commission on 21 February to look at the situation and the likely consequences for the Community.⁶ On the basis of a communication from the Commission,⁷ the Council adopted conclusions on 17 May reiterating the need for balanced mutual concessions within each sectoral agreement and expressing its desire to strike a balance, where necessary, between the various sectoral agreements concerned.⁸ It felt internal work should continue on the preparation and swift adoption of negotiating directives so that sectoral negotiations with Switzerland could begin at an appropriate time.

On 31 October the Commission adopted directives for the negotiation of agreements on the free movement of persons, on research, on farming, on mutual recognition of product evaluation and standards, and on access to public procurement contracts (Table III). The Council said it would use its findings and the reports to be drawn up periodically by the Commission detailing the state of play of the various negotiations to assess progress in each of the sets of sectoral talks. A final overall evaluation would also be made before the negotiations were concluded. In the light of the Council conclusions of 8 November 1993, 17 May 1994 and 31 October 1994, initial talks with Switzerland were held on 12 December in Brussels on the following issues: free

¹ Bull. 1/2-1994, point 1.3.31.

² Bull. 1/2-1994, point 1.3.33.

³ Bull. 7/8-1994, point 1.3.25.

⁴ Twenty-sixth General Report, point 789.

⁵ Twenty-seventh General Report, point 692.

⁶ Bull. 1/2-1994, point 1.2.97.

⁷ Bull. 5-1994, point 1.3.24.

⁸ Bull. 5-1994, point 1.3.25.

movement of persons, research, farming, mutual recognition of product evaluation and standards, and access to public procurement contracts.

On 21 November, the Council took cognizance of a communication from the Commission on the implementation of the Alps Initiative and its implications for the transport sector.¹ It noted that the conditions had been met for a resumption of discussions on the proposal for negotiating directives in the field of air and road transport with the aim of adopting them by March 1995.

¹ Point 395 of this Report.

Section 5

Central and Eastern Europe and Independent States of the former Soviet Union

Central and Eastern Europe

Overview

785. As a follow-up to the conclusions of the Copenhagen¹ and Corfu² European Council meetings, the Commission adopted communications on 13 and 27 July,³ subsequently endorsed by Parliament on 30 November,⁴ on preparing the countries of Central and Eastern Europe for accession. The Commission is proposing to use the Europe Agreements as a basis for providing a more elaborate structure for relations between the associated countries⁵ and the European Union institutions and to promote convergence, integration and regional cooperation in fields in which the Community is involved. The European Council meeting in Essen in December⁶ confirmed the conclusions of Copenhagen and Corfu and decided to build on the Europe Agreements to achieve closer relations with the associated countries.⁷ The strategy will be implemented by creating 'structured political relations' between the associated countries and the institutions of the Union and by preparing the former for integration into the internal market. Provision has been made for cooperation in the areas of the common foreign and security policy and justice and home affairs. By letters dated 31 March and 5 April respectively, the Hungarian Prime Minister, Mr Peter Boross, and the Polish Prime Minister, Mr Waldemar Pawlak, transmitted to Mr Theodoros Pangalos, President of the Council, their countries' formal applications for membership of the Union.⁸

Europe Agreements and other agreements

786. After completion of the ratification procedures and formal adoption by the Council,⁹ the Europe Agreements with Hungary and Poland entered into force on 1 February.¹⁰ The agreements are designed to establish close political

¹ Bull. 6-1993, point 1.26; Twenty-seventh General Report, point 662.

² Bull. 6-1994, point 1.13; point 1194 of this Report.

³ COM(94) 320; COM(94) 361; Bull. 7/8-1994, points 1.3.26 and 1.3.27.

⁴ OJ C 363, 19.12.1994; Bull. 11-1994, point 1.3.20.

⁵ Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovak Republic.

⁶ Bull. 12-1994.

⁷ Bulgaria, Hungary, Poland, Slovakia, the Czech Republic and Romania.

⁸ Bull. 4-1994, points 1.3.18 and 1.3.19; point 729 of this Report.

⁹ Twenty-seventh General Report, point 647.

¹⁰ Bull. 12-1993, point 1.3.20; Bull. 1/2-1994, point 1.3.42.

and economic ties with the countries concerned and thus help them prepare for membership. On 19 December the Council adopted Decisions concerning the conclusion of Europe Agreements establishing an association with the Czech Republic (Table III), the Slovak Republic (Table III), Bulgaria (Table III) and Romania (Table III) which will enter into force on 1 February 1995. On 23 November the Commission proposed opening negotiations with the six associated countries on modifications to the agricultural sections in the Europe Agreements and Interim Agreements so as to take account of the results of the Uruguay Round and the accession of Sweden, Finland and Austria. On 13 December¹ it also adopted proposals for Regulations concerning arrangements for implementing the Europe Agreements with Bulgaria and Romania.

787. On 19 December the Council adopted Decisions concerning the conclusion of free trade agreements between the Communities and Estonia (Table III), Latvia (Table III) and Lithuania (Table III). They will enter into force on 1 January 1995 and will replace the trade components of the existing trade and economic cooperation agreements concluded in 1992.² On 13 December the Commission adopted proposals for Regulations concerning arrangements for implementing the free trade agreements.³ In accordance with the declaration adopted by the Council and Commission on 7 February,⁴ negotiations were opened for the conclusion of Europe Agreements with each of the Baltic States on the basis of negotiating directives approved by the Council on 28 November (Table III). The Essen European Council in December⁵ called for the early conclusion of these agreements to allow the Baltic States to be included in the strategy it had outlined for preparing the associated countries of Central Europe for accession.⁶ In a communication on guidelines for a Union approach towards the Baltic Sea region adopted on 25 October,⁷ the Commission advocated a comprehensive approach to relations with all countries with a Baltic seaboard, in particular the Baltic States, Poland, Russia and the Scandinavian countries. The proposal is aimed at developing the regional context of cooperation with these countries and stepping up multilateral cooperation in a number of areas.

G24 coordination

788. The Commission continued to coordinate assistance from the Group of 24 and international institutions to the countries of Central and Eastern Europe. At the G24 meeting in Brussels on 28 March chaired by Mr Christophersen,⁸

¹ COM(94) 657; Bull. 12-1994.

² OJ L 403, 31.12.1992; Twenty-sixth General Report, point 747.

³ COM(94) 658; Bull. 12-1994.

⁴ Bull. 1/2-1994, point 1.3.40.

⁵ Bull. 12-1994.

⁶ See point 785 of this Report.

⁷ Bull. 10-1994, point 1.3.21.

⁸ Bull. 3-1994, point 1.3.34.

discussions focused mainly on macro-financial assistance for Albania, Romania and Bulgaria,¹ economic reform and the policies being implemented on reform. In accordance with the approach adopted in 1993,² the practice of considering countries individually was pursued further and led to high-level G24 meetings being held for Romania and Bulgaria in May and for the Slovak Republic in September. Progress was also made on individual sectors, notably in the form of meetings involving several countries aimed at developing transport and customs networks. In conjunction with public and private-sector banks, the G24 prepared the ground for the introduction of transport corridors in Central and Eastern Europe. The CSCE Conference on priorities for infrastructure in the Balkans was also closely followed. On a general level, the Commission continued to provide on-the-spot, project-oriented coordination through its delegations.

PHARE

789. In accordance with the conclusions of the June 1993 European Council,³ the Community continued to provide assistance through the PHARE programme to major infrastructure projects, border and customs facilities, telephone switching equipment and waste-water treatment plants. While the proportion of PHARE funding allocated exclusively to technical assistance fell in 1994, this was compensated by a corresponding increase in infrastructure funding. The Commission proposed the inclusion of Croatia in PHARE on 23 November.⁴

790. The Commission encouraged cooperation between border regions in the Member States and adjacent countries in the PHARE partner countries through a cross-border cooperation programme adopted on 4 July designed to promote structural initiatives and economic, social and technical measures to foster the development of cross-border regions.⁵ Twelve cross-border cooperation programmes involving land borders and sea crossings and totalling ECU 150 million were subsequently approved. A regional and municipal cooperation programme in which all the EU and PHARE countries could participate was also funded from this budget. The programme hinges on the co-financing concept: funds committed under it are matched on the EU side by funds coming from the Interreg II programme.⁶

¹ Point 66 of this Report.

² Twenty-seventh General Report, point 654.

³ Bull. 6-1993, point I.26.

⁴ COM(94) 526; Bull. 11-1994, point 1.3.41.

⁵ OJ L 171, 6.7.1994; Bull. 7/8-1994, point 1.3.28.

⁶ Point 466 of this Report.

791. The multiannual planning process introduced under the PHARE 1993-97 general guidelines¹ enabled multiannual indicative programmes to be signed with all PHARE countries.

792. The 125 programmes listed in Table 20 and totalling ECU 963.2 million were approved in 1994. The list includes the cross-border cooperation programmes, the democracy programme² and funding for the European Training Foundation in Turin.³ The programmes are indicative of PHARE's priorities and the proportion of funds going to private-sector development, infrastructure, institution building and support for the non-government sector is higher than in previous years.

793. Improvements in the implementation of programmes, a consequence of better understanding between the Commission and the partner countries and the reforms undertaken by the latter, were reflected in a distinct improvement in the percentage of funds committed compared with previous years. The implementation of most programmes is now entirely decentralized and public awareness of PHARE has been improved thanks to the Commission's commitment to openness and information.

794. A number of resolutions concerning PHARE were adopted by Parliament during the year. On 18 January it criticized the reduction in the share of the programme devoted to the environment.⁴ On 11 February Parliament welcomed the conclusion of association agreements with the countries of Central and Eastern Europe, but emphasized the need to continue Community assistance to them within the PHARE framework.⁵

795. The Commission adopted its annual report on the implementation of the PHARE programme in 1992 on 12 December.⁶

Other forms of cooperation

796. As a follow-up to its communication of 11 May⁷ and the negotiating directives adopted by the Council in July,⁸ the Commission proposed in December the conclusion of additional protocols to the Europe Agreements on

¹ Twenty-seventh General report, point 656.

² Bull. 6-1994, point 1.3.22.

³ Point 311 of this Report.

⁴ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.3.35.

⁵ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.36.

⁶ COM(94) 577; Bull. 12-1994.

⁷ Bull. 5-1994, point 1.3.28.

⁸ Bull. 7/8-1994, point 1.3.31.

opening Community programmes for participation by the associated countries of Central and Eastern Europe (Table III).

797. A number of countries were granted macro-financial support loans.¹ An ECSC loan of USD 50 million was approved on 14 February for restructuring and modernizing the Huta Katowice steelworks in Poland,² and in March the Council decided to extend Euratom loans to various Central and East European countries to help improve the safety of their nuclear power plants.³ The scientific cooperation programmes were continued.⁴

Political dialogue

798. In line with the conclusions of the June 1993 European Council,⁵ considerable progress was achieved towards the goal of structuring the relationship between the associated countries and the institutions of the European Union, a development welcomed by the European Council in Essen in December.

799. The Copenhagen European Council had provided for regular meetings between the presidents of the European Council and the Commission and their counterparts from the associated countries, for joint meetings of all the Heads of State or Government and for increased political dialogue on foreign and security policy matters. A number of meetings bringing together foreign ministers,⁶ other ministers⁷ and political directors were held.

Bilateral relations

Poland, Hungary, Czech Republic and Slovakia

800. Following the entry into force of the Europe Agreements with Hungary and Poland, the Association Councils had their first meetings in Brussels on 7 March.⁸ Two meetings of the Association Committee for Hungary took place, one in Budapest on 19 and 20 April and one in Brussels on 25 November. The Association Committee for Poland met twice, on 23 and 24 June in Warsaw and on 1 and 2 December in Brussels. The EC-Poland Joint Committee met in Warsaw on 24 and 25 January.

¹ Point 66 of this Report.

² Council Decision 1/94/ECSC.

³ Point 1162 of this Report.

⁴ Point 281 of this Report.

⁵ Twenty-seventh General Report, points 646 and 662.

⁶ Bull. 10-1994, point 1.3.19.

⁷ Bull. 9-1994, point 1.4.1; Bull. 10-1994, point 1.3.20 to discuss the internal market, cooperation on justice and home affairs issues and the environment.

⁸ Bull. 3-1994, points 1.3.39 and 1.3.42.

TABLE 20
Operation PHARE: financial aid granted in 1994

(million ECU)

Beneficiary country	Sector											Total
	Agriculture	Private sector, SMEs	Financial sector	Environment and nuclear safety	Social development, labour and health	Education, training and R&D	Infrastructure: energy, telecommunications, transport, etc.	Public administration and institutions, including customs, statistics, foreign trade	Humanitarian aid	Democracy, civic society, NGOs	GTAFI & others	
Albania	5.0				7.0	2.4	23.0	4.6	7.0			49.0
Bulgaria		3.0		5.0		12.0	62.6	1.2		1.2		83.0
Estonia		8.0		2.5		4.5	6.0				1.5	22.5
Hungary		16.5		15.5		24.0	29.0					83.0
Latvia			14.5	5.5		5.0					4.5	29.5
Lithuania			14.5	1.0		6.0	16.5				1.0	39.0
Poland	2.5	9.0	22.0	12.0	9.0	39.0	93.8	21.5		5.0		208.8
Romania		23.4				37.0	25.0	9.6				100.0
Slovakia	5.0		5.0		5.5	9.0	6.5	4.0			5.0	40.0
Czech Republic	4.5			14.0	14.0	5.5	25.0	11.0				60.0
Slovenia		12.5			5.5	5.5	6.0		23.0			24.0
FYROM								2.0				25.0
Multi-country programmes				13.0		17.0	31.0	25.0				86.0
Other programmes		21.0		23.0	10.0	7.0	2.0	3.0			43.5	109.5
Total	17.0	93.4	56.0	77.5	45.5	173.9	326.4	81.9	30.0	6.2	55.5	963.3 ²

NB: Empty cells signify no financing.

1 General Technical Assistance Facility.

2 ECU 15.7 million from the 1994 budget has been carried over to 1995.

801. Mr Delors visited Hungary from 3 to 5 March,¹ where he met the Prime Minister, Mr Peter Boross, and also Poland from 19 to 21 May,² where he had talks with President Lech Walesa, the Prime Minister, Mr Waldemar Pawlak, and other members of the government. These visits provided the opportunity to review the working of the Europe Agreements. Sir Leon Brittan³ and Mr van den Broek⁴ visited Poland and the Czech Republic respectively. Mr Pawlak and Mr Vaclav Klaus, Prime Minister of the Czech Republic, visited the Commission on 3 February⁵ and 10 March⁶ respectively for talks with Mr Delors and other members of the Commission. Mr Géza Jeszenszky, Hungary's Minister of Foreign Affairs, and his successor, Mr László Kovács, visited the Commission on 7 March and 19 October respectively. Mr Andrzej Olechowski, the Polish Foreign Minister, visited the Commission on 7 March.

Estonia, Latvia and Lithuania

802. Sir Leon Brittan took part in the ministerial meeting of the Council of the Baltic Sea States in Tallinn, Estonia, on 24 and 25 May. He visited Lithuania, Latvia and Estonia from 16 to 20 September, where he held talks with leading representatives of each country. President Algirdas Brazauskas of Lithuania visited the Commission on 27 January⁷ and met Mr Delors and Mr van den Broek. Mr Valdis Birkavs, Prime Minister of Latvia, Mr Juri Luik, the Estonian Foreign Minister, and Mr Povilas Gylys, Foreign Minister for Lithuania, also visited Brussels.

803. The withdrawal of Russian troops from the Baltic States was the subject of a resolution by Parliament on 21 April⁸ and several statements by the European Union.⁹

Albania, Bulgaria and Romania

804. The first meeting of the EC-Albania Joint Committee was held in Tirana on 10 and 11 March. Two subcommittees were set up, the first to discuss harmonization of legislation and the second to further cooperation in customs. The EC-Bulgaria Joint Committee met on 24 and 25 March in Sofia and on

¹ Bull. 3-1994, point 1.3.40.

² Bull. 5-1994, point 1.3.32.

³ Bull. 1/2-1994, point 1.3.44.

⁴ Bull. 4-1994, point 1.3.24.

⁵ Bull. 1/2-1994, point 1.3.45.

⁶ Bull. 3-1994, point 1.3.43.

⁷ Bull. 1/2-1994, point 1.3.41.

⁸ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.23.

⁹ Point 759 of this Report.

14 September in Brussels. The EC-Romania Joint Committee met in Brussels on 20 and 21 October.

805. Mr Sali Berisha, President of Albania, met Mr Delors in Brussels on 24 February.¹ Relations between the European Community and Albania were also the subject of a resolution by Parliament on 9 February.²

Independent States of the former Soviet Union

Overview

806. In the course of the year, political dialogue between the European Union and the New Independent States (NIS) was stepped up. Far-reaching partnership and cooperation agreements signed with several of these countries underline the importance of the political and economic relationship which the European Union seeks to develop with them. The Essen European Council³ welcomed the signing of the partnership agreement with Ukraine, the reforms already introduced and the adoption of a common position setting out European Union objectives and priorities regarding Ukraine.⁴ It also called for the early ratification of the agreement with Russia in order to establish a sustained constructive dialogue with that country. Pending the setting-up of the formal framework for dialogue which is part of the above agreements, a series of meetings was held with representatives of the newly Independent States at various levels. Bilateral dialogue continued in high-level meetings between representatives of NIS governments and the Commission,⁵ which continued its efforts to support reform in these countries, basically through technical assistance and humanitarian aid. The Commission also played a significant role in coordinating assistance to them, although the eventual aim is that aid should be replaced by trade. Further market-opening measures were therefore introduced to facilitate market access for products from the partner countries.

Partnership and other agreements

807. Negotiations for a new generation of partnership and cooperation agreements (PCAs) were either concluded or opened with a number of the newly Independent States. These agreements will have a wide scope covering political,

¹ Bull. 1/2-1994, point 1.3.38.

² OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.37.

³ Bull. 12-1994.

⁴ Bull. 11-1994, point 1.3.1.; point 752 of this Report.

⁵ Georgia, Armenia, Moldova, Russia and Ukraine.

commercial, economic and cultural cooperation. When in force they will replace the agreement on trade and commercial and economic cooperation with the former Soviet Union signed on 18 December 1989.¹ At the initial stage at least, they will remain non-preferential agreements, but the PCAs with Russia, Ukraine and Moldova refer to possible future free trade arrangements. The PCA with Russia was signed on 24 June (Table III) at the European Council in Corfu² and the PCA with Ukraine was signed on 14 June (Table III).³ The Council adopted guidelines on 7 March for a case-by-case approach to the establishment of future contractual relations with the countries of the Commonwealth of Independent States (CIS) apart from the Russian Federation and Ukraine.⁴ The PCA with Moldova was signed on 28 November (Table III). The PCAs with Kazakhstan and Kyrgyzstan were initialled in May (Table III). Lastly, on 14 November, the Council adopted amended negotiating directives for a partnership and cooperation agreement⁵ and an interim agreement on trade and trade-related measures with Belarus (Table III).

808. In order to allow trade and trade-related provisions in the PCAs not requiring ratification by national parliaments to enter into force in 1995, the Commission negotiated interim agreements with Ukraine (Table III) and Russia (Table III). Similar agreements will be negotiated with all the countries that have concluded PCAs. The Council has already authorized negotiations with Moldova (Table III), Kazakhstan (Table III) and Kyrgyzstan (Table III).

Assistance for the Independent States of the former Soviet Union

809. The TACIS programme⁶ continued to provide substantial aid to the newly Independent States to assist in the process of transition to a market economy. Early in 1994, the TACIS 1993 action programmes were launched, along with the preparation and approval procedure for the 1994 action programmes. The Commission adopted the 1993-94 action programmes for Azerbaijan (ECU 8 million), Georgia (ECU 8 million), Turkmenistan (ECU 8 million) and Uzbekistan (ECU 15 million)⁷ and the 1994 action programmes for Belarus (ECU 7 million),⁸ Russia (ECU 150 million), Kazakhstan (ECU 14 million), Mongolia (ECU 8 million), Tadjikistan (ECU 4 million) and Ukraine (ECU 43 million).⁹ It also adopted three nuclear safety action programmes

¹ OJ L 68, 15.3.1990; Twenty-third General Report, point 797.

² Bull. 6-1994, point 1.3.30.

³ Bull. 6-1994, point 1.3.34.

⁴ Bull. 3-1994, point 1.3.49.

⁵ Bull. 10-1994, point 1.3.31.

⁶ OJ L 187, 29.7.1993; Twenty-seventh General Report, point 675.

⁷ Bull. 3-1994, point 1.3.46.

⁸ Bull. 6-1994, point 1.3.29.

⁹ Bull. 10-1994, point 1.3.27.

(ECU 67.5 million) for Russia, Ukraine and the other CIS countries.¹ The 1994 TACIS multi-country action programme (ECU 47 million) was approved in October.² Two further multidisciplinary, technical assistance action programmes (ECU 15 million)³ and a programme to promote democracy (ECU 5 million)⁴ were adopted by the Commission. The committing of funds was speeded up considerably in 1994 following the introduction of multiannual programming in 1993⁵ and the resulting establishment of the 1993-95 TACIS indicative programmes. In this connection, the 1994-95 technical assistance indicative programmes for Mongolia⁶ and Tadjikistan⁷ were approved in July and the 1993-95 indicative programmes for Belarus and Ukraine⁸ were amended at their request. Nearly all the appropriations available under the 1994 programme were committed in the first half of the year, enabling some contracts to be signed in the same budget year. Meanwhile, the contracting performance under the TACIS programmes of previous years also improved significantly. By the end of the year, contracts had been signed for 85% of the total 1992 funding allocation (ECU 418.8 million) and about 50% of the total 1993 budget (ECU 472 million). The Commission also took some important steps with a view to decentralizing further the TACIS programme.

810. Starting in early 1994, the monitoring of TACIS was ensured through the work of teams of monitors who assessed the design and results of about half of the completed or ongoing projects. In May the Commission presented to the TACIS Committee a progress report covering the period August to December 1993. In addition, reports reviewing the performance of TACIS were presented to Parliament in March and in September.

811. TACIS significantly increased its commitment to information and communication in 1994. Programmes were launched to improve understanding and the public image of TACIS in the New Independent States, and to build better relationships with its key audiences.⁹ A series of new publications was produced for wide distribution, including contract information documents.

812. Parliament commented on these issues in a resolution adopted on 22 April on evaluation of Western aid to the CIS.¹⁰

¹ Bull. 9-1994, point 1.3.8.

² Bull. 10-1994, point 1.3.29.

³ Bull. 3-1994, points 1.3.44 and 1.3.45.

⁴ Bull. 6-1994, point 1.3.28.

⁵ OJ L 187, 29.7.1993; Twenty-seventh General Report, point 675.

⁶ Bull. 7/8-1994, point 1.3.37.

⁷ Bull. 7/8-1994, point 1.3.38.

⁸ Bull. 9-1994, point 1.3.9.

⁹ Bull. 7/8-1994, point 1.3.39.

¹⁰ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.26.

813. The Commission played an important role in the coordination of assistance to the New Independent States, because of its experience in the provision of technical assistance to the former Soviet Union and the scale of the programmes being implemented. It participated in the 1994 World Bank country consultative groups for Kazakhstan, Kyrgyzstan, Georgia and Armenia and the World Bank informal meetings for Georgia and Ukraine. Cooperation continued at operational level to ensure the exchange and analysis of information on the content of donor programmes to avoid duplication and take advantage of potential complementarity between donor programmes and activities in the framework of TACIS. An effort was also made to implement joint operations based on the combining and cofinancing of activities. In this field the Commission developed particularly close links with the World Bank, the EBRD, the OECD and the US. A specific partnership and cooperation programme was launched to co-finance projects with Member States. Projects are submitted by business interests in Member States in partnership with beneficiary institutions in the NIS. Projects are preselected at national level, thus allowing Member States to ensure that they are coordinated with and are complementary to their own activities. The Commission is responsible for the final selection and management of projects and contributes 50% of the costs.

814. As regards food aid and medical assistance, the Commission continued implementation of the ECU 1.25 billion loan granted to the former Soviet Union in 1991¹ which was converted into individual loans to the newly Independent States after the break-up of the USSR. Consignments of food and medical supplies to the Republics that signed loan agreements in 1992 and 1993 amounted to almost ECU 950 million and thus enabled them to cover a large part of their 1993 shortfall. In response to urgent appeals for additional loans by Kazakhstan and Moldova, the Commission decided to grant a further ECU 30 million to the former and ECU 10 million² to the latter for imports of medical supplies. Loan agreements were also signed with Uzbekistan and Azerbaijan, which had been declared eligible under a Council decision of 15 November 1993,³ for ECU 59 million and ECU 68 million respectively. Following urgent requests for food aid from Georgia, Armenia, Azerbaijan, Tadjikistan and Kyrgyzstan, the Council decided on 27 July to grant food aid worth ECU 165 million to cover expected food shortages during the winter of 1994-95.⁴ On 24 October the Council decided by Regulation (EC) No 2621/94⁵ to include Moldova under the Regulation adopted in July on the free supply of agricultural products to the people of Georgia, Armenia, Azerbaijan, Kyrgyzstan and Tadjikistan.

¹ OJ L 362, 31.12.1991; Twenty-fifth General Report, point 844; point 1156 of this Report.

² Bull. 6-1994, point 1.3.33.

³ Twenty-seventh General Report, point 680.

⁴ Council Regulation (EC) No 1999/94: OJ L 201, 4.8.1994; Bull. 7/8-1994, point 1.3.40.

⁵ COM(94) 415; OJ L 280, 29.10.1994; Bull. 10-1994, point 1.3.30.

Bilateral relations

815. A special meeting of G7 finance ministers was held in Kromberg on 26 February¹ to discuss the situation in the Russian Federation. Sir Leon Brittan visited Moscow on 1 and 2 May² for talks with Mr Alexander Shokhin, the Deputy Prime Minister, on the partnership and cooperation agreement, which was subsequently signed in Corfu in June.³ President Yeltsin met the Heads of State or Government of the European Union, together with Mr Delors, in Corfu and also took part later in the political discussions at the Western Economic Summit meeting held in Naples.⁴ Parliament adopted a resolution on 9 February supporting Russian moves to revitalize the economy of Kaliningrad.⁵ Finally, in accordance with the agreement signed in 1989 with the former Soviet Union,⁶ the EC-Russian Federation Joint Committee met in Moscow on 1 and 2 December.

816. Mr Anatoly Zlenko, Ukraine's Foreign Minister, met Sir Leon Brittan on 8 February.⁷ The Community troika and Mr van den Broek visited Kiev on 10 March,⁸ where they met President Leonid Kravchuk and Mr Zlenko for talks on numerous political, economic and security issues. They also discussed the partnership and cooperation agreement. When the PCA was signed in Luxembourg on 14 June,⁹ Mr Kravchuk had talks with the Union's foreign ministers attending the Council meeting there. The Commission also adopted a communication on 27 April¹⁰ on the options for stepping up cooperation with and assistance to Ukraine, a proposal that had been examined in detail when Sir Leon Brittan met Mr Kravchuk during his visit to Kiev from 4 to 6 May.¹¹ Parliament adopted a resolution on 21 April concerning the conduct of the elections and the situation in Ukraine.¹² The Ukrainian Foreign Minister, Mr Hennadiy Udovenko, visited Brussels on 1 December.¹³ On 22 December the Council granted Ukraine a macro-financial support loan.¹⁴

817. Mr Mircea Snegur, President of Moldova, visited the Commission on 16 March¹⁵ for talks with Sir Leon Brittan on the situation in his country and

¹ Bull. 1/2-1994, point 1.3.50.

² Bull. 5-1994, point 1.3.38.

³ Point 1194 of this Report.

⁴ Point 818 of this Report.

⁵ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.51.

⁶ OJ L 68, 15.3.1990; Twenty-third General Report, point 685.

⁷ Bull. 1/2-1994, point 1.3.53.

⁸ Bull. 3-1994, point 1.3.52.

⁹ Point 807 of this Report.

¹⁰ Bull. 4-1994, point 1.3.28.

¹¹ Bull. 5-1994, point 1.3.39.

¹² OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.29.

¹³ Bull. 12-1994.

¹⁴ Point 67 of this Report.

¹⁵ Bull. 3-1994, point 1.3.50.

the state of bilateral relations. Mr Snegur visited the Commission again on 28 November and met Mr Christophersen and Mr Van den Broek for the signing of the partnership Agreement. Moldova was granted macro-financial assistance during the year.¹ On 31 May the President of Kyrgyzstan, Mr Askar Akayev, visited the Commission where he held talks with Sir Leon Brittan on TACIS and the partnership and cooperation Agreement initialled the same day. Parliament adopted a resolution on 9 February on the hostilities between Armenia and Azerbaijan.²

¹ Point 67 of this Report.

² OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.49.

Section 6

Relations with the United States, Japan and other industrialized countries

Western Economic Summit¹

818. On the political front, the G7 Summit held in Naples in July brought a significant development in the form of the participation in political discussions of Mr Boris Yeltsin, President of the Russian Federation. The representatives of the participating nations and Mr Delors gave their unreserved backing to the Geneva peace plan proposing a viable territorial arrangement to the parties to the Bosnian conflict,² welcomed the end of apartheid in South Africa³ and expressed their support for the Middle East peace process⁴ and reconstruction in Lebanon. They voiced their concern at the civil war in Yemen,⁵ terrorist activities, the crisis in Algeria⁶ and the situations in Rwanda⁷ and Angola⁷ and called for compliance with UN Security Council resolutions on Iraq, Libya and Haiti, emphasizing the role of the United Nations and regional organizations in working for world peace, security and cooperation. The participants reaffirmed their commitment to nuclear non-proliferation and human rights.

819. On the economic front,⁸ the main issues tackled by the seven Heads of State or Government and Mr Delors were employment, growth and competitiveness. Reaffirming the growth strategy adopted at the Tokyo Summit,⁹ the participants expressed their support for faster reform to improve the ability of the G7 nations' economies to generate employment and proposed a number of structural measures for implementation. They discussed maintaining the momentum of liberalization of international trade and international cooperation on environmental matters and combating transnational organized crime and money-laundering, and undertook to continue assistance to developing countries, Central and Eastern Europe, Russia and Ukraine. They put to Ukraine

¹ Bull. 7/8-1994, point 1.3.52. The Summit produced a communiqué and a Chairman's statement. Both appear in full in Bull. 7/8-1994, point 2.3.1.

² Point 850 of this Report.

³ Point 843 of this Report.

⁴ Point 861 of this Report.

⁵ Point 874 of this Report.

⁶ Point 856 of this Report.

⁷ Point 973 of this Report.

⁸ Point 59 of this Report.

⁹ Twenty-seventh General Report, point 693.

a plan of action for nuclear safety and energy supply reform which provides among other things for the closure of the Chernobyl power station.

United States

820. Two EU-US summits were held in the context of the 1990 Transatlantic Declaration,¹ one on 11 January² and the other on 12 July.³ The July summit consolidated the results of the January summit and brought agreement on closer consultation and making the summits themselves more effective. To those ends, three *ad-hoc* high-level groups of experts were established (one to promote cooperation with and between the countries of Central and Eastern Europe, one to develop joint efforts to combat international crime and drug trafficking and one to improve EU-US transatlantic dialogue, particularly on foreign policy). A Parliament resolution of 24 March stressed the importance of relations between the European Union and the United States.⁴

821. On the political front, dialogue was stepped up at all levels, promoting better understanding and coordination of positions. After the first of the summits,⁵ Mr van den Broek and Mr Papoulias (Greece's Foreign Minister and President of the Council) met Mr Warren Christopher, the US Secretary of State in Washington on 31 January.⁶ The subjects discussed included Central and Eastern Europe, the former Soviet Union, Bosnia-Herzegovina and the Middle East. Mr Strobe Talbott (US Deputy Secretary of State) had talks in Brussels with Mr van den Broek on 13 April to review the main political issues of common interest. The 20th troika meeting at political director level took place in Washington on 18 May. It covered subjects including the former socialist countries, the Middle East, the Maghreb and South Africa, and served as a forum to coordinate preparation of the Berlin Summit in July.⁷ On 13 May the foreign ministers of the troika and those of France, the United Kingdom, Russia and the United States, together with Mr van den Broek, agreed in Geneva on a joint strategy aimed at bringing an end to the war in the former Yugoslavia.⁸ A peace plan to be submitted to the warring parties was approved at another ministerial meeting held on 5 July.⁹ The EU foreign ministers, joined for the first time by their Austrian, Finnish, Norwegian and Swedish counterparts and

¹ Twenty-fourth General Report, point 693.

² Bull. 1/2-1994, point 1.3.65.

³ Bull. 7/8-1994, point 1.3.54.

⁴ OJ C 114, 25.4.1994; Bull. 3-1994, point 1.3.65.

⁵ Point 820 of this Report.

⁶ Bull. 1/2-1994, point 1.3.66.

⁷ Point 820 of this Report.

⁸ Bull. 5-1994, point 1.3.4; point 850 of this Report.

⁹ Point 850 of this Report.

accompanied by Mr van den Broek, met the US Secretary of State in New York on 29 September, at the opening of the UN General Assembly session, to discuss international political issues and implementation of the decisions taken at the Berlin Summit.

822. On the economic front the US Trade Representative, Mr Mickey Kantor, came to the Commission on 10 January¹ for talks with Sir Leon Brittan on matters connected with the completion of the Uruguay Round of trade negotiations.² He also met Mr Bangemann and Mr Vanni d'Archirafi. Sir Leon was in Washington from 24 to 26 April.³ His engagements included talks with Mr Kantor on the implementation of the agreement resulting from the completion of the Uruguay Round, Japan, Central and Eastern Europe, and Russia and China's accession to GATT. The summit held on 11 January had focused on economic matters, competitiveness and employment.⁴ The European Union and the United States also cooperated closely in the preparation of the G7 Conference on employment held in March.⁵ It was agreed at the subsequent G7 Summit in Naples⁶ that a conference on the 'information society' should be arranged. Two meetings at director-general level were held (one in February in Brussels, the other in September in Washington) notably to discuss new trade issues and the follow-up to the Uruguay Round,⁷ relations between the European Union, the United States and Japan, the outlook for the world economy, the reshaping of existing multilateral economic institutions, investment policy and the state of bilateral relations in general.

During his visit to the Commission, on 15 December,⁸ Mr Ronald Brown, the Secretary of Commerce, met Sir Leon Brittan, Mr Bangemann and Mr Millan. Discussion centred on political and economic aspects of transatlantic relations, the liberalization of trade in the wake of the Uruguay Round, and relations with third countries, in particular the countries of Central and Eastern Europe, Russia, China and Japan. Competitiveness, commercial policy and the information society also featured on the agenda.

823. Bilateral negotiations for a new agreement on public procurement were concluded on 13 April,⁹ marking an important step in liberalizing such trade. It proved impossible, however, to reach agreement on telecommunications, an area in which US sanctions and the retaliatory measures introduced by the

¹ Bull. 1/2-1994, point 1.3.67.

² Point 985 of this Report.

³ Bull. 4-1994, point 1.3.39.

⁴ Point 820 of this Report.

⁵ Point 563 of this Report.

⁶ Bull. 7/8-1994, point 1.3.52.

⁷ Point 985 of this Report.

⁸ Bull. 12-1994.

⁹ Point 158 of this Report.

European Union through Council Regulation (EEC) No 1461/93 remain.¹ Exploratory talks and negotiations took place for agreements in other areas including air cargo, customs cooperation and cooperation on nuclear power. Negotiations got under way in around 10 industries for a mutual recognition agreement regarding the assessment of conformity of certificates and marks.² Consultations took place within the framework of the existing bilateral agreement on trade in civil aircraft³ and bilateral talks started on US legislation governing conditional national treatment and computer reservation systems. Several rounds of negotiations were held in connection with the veterinary agreement between the EU and the United States, in accordance with Council Decision 93/158/EEC;⁴ talks over the European Union's request to the United States to scale down the retaliatory measures connected with the hormones dispute continued, but without success.⁵ In February the Council approved the EU-US agreement on spirits which provides for mutual recognition of certain American and European names.⁶

824. The report of the GATT panel examining a complaint by the EU regarding restrictions on US imports of tuna (in connection with fishing methods which kill dolphins) concluded that the US had violated Articles III and XI of the GATT.⁵ The panel examining US tobacco legislation, which affects European exports, also found the US to be in the wrong.⁵ Following a request from the US and in accordance with Article XXIII of the GATT, consultations on imports from Europe of canned sardines and tuna took place in May.

825. In May the Commission published its annual report on United States barriers to trade and investment.⁷ The European Union and the US were once again each other's main trade and investment partners in 1994. Bilateral trade totalled USD 200 billion in 1993 and the aggregate amount of direct investment in both directions was USD 460 billion (at historic prices).

826. The decision taken by President Clinton on 3 March to revive 'Super 301' provoked concern on the part of the European Union because the provision allows the US administration to act unilaterally to press US interests under international trade agreements. In addition, the judgment delivered in August⁸ by the Court of Justice on the agreement between the US Government and the

¹ OJ L 146, 17.6.1993; Twenty-seventh General Report, point 695.

² Twenty-seventh General Report, point 697.

³ OJ L 301, 17.10.1992; Twenty-sixth General Report, point 699.

⁴ OJ L 68, 19.3.1993; Twenty-sixth General Report, point 99.

⁵ Twenty-seventh General Report, point 699.

⁶ Point 615 of this Report.

⁷ Bull. 5-1994, point 1.3.50.

⁸ Judgment of 9 August 1994 in Case C-327/91, OJ C 275, 1.10.1994; Bull. 10-1994, point 1.7.15.

Commission regarding the application of their competition laws¹ declared void the act by which the Commission sought to conclude that agreement. On 19 December the Council authorized the Commission to negotiate an exchange of letters interpreting the agreement regarding the application of competition laws (Table III).

827. At the Quad meeting held in Los Angeles in September,² Mr Mickey Kantor (US Trade Representative), Mr Ryutaro Hashimoto (Japanese Minister of International Trade and Industry), Mr Roy MacLaren (Canadian Minister of International Trade) and Sir Leon Brittan discussed the issues of strengthening the multilateral trading system and implementing the agreement resulting from the Uruguay Round negotiations.

Japan

828. The approach set out in 1993 continued to be followed despite the government changes in Japan, and dialogue (particularly between experts) was stepped up. Political upheaval caused the yearly high-level EU-Japan meetings to take place later than planned, however.

829. The sixth ministerial meeting between the Commission and the Japanese Government took place in Tokyo on 19 November.³ The Commission was represented by Sir Leon Brittan, Mrs Scrivener and Mr Steichen, and Japan by the Foreign Minister, Mr Yohei Kono, the Minister for International Trade and Industry, Mr Ryutaro Hashimoto, the Finance Minister, Mr Masayoshi Takemura, the Agriculture Minister, Mr Taichiro Okawara, and the Director-General of the Economic Planning Agency, Mr Masahiko Komura. The meeting produced tangible results: Japan agreed to the establishment of an EU-Japan equal-treatment arrangement (comparable to that which now exists between the US and Japan to ensure that US goods receive the same treatment as Japanese goods) and undertook to invite European industry representatives to Japanese Government discussions on public procurement. The elimination of certain specific obstacles which prevented European goods from penetrating the Japanese market was also achieved. The Commission pressed the Japanese Government to take appropriate steps (particularly in connection with deregulation and stimulating recovery) to reduce the country's current account surplus to 2% of GDP by 1996.

¹ Point 185 of this Report.

² Bull. 9-1994, point 1.3.14.

³ Bull. 11-1994, point 1.3.53.

830. On the political front, the EU foreign ministers (troika) and Mr van den Broek saw the Japanese Foreign Minister, Mr Yohei Kono, on 26 September for their annual meeting during the UN General Assembly. The two sides stressed their desire for closer political dialogue.

831. The EU political directors (troika) and a representative of the Commission had two meetings with their Japanese opposite numbers, one in Tokyo on 18 April, the other in Bonn on 23 November. Their discussions focused on EU-Japan relations and the prospects for greater political dialogue, but also covered regional matters (north-east Asia, the Asia-Pacific region and Eastern Europe), EU-US-Japan relations and reform within the United Nations.

832. The Japanese Prime Minister, Mr Tsutomu Hata, had talks on 6 May with Mr Delors on Japan's political and economic situation and its desire to raise its international profile.¹ Mr Hata and Mr Delors agreed to call meetings of experts to discuss deregulation. On 11 April Mr Bangemann had met Mr Hiroshi Kumagai, Japanese Minister for International Trade and Industry,² to discuss the promotion and development of bilateral cooperation concerning the 'information society'.³

833. The annual high-level consultations between the EU and Japan were held in Brussels on 27 and 28 July. They dealt with bilateral economic relations, chiefly the various fields in which cooperation had been established and the main disputes connected with access to the Japanese market. Operation of the TAM (trade assessment mechanism) was extended.⁴ The Japanese Government's deregulation programme was also discussed, and the technical talks on various aspects of regulation, which had begun in June, continued in October.

834. The first meeting of the trade cooperation committee (intended to establish a close link between EU export promotion programmes and Japan's import promotion programme) was held on 27 October. Sir Leon Brittan presided over the official European launch of the 'Gateway to Japan' export promotion programme in Brussels on 17 February. At the end of October, the businesses recruited by the Commission attended the Logis-tech (handling) and Jimtof (machine tools) fairs in Japan.

835. Bilateral cooperation meetings continued at a greater pace. The first Europe-Japan forum on science and technology took place in Tokyo on 8 June

¹ Bull. 5-1994, point 1.3.51.

² Bull. 4-1994, point 1.3.40.

³ Point 327 of this Report.

⁴ Twenty-seventh General Report, point 703.

and was attended by Mr Ruberti.¹ With regard to social matters, the most recent ministerial-level meeting occurred in Tokyo on 14 October and was held in tandem with a bilateral seminar on employment attended by Mr Flynn. With regard to industrial cooperation, it was decided at the second meeting on the subject, held in Tokyo on 14 June, to extend the existing programme to computer components, car components and office automation equipment. As part of the regular director-general level dialogue, talks were held in Tokyo on 22 July to discuss macroeconomic issues. Talks on protection of the environment held on 12 and 13 October centred on the problems of CO₂ emissions and the handling of waste.

Other industrialized countries

Canada

836. In the wake of the change of government at the end of 1993, the high-level meetings held this year confirmed the two parties' commitment to strengthening bilateral relations in the areas of international political cooperation and economic matters.

837. Canada's Prime Minister, Mr Jean Chrétien, and several members of the government had talks in Brussels with Mr Delors on 11 January.² The Commission President made a return visit to Ottawa on 16 April. The annual ministerial meeting provided for by the 1976 Framework Agreement between the European Communities and Canada³ was held in Brussels on 6 June.⁴ It was attended by Mr MacLaren (Minister for International Trade) and several members of the Commission. In the context of the 1990 EEC-Canada Transatlantic Declaration,⁵ a summit attended by Mr Delors, Chancellor Kohl and Mr Chrétien was held in Bonn on 6 July.⁶ The subjects of discussion included the employment situation, sectoral matters, Ukraine and Bosnia-Herzegovina.

838. Political dialogue between the European Union and Canada, which resumed during the course of the year, revealed a coincidence of positions on a number of international issues. The two sides consequently upheld the efforts to bring peace to the former Yugoslavia and played an important role in acting as election observers and backing reform in Russia and South Africa. Canada

¹ Point 282 of this Report.

² Bull. 1/2-1994, point 1.3.69.

³ OJ L 260, 24.9.1976; Tenth General Report, point 541.

⁴ Bull. 6-1994, point 1.3.50.

⁵ Twenty-fourth General Report, point 712.

⁶ Bull. 7/8-1994, point 1.3.53.

was involved in the inaugural conference for the Stability Pact and the round table conference on the Baltic States.¹ The impetus provided by the July summit² resulted in the first meeting between Canadian and EU political directors (troika), held in Bonn on 22 November. During in-depth discussion of a wide range of matters of common interest the participants found much to agree upon. This made a considerable contribution to closer transatlantic political relations.

839. Discussions on trade issues with the Canadian Government were begun. These dealt with matters including exports from Europe of beef and veal and wheat-based products, and the anti-dumping proceedings affecting EU steel exports. The EU called on Canada to ratify the bilateral fisheries agreement, while protesting at the fact that Canadian legislation allowed action to be taken against foreign vessels outside the country's 200-mile fishing limit.³ Negotiations for an agreement on science and technology were completed in June.⁴ Substantial progress was also made towards an agreement on customs matters and a mutual recognition agreement regarding the assessment of conformity of certificates and marks for industrial goods.

Australia

840. In political matters the dialogue established in 1990 continued, with Mr Gareth Evans, Foreign Minister, meeting successive Council presidents Mr Theodoros Pangalos (in January) and Mr Klaus Kinkel (in July). During both meetings, discussions focused on the progress of European integration and developments in the Asia-Pacific region. Within the context of ministerial consultations, Sir Leon Brittan visited Australia on 23 and 24 February for bilateral talks with Prime Minister Mr Paul Keating and several other members of the government.⁵ Discussion centred on the prospects for cooperation, with stress on the two parties' desire for closer bilateral relations. Mr Keating had met Mr Delors, Sir Leon Brittan and Mr van den Broek in June for talks which covered the economic problems of the industrialized world and the follow-up to the Uruguay Round Final Act.⁶

841. With regard to economic matters, the European Union is currently Australia's largest trading partner in terms of goods, services and investment.

¹ Point 742 of this Report.

² Point 818 of this Report.

³ Twenty-seventh General Report, point 576.

⁴ Point 282 of this Report.

⁵ Bull. 1/2-1994, point 1.3.68.

⁶ Point 985 of this Report.

An agreement on trade in wine has been signed by the Community and Australia¹ as has an agreement on cooperation in science and technology,² the first of its kind with an industrialized nation outside Europe. Substantial progress was also made towards the conclusion of a mutual recognition agreement regarding the assessment of conformity of certificates and marks for industrial goods.

New Zealand

842. Sir Leon Brittan visited New Zealand on 25 February and had talks with Prime Minister Mr Jim Bolger and members of the government.³ The two sides agreed to pursue closer bilateral relations, chiefly in connection with the conclusion of the Uruguay Round negotiations. Dialogue on political matters also continued, notably in the form of a meeting of senior officials which took place in Athens in May and dealt with developments in the European Union, the situation in the Asia-Pacific region (particularly within the context of APEC, the Asia-Pacific Economic Cooperation forum) and bilateral EU-New Zealand relations. On 15 December Mr Don McKinnon, Minister for External Relations, Trade and Foreign Affairs, met Mr Klaus Kinkel, President of the Council, for talks which covered political and economic matters such as developments in the European Union, the World Trade Organization,⁴ the former Yugoslavia and the state of the economy and security in Asia and the Pacific (APEC). Substantial progress was also made towards the conclusion of a mutual recognition agreement regarding the assessment of conformity of certificates and marks for industrial goods.

South Africa

843. As part of the joint action approved by the European Council in October 1993,⁵ the Commission coordinated a Community programme to help with the elections in South Africa. This included awareness campaigns, the establishment of a European elections unit on the spot and training for 312 European observers. Parliament adopted a resolution on the South African elections on 5 May⁶ and the Commission⁷ and the presidency⁸ issued statements on the same subject on 6 May. On 27 May the EU lifted the remaining sanctions on South Africa.⁹

¹ Point 615 of this Report.

² Point 282 of this Report.

³ Bull. 1/2-1994, point 1.3.70.

⁴ Point 987 of this Report.

⁵ Twenty-seventh General Report, point 725.

⁶ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.3.53.

⁷ Bull. 5-1994, point 1.3.52.

⁸ Bull. 5-1994, point 1.3.7.

⁹ Bull. 5-1994, point 1.3.8.

With regard to the second component of the joint action, the establishment of an appropriate framework for cooperation, the Commission tabled proposals for a series of immediate measures. These were approved by the Council on 18 April¹ and announced to the South African Government when it took office on 10 May. The measures included a recommendation to negotiate a slimmed-down agreement with the aim of providing a response to South Africa's immediate needs and creating a legal basis for developing cooperation between the parties. It would provide for better market access by making South Africa eligible for generalized preferences (the GSP), for promotion of EU investment in small and medium-sized firms in South Africa (chiefly through the ECIP² and BC-Net³ facilities), for cooperation in fields such as industry, trade, telecommunications, science and technology and education and training, for the commitment of substantial resources to continue with the special programme for South Africa and for the establishment of political dialogue between the European Union and the new South African Government.⁴ In this connection, the Commission sent a team to South Africa in June to discuss the implementation of the package. One of the programme's main components, making South Africa eligible for certain GSP benefits, was approved on 19 August.⁵ The draft framework cooperation agreement between the European Community and South Africa, which was signed in Pretoria on 10 October (Table III) during a visit by Sir Leon Brittan, lays the foundations for future relations between the parties.⁶ Other agreements will add to this in the coming years. The framework cooperation agreement was approved by Parliament on 30 November (Table III). On 19 December the Council adopted a decision concerning the conclusion of the agreement (Table III). South Africa was also admitted as an observer to the 20th meeting of the ACP-EU Council of Ministers.⁷

¹ COM(94) 123; Bull. 4-1994, point 1.3.38.

² Point 958 of this Report.

³ Point 194 of this Report.

⁴ Point 740 of this Report.

⁵ Point 947 of this Report.

⁶ Bull. 10-1994, points 1.3.44 and 1.3.45.

⁷ Point 935 of this Report.

Section 7

Relations with Mediterranean and Middle East countries

Mediterranean countries

844. The year saw intense activity in all areas, from exploratory talks and negotiations on new contractual links with a number of countries to the implementation of economic and financial cooperation.

845. Acting on the conclusions of the Corfu European Council,¹ the Commission adopted, on 19 October, a strategic communication on strengthening the Mediterranean policy of the European Union and establishing a Euro-Mediterranean partnership to gear European Union policy more towards peace, stability, security and socio-economic development in the region.² The Euro-Mediterranean partnership proposed in the communication is intended chiefly for the Maghreb and Mashreq countries and Israel. It would begin with a gradual liberalization of trade, supported by a substantial financial aid package, before moving on to closer political and economic cooperation and finally to close association. The Commission also suggests launching a general 'MED' aid programme of ECU 5.5 billion for the period 1995-99. In future, the EU's Mediterranean policy should become multi-faceted, encompassing all those areas where interdependence exists such as economic development and trade, social stability, immigration, the environment and security. Eventually, the aim is to create a Euro-Mediterranean area of 600 to 800 million inhabitants across 30 to 40 countries. The Essen European Council confirmed that the Mediterranean represented a priority area of strategic importance for the European Union, which should support efforts to transform the region into a zone of peace, stability, prosperity and cooperation.³ In May, Parliament came out in favour of a new Mediterranean assembly⁴ and in September approved an overall policy towards the Mediterranean countries.⁵

846. On 28 November the Commission adopted a recommendation for a Council Decision adjusting the agreements concluded with its Mediterranean partners to take account of the European Union's enlargement.⁶

¹ Bull. 6-1994, point I.10; point 1194 of this Report.

² COM(94)427; Bull. 10-1994, point 1.3.35.

³ Bull. 12-1994.

⁴ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.3.40.

⁵ OJ C 305, 31.10.1994; Bull. 9-1994, point 1.3.10.

⁶ Bull. 11-1994, point 1.3.38.

Northern Mediterranean countries (Cyprus, Malta, Turkey, former Yugoslavia, Andorra and San Marino)

847. The Corfu and Essen European Councils reviewed the applications of Cyprus and Malta to join the Union and indicated that both countries would be included in the next round of enlargement.¹ On 13 June the Council adopted Directives for the negotiation of the fourth financial protocols with Malta and Cyprus (Table III). The 15th meeting of the EC-Cyprus Association Council on 18 April in Luxembourg dealt mainly with the prospects for Cyprus's membership, the political settlement of the Cypriot question and bilateral relations under the Association Agreement.² The EC-Cyprus Joint Parliamentary Committee met in May and November. Mr van den Broek visited Cyprus on 24 and 25 March, where he met the President, Mr Glavkos Clerides, and the Foreign Minister, Mr Alekos Michaelides, and discussed the UN-led negotiations on confidence-building measures on the island.³ On 29 March Mr van den Broek went to Malta, where he was told of the government's desire to see accession negotiations begin before the elections in 1997.⁴

848. As regards Turkey, in July the Commission adopted guidelines on the completion of the customs union provided for in the 1964 EEC-Turkey Association Agreement. Ms Tansu Çiller, the Turkish Prime Minister, and Mr Hikmet Çetin, the Foreign Minister, visited the Commission on 11 January,⁵ as did Mr Aykon Dogan, the Economic Affairs Minister, on 13 and 14 June,⁶ and the Deputy Prime Minister, Mr Murat Karayağçın, on 28 June. There were visits to Turkey by Sir Leon Brittan from 9 to 13 February⁷ and by Mr van den Broek from 15 to 17 June.⁸ The talks at these various meetings, and at that of the EC-Turkey Association Council on 19 December,⁹ centred on economic issues, particularly the conclusion of the customs union and economic and financial cooperation between the EU and Turkey. Relations in general were also discussed, as were issues such as democracy, terrorism and human rights.

849. The EC-San Marino Cooperation Committee met on 28 June in San Marino and adopted Decision No 1/94 on the Community veterinary rules to be introduced in the Republic.

¹ Point 728 of this Report.

² Bull. 4-1994, point 1.3.32.

³ Bull. 3-1994, point 1.3.54.

⁴ Bull. 3-1994, point 1.3.57.

⁵ Bull. 1/2-1994, point 1.3.56.

⁶ Bull. 6-1994, point 1.3.41.

⁷ Bull. 1/2-1994, point 1.3.57.

⁸ Bull. 6-1994, point 1.3.42.

⁹ Bull. 12-1994.

850. In the former Yugoslavia, the EU continued to lend support to victims of the fighting in Bosnia-Herzegovina, mainly through joint measures to channel humanitarian aid.¹ It also became involved in administering the town of Mostar.² In October, the Commission granted ECU 1.27 million to station 20 EU observers on the border of Serbia and Bosnia.³ Also in October, following the common positions reached on the basis of Article J.2 of the Treaty on European Union⁴ in the wake of UN Security Council resolutions 942 (1994) et 943 (1994), the Council adopted two Regulations. The first, Regulation (EC) No 2471/94, banned economic activities and the supply of services in those areas of Bosnia-Herzegovina under the control of Bosnian Serb forces. The second, Regulation (EC) No 2472/94,⁵ suspended certain elements of the embargo on the Federal Republic of Yugoslavia (Serbia and Montenegro);⁶ the Commission proposed its repeal on 8 December.⁷ For its part, Parliament spoke out on the situation in Bosnia-Herzegovina on a number of occasions.⁸

851. On 23 November the Commission proposed that Croatia be made eligible for the PHARE programme (Table II); Croatia's Prime Minister, Mr Mate Granic, visited the Commission on 10 November.⁹

852. Relations between the EU and Slovenia received a boost from the cooperation agreement which came into force in September 1993,¹⁰ particularly as regards financial cooperation; all the loans provided for under the financial Protocol were allocated to three road and rail infrastructure projects. Slovenia also received technical assistance under the PHARE programme.¹¹ Mr Janez Drnovsek, the Slovenian Prime Minister and Mr Lojze Peterle, the Foreign Minister, visited the Commission on 29 March,¹² as did the junior Foreign Minister, Mr Golob, on 20 June.¹³ Slovenia was in turn host to Sir Leon Brittan, who visited the country from 29 September to 2 October.¹⁴ The meetings reviewed the state of relations between Slovenia and the EU ahead of negotiations on an association agreement. In an extra own-initiative opinion of 28 April, the Economic and Social Committee said that in view of the economic situation in

¹ Point 972 of this Report.

² Point 758 of this Report.

³ Bull. 10-1994, point 1.3.37.

⁴ Point 749 of this Report.

⁵ OJ L 266, 15.10.1994; Bull. 10-1994, point 1.3.36.

⁶ OJ L 182, 16.7.1994; Bull. 7/8-1994, point 1.3.48.

⁷ COM(94) 589; Bull. 12-1994.

⁸ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.3.54; OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.55; OJ C 91, 28.3.1994; Bull. 3-1994, point 1.3.53; OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.31; OJ C 305, 31.10.1994; Bull. 9-1994, point 1.3.11; OJ C 341, 5.12.1994; Bull. 11-1994, point 1.3.40.

⁹ Bull. 11-1994, point 1.3.42.

¹⁰ Twenty-seventh General Report, point 731.

¹¹ Bull. 7/8-1994, point 1.3.29.

¹² Bull. 3-1994, point 1.3.59.

¹³ Bull. 6-1994, point 1.3.40.

¹⁴ Bull. 10-1994, point 1.3.35.

Slovenia and the efforts under way there, consideration should be given to talks on a Europe Agreement as a precursor to negotiations for Slovenian accession to the EU.¹

853. Proceedings were instigated before the Court of Justice following a Commission challenge to a Greek decision to impose a trade embargo on the former Yugoslav Republic of Macedonia (FYROM).² FYROM received ECU 23 million from the PHARE programme³ to tackle humanitarian and social needs.⁴

854. On 22 December the Council decided to maintain for 1995 the preferential import arrangements applied by the Community to products originating in Bosnia-Herzegovina, Croatia, Slovenia or the former Yugoslav Republic of Macedonia (Table II).⁵

Maghreb countries (Algeria, Morocco, Tunisia and Libya)

855. Financial cooperation under the fourth financial protocols with Algeria, Morocco and Tunisia continued to run smoothly. Financing decisions worth ECU 921 million were approved by the Commission and EIB from an overall package of ECU 1.22 billion. Following an agreement between Algeria and the IMF under a programme of economic reforms, Algeria received the second instalment of the ECU 150 million balance of payments loan granted by the Community in 1991.⁶ On 22 December the Council agreed to grant ECU 200 million of additional macro-financial aid in the form of a loan to Algeria repayable within seven years.⁶

856. At the fourth meeting of the EC-Algeria Cooperation Council in Brussels on 7 February,⁷ the Algerian authorities stressed the importance they attached to cooperation with the EU and said they would like to see it boosted through a Euro-Maghreb partnership. Mr Marin and Mr Theodoros Pangalos, Greek Minister for European Affairs and President of the Council, said they were in favour of closer ties with Algeria but reiterated the value they placed on respect for human rights and called for political dialogue in the country. The Algerian Head of Government, Mr Mokdad Sifi, visited the Commission on 22 June⁸

¹ Bull. 4-1994, point 1.3.34.

² Point 1284 of this Report.

³ Point 789 of this Report.

⁴ Bull. 11-1994, point 1.3.49.

⁵ COM(94) 457; Twenty-seventh General Report, point 738.

⁶ Point 68 of this Report.

⁷ Bull. 1/2-1994, point 1.3.5.

⁸ Bull. 6-1994, point 1.3.44.

following the visit by the Finance Minister, Mr Ahmed Benbitour, on 10 and 11 May.¹ A troika led by Mr Papandreou, the Greek junior Foreign Minister, went to Algeria on 30 May.² At each of these meetings, discussion centred on the agreement concluded between Algeria and the IMF in April and the loan granted to the country in 1991.³

857. Mr Marín and Mr Bangemann went to Tunisia from 12 to 14 January⁴ to discuss the opening of negotiations on a new agreement with the EU (Table III). This was also the purpose of visits to Morocco (Table III) by Mr van den Broek on 6 and 7 June⁵ and Mr Delors in October. Pilot schemes were launched in Morocco under the cooperation programme to combat drugs and promote alternative development in the country's northern provinces,⁶ which was the subject of a communication from the Commission in 1993.⁷ Coming on top of Member State activities, these schemes received financing of over ECU 100 million. The troika discussed the issue with Morocco's Minister of the Interior, Mr Driss Basri, in a meeting on 1 December.⁸

858. On 7 July the Commission adopted a proposal for a Council Regulation (Table II) to help create jobs and support SME in Maghreb countries.⁹ The Commission attended the Economic Summit on the Middle East and North Africa in Casablanca from 30 October to 1 November. In meetings parallel to the summit, Mr Delors had talks with King Hassan of Morocco and the Moroccan Prime Minister, Mr Abdellatif Filali. The summit declaration stressed partnership in the region as a way of strengthening peace.¹⁰

859. On 25 March the Commission adopted a proposal for a Council Regulation to tighten the embargo on Libya (Table III).¹¹

Mashreq (Egypt, Jordan, Lebanon and Syria), Israel and the Occupied Territories and support for the peace process

860. The European Union continued and developed its support for the Middle East peace process. Mr van den Broek and Mr Karolos Papoulias, the Greek Foreign Minister and President of the Council, paid visits to Israel, Egypt and Syria between 3 and 6 March to discuss EU support for the peace process.¹²

¹ Bull. 5-1994, point 1.3.41.

² Bull. 5-1994, point 1.3.42.

³ Point 68 of this Report.

⁴ Bull. 1/2-1994, point 1.3.59.

⁵ Bull. 6-1994, point 1.3.45.

⁶ Bull. 11-1994, point 1.3.43.

⁷ Bull. 9-1993, point 1.3.27; Bull. 9-1993, point 1.3.35.

⁸ Bull. 12-1994.

⁹ Bull. 7/8-1994, point 1.3.49.

¹⁰ Bull. 11-1994, point 1.3.50.

¹¹ Twenty-seventh General Report, point 744.

¹² Bull. 3-1994, point 1.3.63.

861. On 19 April the Council adopted a joint action to help the peace process, with support for the establishment of a Palestinian police force, backing for the elections in the Occupied Territories and an EU agreement to form part of a temporary international presence in the territories if needed.¹ The same day, it adopted conclusions announcing the EU's intention to provide ECU 500 million in aid over the five years 1994-98 for the development of the Occupied Territories and highlighting the significance of the aid given to Mediterranean countries.² The first ECU 50 million of this package was the subject of talks between Mr Marín and Mr Yasser Arafat, Chairman of the Palestine Liberation Organization (PLO), in Tunis on 13 January.³

862. On 4 May the agreement between Israel and the PLO on Gaza and Jericho was signed in Cairo by Mr Yitzhak Rabin, the Israeli Prime Minister, PLO Chairman Mr Arafat, Mr Warren Christopher, US Secretary of State, Mr Andrei Kozyrev, the Russian Foreign Minister, and Mr Hosni Mubarak, the Egyptian President.⁴ Mr Marín used the occasion to inform Mr Arafat of the Commission's intention to give ECU 10 million in financing for the Palestinian police force.⁵ On 13 May he signed two memoranda of understanding in Tunis,⁶ one on the financing package for the police force and the other on a further ECU 1.8 million to support the electoral process. On 26 October a troika led by Mr Klaus Kinkel, the German Foreign Minister and President of the Council, attended the signing of the peace treaty between Israel and Jordan. Mr van den Broek represented the Commission.⁷ On 28 November the troika met Mr Arafat and Mr Shimon Peres, Israel's Foreign Minister, in Brussels.

863. On 11 July the Council adopted two Regulations on the rules and procedures for administering aid to the Occupied Territories (Table II).

864. Parliament too commented on the peace process on a number of occasions. It welcomed each new political development in the region, reiterated both the value it placed on democracy and its rejection of terrorism, and stressed the importance of the EU's economic and political role.⁸

865. Alongside these developments, the EU's bilateral relations with countries in the region continued. The fourth financial protocol with Syria, adopted by

¹ Bull. 4-1994, point 1.3.2; point 743 of this Report.

² Bull. 4-1994, point 1.3.37.

³ Bull. 1/2-1994, point 1.3.62.

⁴ Bull. 5-1994, point 1.3.46.

⁵ Bull. 5-1994, point 1.3.47.

⁶ Bull. 5-1994, point 1.3.48.

⁷ Bull. 10-1994, point 1.3.42.

⁸ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.3.64; OJ C 205, 25.7.1994; Bull 5-1994, point 1.3.49; OJ C 323, 21.11.1994; Bull. 10-1994, point 1.3.43.

the Council on 29 January, makes provision for financial aid worth ECU 158 million (Table III).¹ On 28 November, the first meeting of the EC-Syria Cooperation Council since the cooperation agreement was signed in 1977 was held in Brussels. On the occasion of this meeting, which was the subject of a Parliament resolution on 17 November,² Mr Farouk Alshara'a, the Syrian Foreign Minister, paid a visit to the Commission, where he met Mr Delors, Mr Marín and Mr van den Broek.

866. The meeting of the EC-Egypt Cooperation Council on 16 May provided a forum to discuss progress in the Middle East peace process.³ On 19 December the Council adopted negotiating directives (Table III) for a new agreement with Egypt grounded on the principles of democracy and respect for human rights. Under the agreement, a free trade area would gradually be established, economic and financial cooperation would be boosted and regional cooperation developed.

867. During Mr Marín's visit to Israel from 16 to 18 February,⁴ negotiations on a new agreement were announced (Table III). Bilateral relations were also on the agenda at the meeting of the EC-Israel Cooperation Council on 13 June.⁵ The Essen European Council expressed the view that Israel should be accorded special status.⁶

868. On 24 November the heir to the Jordanian throne, Prince El Hassan Bin Talal, and members of the country's government came to the Commission for talks with Mr van den Broek on the Middle East peace process and closer bilateral relations.⁷

869. Financial cooperation with all countries in the region made headway over the year. As at 31 December, only ECU 621 million from the third financial protocols remained uncommitted and ECU 496 million from the fourth.

Middle East countries

870. At the fifth meeting of the Joint Council of the Gulf Cooperation Council and the European Union in Riyadh on 7 May, a variety of regional and international issues of mutual interest were discussed and the state of trade and

¹ Bull. 1/2-1994, point 1.3.61.

² OJ C 341, 5.12.1994; Bull. 11-1994, point 1.3.46.

³ Bull. 5-1994, point 1.3.43.

⁴ Bull. 1/2-1994, point 1.3.60.

⁵ Bull. 6-1994, point 1.3.46.

⁶ Bull. 12-1994.

⁷ Bull. 11-1994, point 1.3.47.

economic cooperation between the two sides reviewed.¹ A report by a joint *ad hoc* group on the linkages between the environment and energy sectors was examined. Ministers reiterated their determination to conclude the current negotiations on trade liberalization² and approved proposals for cooperation under the 1989 cooperation agreement.³

871. The Union and its Member States maintained the embargo on Iraq pursuant to the UN Security Council resolutions. During the first half of the year, the EU provided the country with ECU 8.5 million of humanitarian aid, much of which went to Kurdish areas in the north and people in the south. On 27 October, Parliament adopted a resolution condemning Iraq's stance on Kuwait, in which it requested that economic sanctions be continued.⁴

872. The 'critical dialogue' between Iran and the EU, sought by the Edinburgh Council in 1992,⁵ was continued at three meetings between the EU troika and the Deputy Foreign Minister of Iran, Mr Mahmoud Vaezi. In September, the ministers also met the Iranian Foreign Minister, Dr Ali Akbar Velayati, to discuss matters of concern to the EU, including Iran's attitude towards the Middle East peace process, international terrorism, arms and human rights.

873. On 5 and 6 July delegations from the Commission and the Arab League met in a bid to give fresh impetus to EU-Arab relations through regular cooperation on matters such as the environment, banking and finance, standards, civil aviation, telecommunications and education. At the meeting, the Commission gave details of an EU-Arab project to train business leaders through a central management training institute to be set up in Granada, Spain, which would be integrated into a similar network of Arab bodies. The project was approved by the Commission on 21 October.⁶

874. In Yemen, civil strife, which came to a halt on 7 July after two months, led to the suspension of Community projects and of the procedure for concluding an agreement amending the cooperation agreement between the Community and the Arab Republic of Yemen (Table III). Delivery of food aid allocated in 1993 also ceased. During the fighting, the EU channelled humanitarian aid worth ECU 1.2 million through non-governmental organizations to those affected.

¹ Bull. 5-1994, point 1.3.44.

² Twenty-seventh General Report, point 750.

³ Twenty-third General Report, point 814.

⁴ OJ C 323, 21.11.1994; Bull. 10-1994, point 1.3.40.

⁵ Twenty-sixth General Report, point 858.

⁶ Bull. 10-1994, point 1.3.41.

*Section 8***Relations with the countries of Asia**

875. In the light of Asia's growing economic and political importance in the world, the Commission outlined — in its communication of 13 July entitled 'Towards a new strategy for Asia'¹ — a strategy for a proactive EU policy towards the region. In particular, it proposed recasting existing policies and broaching new fields of cooperation. This new overall approach is inspired by a spirit of partnership and is based on the following priorities: strengthening bilateral and regional relations; involving Asian countries more actively in international affairs, especially within multilateral organizations; backing cooperation schemes aimed at safeguarding peace and security; improving Europe's image in Asia and creating a climate conducive to the development of trade and investment; improving coordination in the management of development aid so that the region's less prosperous countries experience economic growth and poverty is reduced. The Essen European Council endorsed this approach and called for cooperation and dialogue with the countries and regional organizations of Asia to be stepped up.

South Asia

876. The cooperation agreement on partnership and development between the European Community and Sri Lanka was signed on 18 July (Table III). Founded on the observance of human rights and on democracy, it takes the form of a non-preferential agreement and does not include a financial protocol. Its aim is to foster forms of economic cooperation such as trade, investment, protection of the environment and better standards of living. A joint declaration on establishing political dialogue was also adopted when the agreement was signed.

877. The new cooperation agreement on partnership and development (Table III) between the European Community and India, which entered into force on 1 August, is also founded on the observance of human rights and democratic principles. It includes provisions aimed at diversifying trade, improving market access and developing cooperation in a number of fields. The European Community is India's main economic partner and development cooperation, which started in 1976, has expanded rapidly, as has economic cooperation; the Community has already committed around ECU 1.7 billion in

¹ COM(94) 314; Bull. 7/8-1994, point 1.3.55.

the form of grants for India.¹ On 22 April Parliament adopted a resolution on economic and trade relations between the European Community and India in which it called on India to continue its economic reforms and strengthen its commitment to observing ILO conventions.² The eighth meeting of the Joint Committee was held on 10 and 11 October. The two sides stressed that there was considerable scope for strengthening their ties and laid down principles for a cooperation strategy that was forward-looking, flexible and dynamic.

878. The Community's economic and trade relations with Pakistan were the subject of a Parliament resolution on 22 April which welcomed the holding of elections in Pakistan and hoped that the new government would be able to guarantee political stability.³ Anxious about Pakistan's dependence on textiles, Parliament wished to see a review of bilateral trade arrangements in that sector on the basis of negotiated tariff reductions under the GATT and called on the Commission to support the restructuring of the country's textile industry. The third meeting on political dialogue was held in Bonn on 7 November; the talks revolved mainly around the situation in South Asia, Afghanistan and the former Yugoslavia.

879. On 24 October the Council adopted Directives authorizing the Commission to negotiate a framework trade and cooperation agreement with Nepal (Table III).

South-East Asia

880. Mr Somsavat Lengsavat, Foreign Minister of Laos, met Mr Marín on 1 March⁴ and reported on the major strides made by his country's economy and its readiness to take part in regional integration and forge closer links with the European Union.

881. On a visit to Viet Nam from 21 to 23 July,⁵ Mr van den Broek met several members of the government to discuss relations between the EU and Viet Nam and the implementation of a technical assistance agreement to help the country move towards a market economy. These issues had earlier been taken up in a Parliament resolution of 22 April.⁶ On 24 October⁷ Mr Nguyen Manh Cam, the Vietnamese Foreign Minister, saw Mr van den Broek and Mr Marín for talks on the political dialogue and bilateral cooperation, negotiations for the

¹ 95% for development aid, 2% for economic cooperation and 3% for humanitarian aid.

² OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.42.

³ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.43.

⁴ Bull. 3-1994, point 1.3.69.

⁵ Bull. 7/8-1994, point 1.3.58.

⁶ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.45.

⁷ Bull. 10-1994, point 1.3.49.

conclusion of a framework cooperation agreement and the Commission's communication on a new strategy for Asia.¹ Mr Do Quoc Sam, Minister of the State Commission for Planning, visited the Commission on 18 November.²

882. Prince Norodom Sirivudh, Deputy Prime Minister and Foreign Minister of Cambodia, met Mr Delors and Mr van den Broek on 26 and 27 May. He reported on his country's political and economic situation and the round table organized in May by King Sihanouk in Pyongyang (North Korea) and attended by the government and the Khmer Rouge. He welcomed Community aid for the reconstruction of Cambodia and the plan to set up a technical coordination office in Phnom Penh.

883. On 8 September the Deputy Prime Minister of Thailand, Mr Supachai Panitchpakdi, visited Mr van den Broek. Discussions centred on Thailand's domestic political and economic situation, the future extension of ASEAN, Thailand's relations with its neighbours Cambodia and Myanmar and the reform of the GSP.³ Mr Steichen visited Thailand from 20 to 22 November.⁴

884. President Ramos of the Philippines visited the Commission on 15 September. He met Mr Delors, Mr Marín and Mr van den Broek. The President reported on the promising economic situation of his country and the headway made in the peace process.⁵

885. At the 49th UN General Assembly in September⁶ the troika met Mr Ohn Gyaw, Foreign Minister of Myanmar. He was told of the troika's concern about the situation in that country and of the reforms the European Union expected to see before its policy towards Myanmar could be relaxed.

Other Asian countries (Macão, Hong Kong and Mongolia)

886. The EC-Macão Joint Committee held its second meeting in November in Brussels. It examined the general economic situation in the European Union and Macão, with which a cooperation agreement was concluded in 1992.⁷ Other aspects of cooperation were also discussed. Sir Leon Brittan went to Hong Kong from 8 to 10 November⁸ where he met Mr Patten, the Governor, with whom

¹ Point 875 of this Report.

² Bull. 11-1994, point 1.3.57.

³ Point 948 of this Report.

⁴ Bull. 11-1994, point 1.3.56.

⁵ Bull. 9-1994, point 1.3.17.

⁶ Point 1052 of this Report.

⁷ Twenty-sixth General Report, point 877.

⁸ Bull. 11-1994, point 1.3.55.

he discussed a variety of bilateral issues of common concern and the forthcoming Asia-Pacific Economic Cooperation (APEC) Summit. Economic and cooperation ties between the Community and Mongolia were discussed at the second meeting of the EC-Mongolia Joint Committee held in Brussels on 21 October. In a resolution of 11 February,¹ Parliament gave its backing for the reforms under way and welcomed the expansion of the TACIS programme in 1993 to bring in Mongolia.²

China

887. At the political level the European Union and China agreed to step up their dialogue. An institutional framework was put in place involving meetings at ministerial, senior official and expert level which the Commission would attend. On 26 September the EU's foreign minister troika and Mr van den Broek met Qian Qichen, the Chinese Foreign Affairs Minister, at the United Nations General Assembly.

888. The Joint Committee, co-chaired by Wu Yi, Foreign Trade and Economic Cooperation Minister, and Sir Leon Brittan met in Beijing on 28 February.³ The two sides welcomed the steady growth in their trade relations and the progress in bilateral cooperation under the trade and economic cooperation agreement concluded in 1985.⁴ They discussed trade and the negotiations for Chinese accession to GATT and decided to set up groups of experts and working parties in various fields. Sir Leon Brittan had talks with Wu Yi, Li Lanqing, Deputy Prime Minister, and Jiang Enzhu, Deputy Foreign Affairs Minister, with whom he raised the human rights issue, economic reforms in China and bilateral trade relations.⁵ These matters were also raised in a Parliament resolution of 9 February.⁶ Sir Leon went to China on 6 and 7 November to discuss the problem of China's accession to GATT with Wu Yi.⁷ He also attended the opening ceremony for a Chinese-European international management school in Shanghai.

Republic of Korea

889. On 24 October the Commission adopted a recommendation for a decision aimed at negotiating a framework trade and cooperation agreement with South Korea (Table III). At the 10th annual ministerial meeting in Brussels on 27 October

¹ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.73.

² Twenty-seventh General Report, point 675.

³ Bull. 1/2-1994, point 1.3.71.

⁴ Nineteenth General Report, point 884.

⁵ Bull. 3-1994, point 1.3.68.

⁶ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.72.

⁷ Bull. 11-1994, point 1.3.54.

the two delegations discussed their economic ties, regional cooperation, relations with the United States and Japan and the implementation of the agreement which resulted from the Uruguay Round negotiations.¹

Relations with regional groupings

890. The ASEAN regional forum, which was held in Bangkok on 25 July,² turned its attention to security and political cooperation matters. The meeting was attended by ASEAN foreign ministers,³ the organization's dialogue partners,⁴ two consultative partners,⁵ and observers.⁶ The European Union was represented by Mr Klaus Kinkel, President of the Council, and Mr van den Broek. Discussions centred on nuclear non-proliferation, especially in North Korea, and on initiatives to foster security in the region. The parties decided to set up a dialogue in the framework of preventive diplomacy and to hold an annual forum on security. The regional forum was followed by the post-ministerial conference. This takes place every year and brings together ASEAN countries and their dialogue partners, among them the European Union.

891. The 11th EU-ASEAN ministerial meeting took place in Karlsruhe (Germany) on 22 and 23 September.⁷ Mr Marín and Mr van den Broek took part in the discussions, which covered the international political scene and the strengthening of regional cooperation, particularly on security. They also laid down an outline for future cooperation between them and decided to set up an informal eminent persons group to help forge closer relations between the two sides.

892. The EU troika also met the presidency of the SAARC,⁸ the South Asia Association for Regional Cooperation, set up on 6 and 8 December 1985, to discuss political dialogue and regional issues affecting South Asia.

¹ Bull. 10-1994, point 1.3.47.

² Bull. 7/8-1994, point 1.3.59.

³ ASEAN comprises Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand.

⁴ Australia, Canada, European Union, Japan, New Zealand, South Korea, United States.

⁵ China and Russia.

⁶ Laos, Viet Nam and Papua New Guinea.

⁷ Bull. 9-1994, point 1.3.18. The text of the declaration adopted at the close of the meeting can be found in Bull. 9-1994, point 2.2.1.

⁸ Bhutan, Nepal, India, Bangladesh, Sri Lanka, Pakistan and the Maldives.

Cooperation

893. Financial and technical cooperation with Asian countries amounted this year to ECU 180 million and economic cooperation to ECU 59. The Commission adopted its 15th report on implementation of financial and technical assistance to the developing countries of Asia.¹ Operations focused on a variety of sectors — rural development and food security, the protection of the environment and natural resources, measures to combat drug abuse, and regional cooperation.

¹ COM(94) 541; Bull. 12-1994.

*Section 9***Latin America****Relations with regional bodies**

894. The 10th San José Ministerial conference between the European Union and Central America¹ — part of the dialogue launched in San José in 1984² — was held in Athens on 28 and 29 March.³ Colombia, Mexico and Venezuela also took part as cooperating countries, and the Commission was represented by Mr Marín. The conference closed with the adoption of a political and economic communiqué setting out the achievements over 10 years of cooperation and dialogue between the two regions. Talks in Athens centred on democratization and human rights, regional integration, economic and commercial cooperation and the campaign against poverty. Guidelines were also laid down for future cooperation between the European Union and Central America, on the basis of the new framework cooperation agreement signed in 1993 with the five countries of Central America and Panama.⁴

895. As part of the political and economic dialogue institutionalized by the declaration adopted in Rome in December 1990,⁵ another ministerial conference between the European Union and the Rio Group was held in São Paulo,⁶ on 22 and 23 April; it was attended by Mr Marín and also by observers from Guatemala, and Trinidad and Tobago.⁷ The conference declaration reflected marked progress in relation to the communiqués issued at the previous three ministerial meetings. As regards the political aspects, both sides reiterated their commitment to representative democracy and the rule of law, and their determination to ensure that human rights and basic freedoms were fully respected. They also stressed the close links between democracy, the fight against poverty and environmentally friendly economic growth in achieving sustainable and more balanced economic and social development. It was agreed that special emphasis should be placed on joint activities and initiatives, notably within the UN. As regards economic matters, the ministers drew up a series of joint economic, trade, industrial, scientific and technical activities. In addition, the

¹ Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

² Eighteenth General Report, point 707.

³ Bull. 3-1994, point 1.3.72.

⁴ Twenty-seventh General Report, point 770.

⁵ Twenty-fourth General Report, point 750.

⁶ The Rio Group comprises 11 permanent member countries: Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela.

⁷ Bull. 4-1994, point 1.3.53.

new openings provided by the Uruguay Round Agreements and the developments in the various integration processes in Latin America were seen as two vital avenues for intensifying cooperation between the two sides.

896. In the wake of the conclusions of the Corfu European Council,¹ on 19 October the Commission adopted a communication on the strengthening of the European Union's policy² towards Mercosur,³ which has as its short-term objective the conclusion of a framework commercial and economic cooperation agreement with Mercosur and the establishment, in the longer term, of an inter-regional association between the European Union and Mercosur. The European Council meeting in Essen confirmed the EU's desire to establish a new and wider partnership between the two regions and to see negotiations on the framework agreement get under way soon.⁴ With this in view, a formal joint declaration was adopted on 22 December between the Council and the Commission on the one hand and the Mercosur countries on the other.⁵ On 25 April, the fourth meeting of the European Union-Mercosur Joint Advisory Committee was held in Buenos Aires. Mr Steichen met representatives from the authorities of Mercosur countries between 10 and 15 October,⁶ and the Mercosur foreign ministers met Mr Delors, Mr Marín and Mr van den Broek at the Commission on 24 November.⁷ Talks focused on integration within Mercosur and closer relations between it and the EU.

897. On the occasion of the 25th anniversary of the Andean Pact,⁸ the Commission and the Junta of the Cartagena Agreement (JUNAC) arranged a programme of meetings in Lima on 26 May. The European Union-Andean Pact Joint Committee met in Quito in September.

898. In an own-initiative opinion of 26 January,⁹ which followed its information report of January 1993,¹⁰ the Economic and Social Committee stressed the role of the European Union in Latin America, particularly its political dialogue with the region, and also analysed the prospects for the development of cooperation between the two sides. On 22 April Parliament adopted resolutions on relations between Latin America and the European Union in economic¹¹ and

¹ Bull. 6-1994, point I.20.

² COM(94) 428; Bull 10-1994, point 1.3.51.

³ Southern Cone Common Market created in 1991 with the signing of the Treaty of Asunción by Argentina, Brazil, Paraguay and Uruguay.

⁴ Bull. 12-1994.

⁵ OJ C 377, 31.12.1994; Bull. 12-1994.

⁶ Bull. 10-1994, point 1.3.52.

⁷ Bull. 11-1994, point 1.3.60.

⁸ Bolivia, Colombia, Ecuador, Peru and Venezuela.

⁹ OJ C 127, 7.5.1994; Bull. 1/2-1994, point 1.3.76.

¹⁰ Twenty-seventh General Report, point 771.

¹¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.49.

cultural matters.¹ On the same day it also adopted a resolution on the economic and commercial implications for the European Union of the situation in Central America.²

Bilateral relations

899. Mr Marín went to Argentina on 25 and 26 April³ for talks with the President, Mr Carlos Menem, and the Foreign Minister, Mr Guido di Tella, on the follow-up to be given to the conclusions of the Rio Group ministerial meeting in São Paulo.⁴

900. Mr José Guillermo Justiniano, the Minister for Development and Environment, and Mr Antonio Aranibar Quiroga, Bolivia's Foreign Minister, visited the Commission in February and April respectively.

901. Mr Delors went to Chile⁵ and Uruguay⁶ from 24 to 29 September in order to meet the presidents of those two countries, Mr Eduardo Frei and Mr Luis Alberto Lacalle. Their talks focused mainly on regional cooperation in Latin America and the prospects for cooperation.

902. Mr Marín visited Colombia from 14 to 17 June,⁷ where he met Mr César Gaviria, the President, Mrs Noemí Sanín, Foreign Minister, and Mr Juan Manuel Santos, Minister for Foreign Trade. The discussions focused mainly on cooperation between the European Union and the Andean Pact. On 19 and 20 September Mr Humberto de la Calle, Colombia's Vice-President, visited the Commission and saw Mr Marín and Mr van den Broek.⁸

903. Mr Marín also went to Cuba from 27 to 29 April, where he opened a coordination unit for the Community's humanitarian aid department (ECHO). He met Mr Fidel Castro, the President, and a number of members of the government, with whom he discussed the humanitarian situation in Cuba and the country's economic and political prospects. Parliament adopted a resolution on these matters on 29 September.⁹

¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.50.

² OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.48.

³ Bull. 4-1994, point 1.3.51.

⁴ Point 895 of this Report.

⁵ Bull. 9-1994, point 1.3.20.

⁶ Bull. 9-1994, point 1.3.23.

⁷ Bull. 6-1994, point 1.3.53.

⁸ Bull. 9-1994, point 1.3.21.

⁹ OJ C 305, 31.10.1994; Bull. 9-1994, point 1.3.22.

904. On 6 July Mr Diego Paredes, Ecuador's Foreign Minister, met Mr Marín in Brussels, to discuss cooperation between the European Union and Ecuador.¹ On 10 February the Foreign Ministers of Ecuador and Guatemala, accompanied by a delegation from Latin American countries,² met Mr Steichen, with whom they discussed imports of bananas into the Community.³

905. Mr Marín went to Honduras on 21 June,⁴ where he held talks with Mr Roberto Reina, the President, and Mr Ernesto Paz Aguilar, Foreign Minister, concerning international aid, bilateral cooperation and in particular the Community's contribution towards solving the country's problems.

906. The Corfu European Council⁵ expressed its willingness to strengthen the Union's political and economic relations with Mexico and welcomed Mexico's accession to the OECD.⁶

907. When he visited Nicaragua on 20 June, Mr Marín met Mrs Violeta Chamorro, the President, and Mr Ernesto Leal, Foreign Minister. Their talks covered bilateral cooperation and the Union's contribution to the consolidation of the rule of law in Nicaragua and the resettlement of refugees.⁷

908. On 7 April, Mr Juan Carlos Wasmosy, the President of Paraguay, paid a visit to Mr Delors and Mr Marín, with whom he discussed his country's situation, cooperation under Mercosur and bilateral relations with the European Union.⁸

909. Mr Bangemann went to Argentina, Brazil, Chile and Mexico from 20 July to 2 August. He met those countries' presidents and members of their governments, with whom he discussed mainly regional and industrial cooperation in the context of the information society.⁹

910. Exchanges of views and detailed analyses of cooperation between the European Union and Brazil, Mexico, Paraguay and Uruguay were conducted at the Joint Committee meetings between the EU and those countries.

¹ Bull. 7/8-1994, point 1.3.65.

² Ecuador, Guatemala, Honduras, Mexico and Panama.

³ Twenty-sixth General Report, points 525 and 892; Twenty-seventh General Report, point 771; point 914 of this Report.

⁴ Bull. 6-1994, point 1.3.54.

⁵ Bull. 6-1994, point 1.20.

⁶ Point 1065 of this Report.

⁷ Bull. 6-1994, point 1.3.55.

⁸ Bull. 4-1994, point 1.3.52.

⁹ Point 327 of this Report.

Cooperation activities

911. Financial and technical cooperation with the countries of Latin America, which is the main instrument of aid to the region, amounted in 1994 to ECU 203 million and economic cooperation amounted to ECU 46.6 million. The 15th Commission report on the implementation of financial and technical assistance to these countries was adopted on 2 December.¹ The other cooperation schemes implemented at a cost of around ECU 220 million concern non-governmental organizations, democratization, drug abuse control and the campaign against AIDS, rehabilitation and aid for refugees and displaced persons, energy, research, and science and technology. The total aid granted to Latin America in 1994 rose to ECU 470 million (compared with ECU 404 million in 1993).

¹ COM(94) 541; Bull. 12-1994.

Section 10

Relations with the African, Caribbean and Pacific countries and the overseas countries and territories

Fourth Lomé Convention

Implementation

912. The programming of Community aid under the first financial protocol to the fourth Lomé Convention was virtually completed. A further three national indicative programmes were signed, that of Suriname in April, that of Eritrea in May and that of Haiti in November,¹ bringing the total number concluded under the seventh EDF to 66. The political situation in the remaining four ACP States² was such that dialogue was impossible. Somalia has not even ratified the fourth Convention. The consultations with the recipient countries undertaken as part of the programming exercise identified sectoral objectives and the accompanying measures to be adopted by the government itself. Rural development, social and economic infrastructure and the development of human resources remain the focus of Community aid but new Lomé IV priorities such as the environment, the role of women, decentralized cooperation and promotion of the private sector were also included. The link between human rights and development cooperation was strengthened still further.

913. The Commission boosted its humanitarian aid in response to the crisis situations in a number of ACP countries through ECHO,³ and increased aid for reconstruction and rehabilitation operations.⁴ New rehabilitation programmes were approved for Liberia, Zaire and Madagascar in addition to those already running in the Horn of Africa and southern Africa. Through a combination of EDF and budgetary resources the Community found in 1994 some ECU 520 million in rehabilitation aid for the ACP countries alone. A further ECU 150 million was mobilized in July by drawing on the unexpended balances of previous EDFs in order to boost emergency aid funds and meet the urgent needs of the victims of fighting in Rwanda.

¹ Bull. 11-1994, point 1.3.68.

² Liberia, Somalia, Sudan and Zaire.

³ Point 971 *et seq.* of this Report.

⁴ Twenty-seventh General Report, point 783.

914. On 31 October, the Council adopted Regulation (EC) No 2686/94 establishing a special system of assistance for traditional ACP banana suppliers designed to help them adapt to the new market conditions created by the setting-up of a common market organization for bananas (Table II).¹ The first financing decision under this Regulation (ECU 150 000 for St Lucia, St Vincent, Dominica and Grenada) was taken by the Commission on 16 November,² followed by a second for Suriname (ECU 200 000) on 20 December.³

915. A report on the state of the rum market was adopted by the Commission on 21 December.³ The report looks at the situation of ACP and Community producers and likely market trends, proposing an end to tariff quotas for light rum imports after 1 January 1995 and the retention of quotas for traditional rum until 1 January 2002.

916. In its communication of 7 October, the Commission proposed amendments to the Lomé Convention that would be needed to take account of the enlargement of the European Union on 1 January 1995 (Table III).⁴ On 9 December, the Commission adopted a proposal for a Council Regulation establishing transitional measures for trade between Austria, Finland and Sweden on the one hand and the ACP States on the other,⁵ a proposal for an ECSC Decision on trade in ECSC products between these countries,⁶ and a draft ACP-EU Council of Ministers Decision adopting transitional arrangements for the application of the fourth Lomé Convention to the three acceding countries.³ These three acts, which provide for transitional measures to take account of the Union's enlargement pending the conclusion of the negotiations on the review of Lomé IV, were adopted by the Council on 22 December. In another communication dated 5 October,⁷ the Commission argued in favour of requesting a derogation from GATT rules for the Lomé Convention.

Mid-term review

917. The proposals drawn up by the Commission in September 1993⁸ for the mid-term review of the fourth Lomé Convention, which was concluded for a period of 10 years starting on 1 March 1990, were for the most part accepted by the Council, which issued negotiating directives on 7 February (Table III). The

¹ Point 617 of this Report.

² Bull. 11-1994, point 1.3.64.

³ Bull. 12-1994.

⁴ COM(94) 416; Bull. 10-1994, point 1.3.58.

⁵ COM(94) 545; Bull. 12-1994.

⁶ COM(94) 547; Bull. 12-1994.

⁷ Bull. 10-1994, point 1.3.57.

⁸ Twenty-seventh General Report, point 782.

directives hinged on three points: the promotion of human rights, democracy and the rule of law, establishment of a political dialogue with the ACP States, and improved programming and more effective cooperation instruments and procedures. The ACP States were notified of the proposed amendments on 28 February and in turn sent their partners a memorandum setting out their own desiderata for the review. This memorandum was studied by the Commission, which sent a communication to the Council on 15 April outlining basic issues for discussion with the Member States, pending more details on certain proposals from the ACP States and the possible adoption of additional negotiating directives by the Council.

918. The negotiations opened officially on the occasion of the 19th meeting of the ACP-EU Council of Ministers on 20 May.¹ A central negotiating group was set up at ministerial level to oversee the review, which should be concluded in February 1995. Another central negotiating group, at ambassador level, in turn set up three groups responsible for the specific areas of trade, financial and technical cooperation and, on an *ad-hoc* basis, issues relating to Stabex and shipping.

Trade cooperation

919. The most significant event of the year was the approval on 25 May by the EDF Committee of a project to develop trade between the Community and the ACP States. This pilot project, which is aimed at increasing the ACP States' competitiveness and halting the decline in their market share, will run for a two-year trial period and cover a group of 20 countries which will receive targeted aid for formulating trade policy, identifying product/market combinations, and gathering trade information. At the same time programmes for Botswana and Namibia were launched under national trade development programmes.

920. A number of tourism projects, both national and regional in scope, were mounted in Africa, showing that awareness is growing that there is a potential for tourism comparable to that of the Caribbean, the Indian Ocean and the Pacific.²

921. In the framework of the 1994 integrated regional programme for the development of trade and services, the Community, in addition to financing ACP participation in trade events, devoted particular attention to the organization of additional activities designed to attract European business people to the

¹ Point 935 of this Report.

² Twenty-seventh General Report, point 785.

stands of ACP countries. With the same aim, support for the Aproma and Coleacp trade organizations was stepped up.¹

922. The Council adopted Regulations (EC) Nos 234/94 and 235/94 on 24 January² and Regulation (EC) No 2484/94 on 10 October.³ They amend certain technical provisions of Regulation (EEC) No 715/90 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the ACP States.⁴

Stabex

923. No Community consensus emerged in favour of supplementing the resources ordinarily available (ECU 330 million) to cover the shortfall in resources for the 1992 application year. The situation was reported to the ACP side at the ACP-EU Committee of Ambassadors' meeting on 7 July,⁵ whereupon the ACP Group suspended negotiations. In view of the failure to agree on additional resources, the Committee of Ambassadors decided on 16 February to use the ECU 330 million ordinarily available to cover transfers, giving a coverage of 43.2%. On 14 October, the Commission produced a report on the working of Stabex in 1992.⁶

924. According to the Commission's report of 5 July,⁷ 36 ACP States were eligible for 57 transfers in all for the 1993 application year. The normal resources available under the system totalled ECU 285 million, resulting in a shortfall of ECU 188 million. In accordance with Article 194(4) of the Convention, the Commission reported the matter to the ACP-EU Council of Ministers, which delegated its powers to the Committee of Ambassadors. On 19 July, the Committee decided to set the amount available to cover transfers for the 1993 application year at ECU 285 million. In turn the Commission adopted a proposal for a decision specifying the Stabex transfers for 1993 on the basis of this ECU 285 million total.⁸ The funds thus mobilized gave a coverage rate of 60.2%, a 17% improvement on the previous year, as explained in the Commission's report to the ACP-EU Committee of Ambassadors on the situation regarding Stabex transfers for the 1993 application year, which was adopted on 3 November.⁹

¹ Twenty-fifth General Report, point 966.

² OJ L 30, 3.2.1994; Bull. 1/2-1994, point 1.3.81.

³ OJ L 265, 15.10.1994.

⁴ OJ L 84, 30.3.1990; Twenty-fourth General Report, point 766.

⁵ Twenty-seventh General Report, point 788.

⁶ Bull. 10-1994, point 1.3.59.

⁷ Bull. 7/8-1994, point 1.3.70.

⁸ Bull. 7/8-1994, point 1.3.71.

⁹ Bull. 11-1994, point 1.3.63.

Sysmin

925. In 1994, Gabon and Niger were judged eligible for assistance under the seventh EDF; financing of ECU 14 million was approved for a mining development and diversification programme in Gabon,¹ while a road and telecommunications infrastructure project in Niger received ECU 31 million. Applications for Sysmin aid from Botswana, Guinea, Mauritania et Suriname are currently under consideration.² Papua New Guinea, which is already in receipt of Sysmin aid under the sixth EDF, was accorded ECU 12 million for improvements to the main Ramu road.

Sugar Protocol

926. The agreements between the Community, the ACP States signatory to the protocol and India on guaranteed prices for the 1993/94 delivery period were concluded in November (Table III). The prices agreed are equivalent to those accorded to Community producers. On 14 November, the Council also adopted directives for the negotiation of similar agreements for the period 1994-95 (Table III).

Industrial cooperation

927. A good number of programmes and projects to further the development of the private sector have been approved, or are already under way in Barbados, Burkina Faso, Burundi, Cameroon, Comoros, Congo, Côte d'Ivoire, Dominican Republic, Ethiopia, Gabon, Ghana, Guinea, Guyana, Mauritius, Namibia, Niger, the Seychelles, Senegal, Tanzania, Togo, Trinidad and Tobago and Zimbabwe.

928. The second meeting of the Advisory Council to the Committee on Industrial Cooperation was held on 20 and 21 June at the initiative of the Commission and the ACP-EU Joint Secretariat.³ The Council's 24 members from ACP countries and Member States of the European Union are industrial cooperation experts or business people. The Council discussed progress in industrial cooperation and investment flows between the Community and the ACP countries. From 7 to 9 December, a Commission-sponsored SADC-EU mining forum took place in Lusaka (Zambia), providing a valuable framework

¹ Bull. 4-1994, point 1.3.60.

² Twenty-seventh General Report, point 789.

³ Twenty-seventh General Report, point 792.

for inter-African and Euro-African cooperation on industrial promotion in the mining sector.

Financial and technical cooperation

929. The year saw a high level of fresh commitments and a speeding-up in the disbursement of EDF programmable resources (national and regional indicative programmes and structural adjustment aid). Almost all the financing decisions and most payments related to seventh EDF projects and programmes approved under the indicative programmes concluded since 1991 with each of the countries and regions concerned.¹

930. As in previous years, the rate at which national indicative programmes are being implemented was very uneven: a dozen countries have already committed almost all their allotted seventh EDF resources, while others are lagging far behind. In 10 countries the EU suspended cooperation wholly or partially, or postponed any new financing decisions, because of insecurity or the deteriorating political situation.

931. Utilization of the structural adjustment funds provided for in the first Financial Protocol was boosted last year by the balance of payments support accorded to countries of the franc area following the devaluation of the CFA franc in January. The development of a specific approach since 1989² has given the Commission influence over certain aspects of the adjustment process in these countries (reconciliation of long- and short-term considerations, social issues and the regional dimension to adjustment). Aware of the importance of stepping up coordination with other donors, particularly the Member States and the IMF and the World Bank, it continued to support the special programme for highly indebted low-income countries of sub-Saharan Africa.³ Since October 1991, 56 decisions have been taken granting some ECU 1.158 billion in structural adjustment aid. Of this total, ECU 907.5 million came from the structural adjustment facility (SAF) and the rest from sums left over from national indicative programmes.

932. The Commission continued its efforts to improve the quality of aid and monitor more closely the impact of projects on the lives of the local population. The new 'project cycle management' method introduced in 1993 to ensure more rigorous monitoring of projects and ease the task of those responsible for project

¹ Twenty-seventh General Report, point 794.

² Twenty-third General Report, point 857.

³ OJ C 348, 23.12.1987; Twenty-first General Report, point 857.

implementation is now being used for all EDF operations.¹ A new method of harmonizing approaches to the economic and financial analysis of projects is also being developed. The evaluations running in the rural development and infrastructure sectors had started up in 1993¹ and new evaluation operations were initiated in sectors of growing importance for Community aid, such as small and medium-sized enterprises and human rights.

933. In a communication of 27 October concerning Community aid for structural adjustment in ACP countries, the Commission reviewed its adjustment operations and proposed that Community aid be focused on consolidating, developing and enlarging them.²

Regional cooperation

934. Under the regional indicative programmes, the EU continued to provide technical and financial aid for schemes such as the transnational southern/eastern Africa and Indian Ocean initiative to reduce barriers to trade, investment and intra-regional payments, the West African Monetary Union (UMOA), and the implementation of tax and customs reforms and improved transit in the framework of the customs union of the Central African (UDEAC) countries.³ The Commission took advantage of its representation in regional bodies such as the World Coalition for Africa and Unctad to promote discussion of regional integration. A ministerial conference on the European Union and southern Africa was held in Berlin in September.⁴ The conference issued a joint declaration setting out the basis for political and economic cooperation, in which South Africa⁵ will have a crucial role.

¹ Twenty-seventh General Report, point 796.

² COM(94) 447; Bull. 10-1994, point 1.3.56.

³ Twenty-seventh General Report, point 797.

⁴ Bull. 9-1994, point 1.3.26.

⁵ Point 843 of this Report.

TABLE 21
Breakdown of financing decisions for ACP countries by year

(million ECU)

Sector	Amount of financing				
	1990	1991	1992	1993	1994 ¹
Trade promotion	37.489	18.270	40.833	85.054	36.091
Cultural and social development	57.358	29.693	209.535	340.891	112.030
• education and training	31.664	2.589	73.548	94.241	76.718
• water engineering, urban infrastructure, housing	18.217	21.190	54.351	140.353	33.855
• health	5.914	5.914	81.636	38.526	1.457
Economic infrastructure	145.997	254.741	310.105	181.714	201.669
• transport and communications	145.997	254.741	310.105	181.714	201.669
Development of production	274.622	213.433	811.651	876.226	435.254
• rural production	74.163	95.154	209.941	227.925	116.602
• industrialization	77.359	66.835	149.871	190.609	217.369
• campaigns on specific themes ²	123.100	51.444	451.839	457.692	101.283
Exceptional aid, Stabex	267.096	570.153	497.328	140.584	955.306
• rehabilitation	(0.797)	(1.516)	9.828	(0.072)	115.196
• disasters	39.109	43.495	58.858	110.094	202.646
• AIDS	—	4.000	0.320	1.700	3.752
• refugees and returnees	12.694	7.905	31.295	25.640	19.267
• Stabex	216.090	515.819	397.027	3.222	614.445
Other ³	8.471	148.064	187.088	55.675	241.495
Total	791.033	1 234.354	2 056.540	1 680.144	1 981.845

¹ Provisional figures.² Including desertification and drought, natural disasters, major endemic and epidemic diseases, hygiene and basic health, endemic cattle diseases, energy saving research, sectoral import programmes and long-term operations.³ Including information and documentation, seminars, programmes and general technical cooperation, general studies, multisectoral programmes, delegations, administrative and financial costs, improvements to public buildings, project-linked multisectoral technical cooperation (all projects).

Institutional relations

935. The 19th meeting of the ACP-EU Council of Ministers, held in Mbabane (Swaziland) from 18 to 20 May,¹ marked the opening of the negotiations on the mid-term review of the fourth Lomé Convention. Ministers discussed the

¹ Bull. 5-1994, point 1.3.58.

implementation of the Convention in a number of areas, including trade cooperation (focusing on bananas, rum and the impact of the Uruguay Round), Stabex and financial and technical cooperation. Its 20th meeting was held in Brussels on 30 November and 1 December.¹ This too was devoted to the mid-term review of Lomé IV and ministers approved the progress achieved in certain areas by experts reporting to the ambassadors and clarified the respective positions on points still under discussion. The areas of agreement included institutional and political matters and regional and cultural cooperation. The adjustment of some financial cooperation procedures, access of ACP products to the Community market and changes to the rules of origin were sensitive issues that remained still unresolved. Lastly, there was a joint ACP-EU decision to accord South Africa,² at its request, observer status at the ministerial conference.

936. The ACP-EU Joint Assembly held its 18th session in Strasbourg from 14 to 18 February, when it discussed the current state position and the outlook for cooperation in the light of the upcoming Lomé IV mid-term review.³ The Assembly also met in Libreville (Gabon) from 3 to 6 October for its 19th session.⁴ Debates focused on the Lomé IV mid-term review, with participants underlining the importance of partnership and calling for stronger links, and the situation in Rwanda. During these two sessions the Assembly adopted resolutions on South Africa and the southern Africa region in general and on Somalia, Angola, Sudan (taking a firm stand on the human rights situation in that country), Haiti and Burundi. Other resolutions concerned the devaluation of the CFA franc, the debt burden and commodities.⁵ A new working party was set up to look into the problem of refugees in the ACP countries in relation to humanitarian aid policy. Parliament, in a resolution of 9 February, called for increased powers for the Joint Assembly.⁶

Bilateral relations

937. In its bilateral relations with the ACP States, the European Union continued to support and promote democratically-based development in accordance with the principles underpinning its cooperation activities. It was decided to resume normal cooperation with Malawi following the June referendum on a multi-party system. On 19 October, in accordance with UN Security Council resolution 944/94, the Council adopted Regulation (EC) No 2543/94⁷ and Decision

¹ Bull. 12-1994.

² Point 843 of this Report.

³ Bull. 1/2-1994, point 1.3.83.

⁴ Bull. 10-1994, point 1.3.61.

⁵ OJ C 167, 20.6.1994.

⁶ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.84.

⁷ OJ L 271, 21.10.1994; Bull. 10-1994, point 1.3.63.

94/680/ECSC¹ discontinuing the suspension of certain economic and financial relations with Haiti.² The European Union, the ACP-EU Joint Assembly and Parliament³ all expressed great concern about the situation in Angola.

938. The troika visited Rwanda from 28 August to 3 September to ascertain the main reasons for the Rwandan crisis and assess humanitarian aid requirements.⁴ The Council recommended on 25 November the implementation of an immediate action programme to rehabilitate social and productive infrastructure with financing of ECU 67 million from the EDF.⁵ The programme was discussed by Mr Marín and Rwanda's Prime Minister, Mr Faustin Twagiramungu, in Brussels on 10 October.⁶ The situation in Rwanda was also raised on a number of occasions by Parliament.⁷

939. Visits to the Commission included those of Mr Francisque Ravony, Prime Minister of Madagascar, on 2 February,⁸ Mr Frederick Chiluba, President of Zambia, on 3 February,⁹ Mr Keerlee Coomar Ruhee, the Mauritian Agriculture Minister, on 12 April,¹⁰ Mr Sam Nujoma, President of Namibia, on 18 May,¹¹ Mr Cheddi Jagan, President of Guyana, on 14 September,¹² Mr Faustin Twagiramungu, Prime Minister of Rwanda, on 10 October,¹³ Mr Kengo Wa Dondo, Prime Minister of Zaire, on 14 October,¹⁴ Mr Sylvestre Ntibantunganya, President of Burundi, on 11 November, and Mr Daniel Arap Moi, President of Kenya, on 14 November.¹⁵ On 22 May, Mr Marín visited Eritrea where he had talks with the President, Mr Issaias Afewerki¹⁶ and Ethiopia where he met President Meles Zenawi. Parliament adopted a number of resolutions on Somalia.¹⁷ Haiti's national indicative programme was signed on 30 November by Mr Marín and Mr Jean-Marie Chérestal, the Minister for Planning.¹⁸

¹ OJ L 271, 21.10.1994; Bull. 10-1994, point 1.3.64.

² OJ L 139, 2.6.1994; Bull. 5-1994, point 1.3.60.

³ OJ C 341, 5.12.1994; Bull. 11-1994, point 1.3.67.

⁴ Bull. 9-1994, point 1.3.30; point 751 of this Report.

⁵ Bull. 11-1994, point 1.3.70.

⁶ Bull. 10-1994, point 1.3.65.

⁷ OJ C 323, 21.11.1994; Bull. 10-1994, point 1.3.66; OJ C 276, 3.10.1994; Bull. 9-1994, point 1.3.31; Bull. 12-1994.

⁸ Bull. 1/2-1994, point 1.3.85.

⁹ Bull. 1/2-1994, point 1.3.88.

¹⁰ Bull. 4-1994, point 1.3.58.

¹¹ Bull. 5-1994, point 1.3.61.

¹² Bull. 9-1994, point 1.3.28.

¹³ Bull. 10-1994, point 1.3.65.

¹⁴ Bull. 10-1994, point 1.3.67.

¹⁵ Bull. 11-1994, point 1.3.69.

¹⁶ Bull. 5-1994, point 1.3.59.

¹⁷ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.3.87.

¹⁸ Bull. 11-1994, point 1.3.68.

Overseas countries and territories

940. Implementation of projects under the seventh EDF started during the year after the local indicative programmes negotiated in the tripartite Commission/Member State/country or territory programming exercise carried out in 1992¹ and 1993² were signed.

941. In accordance with Article 240(3) of Council Decision 91/482/EEC on the association of the OCTs,³ the mid-term review was firmly launched and the revised text should be ready by 28 February 1995. The three Member States concerned (France, the Netherlands and the United Kingdom) sent memoranda to the Commission setting out their proposals for amendments. These proposals were the basis of discussions at high-level meetings organized by the Commission in the Commission/Member State/country or territory partnership framework. This preparatory work formed the basis for a Commission communication to the Council of 21 December⁴ on the mid-term review of the association Decision, which proposed guidelines for EDF management that drew on the Council's negotiating directives for the Lomé IV mid-term review. In the context of the OCT review, Mr Marín had a meeting on 25 May with a delegation of French OCT representatives led by Mr Dominique Perben, the French minister in charge of the overseas departments and territories.⁵

942. On 25 April, the Council decided to reduce the amount of transfers payable to the OCTs for 1992 under the system for stabilizing export earnings set up under the 1991 Decision on association of the OCTs⁶ in order to avoid an overspend.⁷ A proposal for a Decision on 1993 was adopted by the Commission on 28 November.⁸ On 31 October, the Commission adopted a proposal for a Council Regulation on the definition of originating products applicable to certain products for the purposes of the preferential tariff arrangements granted to the OCTs (Table II). The Commission also proposed to end the tariff quota for OCT rum from 1 January 1996.⁹

943. On 9 December, the Commission adopted a proposal for a Council Decision establishing transitional measures for trade between Austria, Finland and Sweden on the one hand and the OCTs on the other.¹⁰

¹ Twenty-sixth General Report, point 921.

² Twenty-seventh General Report, point 805.

³ OJ L 263, 19.9.1991; Twenty-fifth General Report, point 984.

⁴ COM(94) 538; Bull. 12-1994.

⁵ Bull. 5-1994, point 1.3.62.

⁶ OJ L 263, 19.9.1991; Twenty-fifth General Report, point 984.

⁷ Bull. 4-1994, point 1.3.59.

⁸ Bull. 11-1994, point 1.3.71.

⁹ Bull. 12-1994.

¹⁰ COM(94) 546; Bull. 12-1994.

Section 11

Development policy

Overview

944. The Treaty on European Union broke new ground by introducing provisions on development policy. One of the Commission's priorities for 1994 was implementing the new Title XVII of the EC Treaty, which sets out the objectives of development cooperation — sustainable economic and social development of the developing countries, their smooth and gradual integration into the world economy and the campaign against poverty — and establishes general principles, namely that Member States' development policies should complement one another and be coordinated with that of the Union, and that Community policies likely to affect developing countries should be compatible with its development policy objectives. With regard to compatibility, Commission officials produced a working paper setting out institutional guidelines for ensuring that the impact of EU policies on developing countries is taken into consideration, and the Council decided in November to study the matter further. The Council also began a thoroughgoing debate on the complementarity of the Member States' and the Community's development cooperation policies. On the subject of coordination, following Council conclusions of December 1993¹ (based on principles jointly agreed by the Commission and the Member States), the Commission committed itself without delay to coordinating policies and operations, both in international forums and in individual countries, in the following areas: family planning, food security, health, combating AIDS, education, aid instruments and the campaign against poverty. It also pressed ahead with coordination activities in other fields such as structural adjustment, democracy and human rights, women in development, the environment and tropical forests. To this end, it adopted communications on the campaign against AIDS² (7 January), on health cooperation³ (24 March), on coordination of food security policies and practices⁴ (4 May), and on coordination of education projects⁵ (26 September). On 6 May, the Council in turn adopted conclusions on coordination in international forums⁶ and a decision on the list of countries

¹ Bull. 12-1993, point 1.3.59; Twenty-seventh General Report, point 807.

² COM(93) 479; Bull. 1/2-1994, point 1.3.142; point 964 of this Report.

³ COM(94) 77; Bull. 3-1994, point 1.3.106.

⁴ COM(94) 165; Bull. 5-1994, point 1.3.97.

⁵ COM(94) 399; Bull. 9-1994, point 1.3.58.

⁶ Bull. 5-1994, point 1.3.87.

in which the Community could step up coordination.¹ It followed this up with two resolutions adopted on 25 November in connection with policy on development cooperation in the run-up to 2000, one on cooperation in education and training² and the other on food security.³

945. With regard to project evaluation, the new method of project cycle management for the ACP countries (the 'integrated approach') was consolidated,⁴ and work was also started on sectoral evaluations for some non-ACP countries.

946. The European Union was involved in preparations for the World Conference on Population and Development⁵ held in Cairo in September, and took part in the debates. In its communication of 4 May,⁶ the Commission set out the key themes of its position at the conference (social policy, information and empowerment); Mr Marín also discussed the issue with Dr Nafis Sadik, Director of the UN Population and Development Fund, on 9 June.⁷ Parliament adopted resolutions on the subject on 11 March⁸ and 29 September.⁹ In addition, in a resolution of 20 January, it set out the broad thrust of a policy to promote fairness in North-South trade.¹⁰ The Union also took part in preparations for the world summit on social development to be held in Copenhagen in 1995, which was the subject of a Commission communication on 21 December,¹¹ and was involved in the preparatory meeting of the United Nations' Fourth World Conference on Women to be held in Beijing in September 1995.

Generalized system of preferences

947. On 19 August, the Council adopted Regulation (EC) No 2129/94,¹² extending the coverage of the Community's GSP scheme, introduced in 1971 to give developing countries preferential tariff treatment for their exports to the Community, to South Africa. The Council also renewed the supplementary generalized tariff preferences granted for the Berlin Fair by adopting Regulation (EC) No 1290/94 on 30 May.¹³ On the same date it adopted Regulation (EC)

¹ Bull. 5-1994, point 1.3.88.

² Bull. 11-1994, point 1.3.99.

³ Bull. 11-1994, point 1.3.98.

⁴ Point 932 of this Report.

⁵ Bull. 9-1994, point 1.3.56.

⁶ COM(94) 100; Bull. 5-1994, point 1.3.91.

⁷ Bull. 6-1994, point 1.3.90.

⁸ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.3.105.

⁹ OJ C 305, 31.10.1994; Bull. 9-1994, point 1.3.57.

¹⁰ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.3.141.

¹¹ COM(94) 669; Bull. 12-1994.

¹² OJ L 225, 31.8.1994; Bull. 7/8-1994, point 1.3.112.

¹³ OJ L 141, 4.6.1994; Bull. 5-1994, point 1.3.94.

No 1291/94¹, suspending the generalized tariff preferences for certain textile products originating in Korea.

948. The Commission unveiled its new GSP strategy for 1995-2004 in a communication on 1 June.² This proposed that, in addition to the standard scheme, there should be special incentive arrangements granting additional tariff reductions if more enlightened social and environmental practices were introduced. Under the standard scheme preferential duties would be modulated according to the sensitivity of the relevant sectors or products on the Community market, and sectors and/or countries which had achieved a certain level of development would be gradually excluded from entitlement to preferential treatment. The Commission further proposed that henceforth the schemes be triennial rather than annual. On 19 December the Council consequently adopted Regulation (EC) No 3281/94 applying the multiannual scheme of generalized preferences for the period 1995-97 (Table II) to industrial products; for agricultural products, it adopted two Regulations extending Regulations (EEC) No 3833/90 and 3835/90³ to cover 1995. Parliament welcomed the Commission communication on 18 November.⁴

Cooperation through the United Nations

United Nations Conference on Trade and Development

949. Unctad's Trade and Development Board held its two annual meetings in April and September, and discussed the impact of the Uruguay Round results on developing countries, the advancement of the least-developed countries, trade, the environment and how to draw on successful adjustment and growth policies. The Commission took part in Unctad's work on improving trade efficiency by making better use of modern methods of management, information processing and communication.

United Nations Industrial Development Organization

950. Following the new cooperation agreement between the Community and UNIDO,⁵ a number of topics for cooperation were identified, including the transfer of clean technology to developing countries and countries in transition, and *ad-hoc* cooperation in certain countries or in regional and national industries.

¹ OJ L 141, 4.6.1994; Bull. 5-1994, point 1.3.93.

² COM(94) 212; Bull. 6-1994, point 1.3.91.

³ OJ L 370, 31.12.1990; Twenty-fourth General Report, point 795.

⁴ OJ C 342, 5.12.1994; Bull. 11-1994, point 1.3.102.

⁵ Twenty-seventh General Report, point 811.

World Food Programme

951. The value of the European Union's allocations of food products to the WFP for the year was put at ECU 140.38 million, including transport costs. Some of the aid went towards various WFP development projects supported by the Commission, some went to help refugees under the Protected Refugees Operation (PRO) and some was used to assist Africans suffering food shortages via the International Emergency Food Reserve (IEFR).

United Nations Food and Agriculture Organization

952. The Community continued to take an active part in the FAO, particularly with regard to fisheries, having become a full member in 1991.¹ The FAO's new Director-General, Mr Jacques Diouf, met Mr Delors, Mr Marín and Mr Steichen in February for talks on food security and FAO-EU cooperation.

Cooperation through non-governmental organizations

953. Cooperation with non-governmental organizations (NGOs), which held their 20th annual general assembly in April,² showed encouraging progress.³ The resources made available by the EU for NGO operations of all kinds increased sharply once again. The amount allocated for development cooperation in conjunction with European development NGOs rose to ECU 145 million in 1994. This enabled the Union to cofinance 469 development projects in 104 countries in Africa, Asia and Latin America at a cost of some ECU 108.4 million. The projects were extremely varied, but as ever the main focus was on rural development, education and health. Many operations formed part of an integrated, multi-sectoral approach, aimed at meeting the multiple needs of the communities concerned. In addition, NGOs continued to benefit from a number of budget headings open to them for structural development operations in specific countries or regions (Viet Nam, Cambodia, southern Africa and Chile), and for specific issues (human rights, the environment, drugs and rehabilitation). A number of exploratory projects were launched to support local organizations and develop partnership schemes under a special ECU 5 million budget, as part of the 'decentralized approach' introduced under the fourth Lomé Convention. The Community spent a further ECU 14.5 million on cofinancing 169 public awareness campaigns in Europe.

¹ Twenty-fifth General Report, point 994.

² Bull. 4-1994, point 1.3.88.

³ COM(94) 468; Bull. 11-1994, point 1.3.103.

Commodities and world agreements

954. On 22 July, the Council adopted Decision 94/570/EC on the signing and conclusion of a new International Coffee Agreement (Table III), as finalized at the International Coffee Council's meeting in March.¹ The Agreement is unprecedented in that it makes no provision for market regulation. It is aimed at boosting international cooperation in the coffee sector by collecting, analysing and distributing statistics, publishing indicators and market prices and promoting research. The International Coffee Council also met in September, mainly to discuss the implementation of the new Agreement.²

955. The new International Cocoa Agreement (Table III), involving 13 producer countries and 15 consumer countries, came into effect provisionally from 23 February.³ The International Cocoa Council, which met in February⁴ and September,⁵ mainly discussed production, consumption and distribution arrangements.

956. On 24 March the Council adopted negotiating directives for a third International Natural Rubber Agreement (Table III), intended to reaffirm the fundamental objectives of the existing Agreement.⁶

957. Unctad-sponsored negotiations aimed at concluding a second International Tropical Timber Agreement were rounded off on 26 January. Despite the negotiators' efforts, the European Union could not support the draft text and entered a scrutiny reservation to enable it to study the new Agreement in detail and assess whether it was compatible with the position adopted by the Council in 1993.⁷

EC Investment Partners

958. European Communities Investment Partners (ECIP)⁸ — set up by the Commission in 1988⁹ under its policy of economic cooperation with developing countries in Asia, Latin America and the Mediterranean and extended by

¹ Bull. 3-1994, point 1.3.107.

² Bull. 9-1994, point 1.3.61.

³ Bull. 1/2-1994, points 1.3.143 and 1.3.144.

⁴ Bull. 1/2-1994, point 1.3.144.

⁵ Bull. 9-1994, point 1.3.60.

⁶ OJ L 219, 4.8.1992; Twenty-sixth General Report, point 939.

⁷ Twenty-seventh General Report, point 820.

⁸ Brochures explaining ECIP's financing facilities and how it works are available from Directorate-General I-K, 200 rue de la Loi, B-1049 Brussels.

⁹ Twenty-second General Report, points 999 and 1000.

Regulation (EEC) No 319/92¹ — had a budget of ECU 39 million in commitment appropriations for 1994 plus ECU 1 million in additional appropriations from budget heading B7-5070 (intended for cofinancing projects in South Africa), all of which was allocated in the course of the year.

959. On 27 July, the Commission proposed that the Council renew and enhance the facility (Table II), which is geared mainly to promoting joint initiatives offering mutual benefits for Community operators and local industry in the countries concerned, and expand it to include South Africa. It also proposed broadening ECIP's scope to cover privatizations and the development of private-sector infrastructure projects, and put forward practical suggestions to improve its management. This proposal was approved by Parliament on 28 October. Pending its adoption by the Council, the Council decided on 22 December that Regulation (EEC) No 319/92 should be extended.²

Protecting the environment

960. A number of initiatives were taken to follow up the recommendations of the UN Conference on the Environment and Development (the 'Earth Summit') held in Rio de Janeiro in 1992,³ mostly in the form of studies to determine goals and strategies, and the kinds of projects which should be undertaken in the light of the pledges made by the Community at the Earth Summit. The Commission was also represented at the Conference for the Sustainable Development of small island States in Barbados, the Manchester World Conference and the second meeting of the Sustainable Development Commission.⁴

961. The Community allocated ECU 20 million to environmental protection in developing countries and ECU 50 million for tropical forests, to finance operations concerned with the protection of biodiversity, the urban and rural environment, coastal resource management, and forest conservation, notably in Papua New Guinea and the Solomon Islands. The Commission also launched environmental impact studies in connection with development and structural adjustment programmes, and conducted in-service training.

Drug abuse control

962. The European Union continued to participate in international action to combat drug abuse, both in multilateral forums, formal and informal, and bilaterally, relying *inter alia* on clauses in a growing number of agreements

¹ OJ L 35, 12.2.1992; Twenty-sixth General Report, point 941.

² Twenty-sixth General Report, point 941.

³ Twenty-sixth General Report, point 596 *et seq.*; point 495 of this Report.

⁴ Twenty-seventh General Report, point 823; point 495 of this Report.

concluded with non-member countries (for example those with Central and East European countries, which also include a section on customs cooperation and action to combat money laundering), and on the 1993 cooperation agreement between the Community and the United Nations International Drug Control Programme (UNIDCP),¹ and drawing on increased budget resources (PHARE, North-South cooperation). In addition, the entry into force of the Treaty on European Union opened the way to political dialogue between the Union and its international partners. The Corfu European Council² clearly restated the Union's commitment to combating drug abuse, and pinpointed priority areas for action, for example in the Mediterranean. In June, the Commission adopted a communication on a 1995-99 action plan for combating drug abuse, which included a substantial external component.³

963. Although drug abuse is an increasingly pressing problem for many ACP States, they have yet to take full advantage of the facilities for financing the campaign against drug abuse available under the fourth Lomé Convention. To boost awareness, regional studies were conducted in two ACP regions especially at risk, the Caribbean and West Africa. In addition, a strategy of dialogue with the most seriously affected countries was developed, to pave the way for the inclusion of anti-drug projects in the forthcoming Lomé IV programming round.⁴ The first fruits of this approach were encouraging: around 10 countries indicated a willingness to include an anti-drugs campaign in their indicative programmes.

AIDS

964. The growing importance attached to social and health issues under the fourth Lomé Convention enabled the European Union to expand its activities to promote health and combat the spread of AIDS. Compared with Lomé III, the financial support available for the health sector (including anti-AIDS campaigns) under the seventh EDF doubled to some ECU 600 million. Anti-AIDS assistance focused on regional and national prevention strategies, including better treatment for sexually-transmitted diseases, information and awareness campaigns targeted on high-risk groups, and safer blood transfusion services, with projects started in more than 80 ACP countries and in the Mediterranean region, Latin America and Asia. Africa — the worst-affected continent with more than seven million people HIV-positive — remained the main beneficiary of Community funds, accounting for 66% of the allocations for the campaign against AIDS.

¹ Twenty-seventh General Report, point 828.

² Point 1194 of this Report.

³ Point 1081 of this Report.

⁴ Point 912 of this Report.

965. At the same time the Commission committed itself, notably in its communication of 7 January,¹ to increasing Community/Member State coordination, particularly via experts' meetings. This led the Council to adopt two resolutions on 6 May, one setting out a general framework for cooperation on health matters for the European Union and its Member States,² and the other establishing the guiding principles and strategic priorities of the campaign against AIDS.³

Food aid⁴

966. Budget allocations for food aid to developing countries rose to ECU 589.1 million, of which ECU 371 million was spent on food and ECU 218.1 on logistics. A further ECU 5 million went to cofinance small-scale food aid operations put forward by NGOs and international organizations. The year's main priorities were the Rwandan crisis and the threat of famine in the Horn of Africa.

967. Table 22 gives a breakdown of direct and indirect food aid for the year.

968. The Commission's relief and food aid operations did not prevent it from continuing to shift the focus of its activities towards food security, as outlined in its communication of 4 May,⁵ with a view to providing a lasting solution to the problem of recurrent famines. Alongside standard food aid programmes, therefore, operations aimed at rehabilitating or boosting storage facilities in the recipient countries accounted for ECU 1.7 million. A further ECU 9.1 million was allocated to projects to supply essential inputs for food crops and for marketing or processing agricultural products in China, Honduras and Senegal. The Council adopted a resolution on food security on 25 November.⁶

¹ COM(93) 479; Bull. 1/2-1994, point 1.3.142.

² Bull. 5-1994, point 1.3.89.

³ Bull. 5-1994, point 1.3.90.

⁴ Emergency food aid is dealt with in Chapter III, Section 12, 'Humanitarian aid'.

⁵ COM(94) 165; Bull. 5-1994, point 1.3.97.

⁶ Bull. 11-1994, point 1.3.98.

TABLE 22
Allocation of food aid, 1994

Region or organization	Cereals (tonnes)	Milk powder (tonnes)	Butteroil (tonnes)	Vegetable oil (tonnes)	Sugar (tonnes)	Other products (million ECU)
<i>Direct aid</i>						
Africa	358 480	370	—	9 058	250	12.150
Indian Ocean and Pacific	10 000	—	—	—	—	—
Mediterranean	100 000	3 000	—	—	—	—
Latin America	38 350	1 170	—	2 880	450	2.980
Asia	120 000	—	—	—	—	—
Total direct aid	626 830	5 080	—	11 965	700	15.130
<i>Indirect aid</i>						
UNHCR	7 900	2 390	452.5	2.5	187	2.900
NGOs	355 000	14 200	—	26 000	4 500	16.955
ICRC	82 000	—	—	4 000	—	4.700
WFP	350 000	9 000	1 000	18 000	7 000	14.500
IFRC	12 000	—	—	—	—	—
UNRWA	12 750	1 968	—	2 042	2 498	3.700
Total indirect aid	819 650	27 588	1 452.5	50 044.5	14 185	42.755
Grand total	1 446 480	32 638	1 452.5	62 009.5	14 885	57.885

Refugee assistance

969. Ten operations to assist refugees, returnees and displaced persons in nine different ACP countries¹ were approved under Article 255 of the fourth Lomé Convention, at a total cost of ECU 25 million. Most of the decisions involved substantial additions (totalling ECU 18.4 million) to rehabilitation programmes,² mostly in the health sector, which is often given priority because of the range of benefits it brings for vulnerable groups, especially in tandem with water supply projects. There were also substantial socio-economic operations (providing loans and training, reviving agriculture), notably in Ethiopia and Eritrea.

¹ Belize, Eritrea, Ethiopia, Kenya, Liberia, Malawi, Zaire, Zambia and Zimbabwe.

² Point 973 of this Report.

Parliament also put forward a long-term strategy for refugee assistance in Africa in a resolution of 11 March.¹

Support for democratization and human rights

970. For the third year running following the resolution of 28 November 1991,² and in accordance with the new Article 130(2) of the EC Treaty, the Commission provided support for projects aimed at helping to develop and consolidate democracy and the rule of law and promote observance of human rights in developing countries. A report on these activities will be presented to the Council in 1995; the report for 1993 was adopted by the Commission on 23 February 1994.³ In total, ECU 21 million was allocated to a range of activities, including projects to support elections and the rule of law in Cambodia, Mozambique and the Occupied Territories, projects to help create and maintain free and independent media in Egypt, Morocco and Sudan, projects to support vulnerable groups, and a variety of training projects and awareness campaigns on human rights. The issue was also raised by Parliament in its resolutions of 9 February, on the protection of indigenous peoples,⁴ and of 6 May, on democratization in Africa.⁵

¹ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.3.112.

² Twenty-fifth General Report, point 1023.

³ COM(94) 42; Bull. 1/2-1994, point 1.3.150.

⁴ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.151.

⁵ OJ C 205, 25.7.1994; Bull. 5-1994, point 1.3.99.

Section 12

Humanitarian aid

Humanitarian aid operations¹

971. Through the European Community Humanitarian Office (ECHO), which was set up in 1992,² the Commission continued to assist victims of conflicts and natural disasters worldwide. In 1994, a year in which the Rwandan tragedy figured most prominently, it financed humanitarian aid operations totalling ECU 764 million. If the aid provided by individual Member States is also taken into account, the European Union's overall contribution puts it once more among the world's leading humanitarian aid donors.

972. There was a slowdown in Community humanitarian aid to the former Yugoslavia in 1994 owing to delivery problems during the winter months, which had the effect of seriously curtailing operations, and to the resumption of commercial and agricultural activities in Bosnia-Herzegovina. The aid supplied was nevertheless sufficient to cover essential needs. In all, the Commission provided ECU 269.4 million to finance 349 humanitarian programmes in the former Yugoslavia, of which 50.1% were implemented by non-governmental and international organizations and 32.7% by United Nations agencies.

973. Africa experienced a number of grave crises, notably in Burundi and Rwanda, but fighting also continued in Sudan, Angola, Liberia and Somalia. Community aid rose substantially, climbing to ECU 324.1 million. In response to the massive humanitarian disaster in Rwanda, the Commission financed operations totalling ECU 214.6 million, which was approximately 66% of the 1994 humanitarian aid allocation to ACP countries. In the interests of efficiency the Commission entrusted the UNHCR with the assessment of needs and with implementation of relief operations by non-governmental organizations (NGOs) to help Rwandan refugees and returnees in Tanzania, Burundi, Zaire and Uganda. The International Committee of the Red Cross (ICRC) and various NGOs were ECHO's principal partners in Rwanda. Faced with huge humanitarian aid needs in certain countries, the Commission broke new ground in adopting eight comprehensive assistance plans to cover periods of several months and to be implemented by various partners. ECU 18 million was made available

¹ Detailed figures relating to humanitarian aid for 1993-94 can be found in tables published in the *Bulletin of the European Union* and in the 1993 Report on humanitarian aid, point 977 of this Report.

² Twenty-sixth General Report, point 962.

for Angola; ECU 8 million for refugees and displaced persons in Rwanda; ECU 13.5 million for Burundian refugees in Rwanda, Tanzania and Zaire; ECU 14 million for displaced persons and returnees in Burundi; ECU 17 million for Sudan; ECU 6 million for displaced persons in Zaire; ECU 12 million for Haiti; ECU 45 million for the Rwandan and Burundian people in Rwanda's neighbouring countries.

974. Community humanitarian aid for the former Soviet Union topped ECU 91 million, the main beneficiaries being the victims of fighting, especially in the southern Caucasus and in Tadjikistan, and traditionally vulnerable groups such as the elderly, children and young mothers. A special food programme was set up to assist the three southern republics of the Caucasus (where refugees and displaced persons account for 10% of the population) and in Kyrgyzstan and Tadjikistan. Medical aid was sent to Russia, Belarus and Ukraine for Chernobyl victims and logistical aid went to Moldova following flooding there. In Eastern Europe, Albania and Bulgaria also received basic medical aid.

975. In Asia, the Middle East and North Africa, war and its aftermath necessitated further grants of humanitarian aid to Afghanistan (ECU 12.3 million), Iraq (ECU 22.5 million), Sri Lanka (ECU 0.62 million) and Yemen (ECU 1.2 million), while Algeria, Bangladesh and the Philippines received ECU 2.9 million, ECU 0.5 million and ECU 0.6 million respectively to help the victims of natural disasters. Aid totalling ECU 2.2 million was also provided to fund a mine clearance programme and assistance for mine victims in Cambodia. Medical and food aid totalling ECU 4.7 million was provided for Palestinians, while ECU 1.5 million went to victims of the war in Laos, ECU 1.1 million to Sahrawi refugees and ECU 1.8 million to Tuaregs in Algeria.

976. In Latin America, Cuba was the prime recipient of Community humanitarian aid, which came chiefly in the form of medicines and food worth ECU 14.1 million. Intended for those whose living conditions had deteriorated most, the aid was distributed by NGOs independent of the Cuban authorities. Countries hit by natural disasters received the following amounts: Bolivia (ECU 1.1 million), Brazil (ECU 0.6 million), Colombia (ECU 0.7 million), Guatemala (ECU 0.8 million) and Peru (ECU 2.3 million). The people of Chiapas, Mexico, received humanitarian aid totalling ECU 1.1 million.

Other activities

977. On 16 February, the Commission adopted the 1993 Annual Report on humanitarian aid administered by ECHO.¹ The report highlights the variety and complexity of operations carried out in more than 50 countries during

¹ COM(94) 40; Bull. 1/2-1994, point 1.3.154.

ECHO's first full year. The ECU 600 million granted in 1993 puts the European Union among the world's leading donors.

978. Humanitarian aid was closely coordinated with Member States, in line with the Council resolution¹ of May 1993: quarterly meetings were held with the heads of the national departments responsible for humanitarian aid and there were three meetings and two *ad-hoc* sessions on the former Yugoslavia and Rwanda.

979. ECHO stepped up its cooperation with United Nations agencies, which implemented 32.7% of its operations (ECU 198.7 million). Chief among those agencies were the UNHCR (ECU 141 million) and the WFP (ECU 43.2 million). The Commission also cooperated closely with the WHO, Unicef and UNRWA on humanitarian matters and with the Department of Humanitarian Affairs (DHA) on such across-the-board aspects as information exchange, disaster prevention and the use of military and civilian equipment for humanitarian purposes.

980. The Commission consolidated its partnership ties with NGOs and international organizations. By the end of the year the framework partnership contract approved by the Commission in 1993 to speed up and streamline decision-making² had been signed by more than a hundred NGOs and international organizations.

981. In the field of disaster prevention beyond the Community's borders, the Commission put ECHO in charge of coordinating the work of its departments and set up an interdepartmental group with ECHO in the chair. In May, the Commission unveiled its action plan, which it put before the Yokohama conference on disaster prevention.³ The plan focuses on developing human resources, strengthening management capacity and fostering low-cost appropriate technology.

982. In September, with a view to boosting the professionalism of aid workers, a humanitarian aid diploma was introduced under the Erasmus programme⁴ into the curriculum of five EU universities.⁵

¹ Twenty-seventh General Report, point 807.

² Twenty-seventh General Report, point 841.

³ Bull. 5-1994, point 1.3.101; point 512 of this Report.

⁴ Point 297 of this Report.

⁵ The 'Network on Humanitarian Assistance' (NOHA) diploma was created in 1993 on ECHO's initiative in conjunction with the 'Human Resources, Education, Training and Youth' task force. It is a multidisciplinary diploma covering major aspects of humanitarian relief work (international law, management, geopolitics, anthropology and medicine).

983. In the interests of greater 'visibility' and openness, the European Union's role in humanitarian aid was highlighted in a variety of publications, such as the 1993 Annual Report,¹ the quarterly *ECHO News* and the occasional regional *ECHO Files*.² Audiovisual co-productions were developed with television stations and joint publications produced in conjunction with organizations such as the ICRC, Red Barnet or Handicap. Public presentations in European capitals were also organized jointly with NGOs from the countries concerned.

984. To make the best use of humanitarian aid funds, ECHO put increased emphasis on the evaluation of its operations.

¹ Point 977 of this Report.

² These publications are available from ECHO — 1/3 rue de Genève, B-1049 Brussels.

*Section 13***Multilateral trade negotiations (Uruguay Round)**

985. The meeting of the Trade Negotiations Committee on 15 December 1993¹ marked the end of the substantive stage in the eighth round of GATT negotiations—the Uruguay Round—launched at Punta del Este on 20 September 1986.² Intensive technical discussions were needed until the end of March, however, in order to complete the full text of the ‘Final Act embodying the results of the Uruguay Round of multilateral trade negotiations’. This document, which is almost 26 000 pages long, is made up of 23 international agreements, a number of declarations and decisions, and schedules of tariff concessions and commitments on liberalizing trade in services by 125 countries.

986. The Final Act was formally signed at a ministerial conference in Marrakesh on 15 April³ which, in addition to the end of the Uruguay Round, marked the creation of the World Trade Organization (WTO) to take the place of GATT on 1 January 1995 and play a greater role in the monitoring and management of international trade. The Uruguay Round opened up the way to further liberalization of trade, with a significant reduction in customs tariffs, more open markets and the integration into the world trading system of new economic sectors, such as services, investment and intellectual property.

987. From 1 January 1995, the World Trade Organization will be required to administer not only international trade in goods governed by the General Agreement on Tariffs and Trade (GATT) but also trade in services and trade in products covered by intellectual property rights. The WTO, as a single structure, will also handle all the work on certain matters which are described as ‘new’ areas affecting trade, including at this stage environmental protection and monetary issues. Some of these matters have formed the subject of Parliament resolutions⁴ and an opinion by the Economic and Social Committee,⁵ in particular as regards environmental protection. There is no consensus yet among WTO members on the introduction of a ‘social clause’.

988. On 15 April, the Commission adopted a proposal for a Decision (Table III) on the conclusion of the results of the Uruguay Round of multilateral trade negotiations (1986-94) accompanied by a report on the conclusion of the

¹ Bull. 12-1993, point 1.3.99; Twenty-seventh General Report, point 844.

² Twentieth General Report, point 974.

³ COM (94) 143; Bull. 4-1994, point 1.3.61.

⁴ Bull. 1/2-1994, point 1.3.93; OJ C 44, 14.2.1994; Bull. 3-1994, point 1.3.78; OJ C 91, 28.3.1994.

⁵ Bull. 9-1994, point 1.3.34.

agreements and the arrangements for participation. This proposal for a Decision covers three series of instruments (negotiated between the Community and various partners in GATT): multilateral acts contained in the Final Act;¹ plurilateral trade agreements (participation in which is restricted to GATT contracting parties engaged in the relevant type of trade);² the bilateral arrangements and agreements negotiated in parallel with the Uruguay Round.³

989. On 7 April, in order to clarify the dispute between the Community and Member States regarding jurisdiction for concluding the Uruguay Round, the Commission requested an Opinion from the Court of Justice under Article 228(6) of the EC Treaty. The Court gave its Opinion on 15 November,⁴ ruling that the Community had exclusive powers in relation to trade in goods and in the cross-border supply of services. The Court also confirmed its judgment in *AETR* by ruling that the Community has exclusive powers in the areas of trade in services and goods covered by intellectual property rights where Community legislation achieves complete harmonization in the field or where it includes explicit provisions relating to the treatment of nationals of non-member countries. However, with respect to the other issues relating to the agreements on services and intellectual property, the Court ruled that powers are shared between the Community and Member States.

990. Differences of opinion over jurisdiction did not prevent the Community from taking active steps to implement the commitments it had made during the Uruguay Round. Negotiations on services continued following an arrangement reached between the Commission and the Member States on 6 May. Under the arrangement, which was agreed for an unlimited period, the Commission remains the sole negotiator for all questions related to services. It was also agreed that Member States' representatives should attend all meetings.

991. On 5 October,⁵ with a view to the establishment of the WTO, the Commission adopted a proposal relating to all legislation for implementing the results of the Uruguay Round at Community level and proposed a series of adjustments and amendments to Community legislation, particularly on agriculture, textiles, intellectual property, anti-dumping, safeguard clauses and subsidies (Tables I and II).

¹ The agreement setting up the WTO and the multilateral agreements annexed thereto relating in particular to customs duties, market access, agriculture, textiles, subsidies, safeguards, services, intellectual property rights, dispute settlement, ministerial declarations and decisions, and the understanding on commitments in financial services.

² Agreements and arrangements on trade in civil aircraft, government procurement, the dairy sector and bovine meat.

³ In particular the agreement between the European Community and Australia on coal and the agreement between the European Community and Uruguay on bovine meat.

⁴ Point 1285 of this Report.

⁵ Bull. 10-1994, point 1.3.70.

992. Parliament was involved closely in the progress of the Uruguay Round negotiations and issued a series of resolutions on the subject.¹ A Parliament delegation took part in all the ministerial meetings, including the conference in Marrakesh in April. On 14 December, Parliament gave its assent to the conclusion of the agreements by a large majority. Following the same debate, it also endorsed the implementing proposals in their entirety (Table II).

993. The Council adopted the decision on conclusion of the agreements on 22 December (Table III). At the same time it adopted the Regulations implementing the agreements (Table II) which made up the legislative package presented by the Commission.

994. On the multilateral front, the implementing conference held in Geneva on 8 December at the 43rd session of the GATT contracting parties declared its support for the establishment of the World Trade Organization and the entry into force of the Uruguay Round agreements on 1 January 1995.

¹ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.3.92; OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.93; OJ C 144, 25.4.1994; Bull. 3-1994, points 1.3.77 and 1.3.78.

Section 14

Commercial policy

General matters

Operation of the customs union and customs cooperation

995. With a view to updating Council Regulation (EEC) No 918/83¹ and adapting it to the new Community customs code, the Commission adopted on 8 June a proposal for a Council Regulation (Table II) specifying the cases in which relief from customs duties is granted.²

996. On 24 March,³ 8 September⁴ and 19 December,⁵ the Commission adopted three Regulations amending Regulation (EEC) No 2454/93⁶ implementing Council Regulation (EEC) No 2913/92 establishing the Community customs code.² On 21 June the Council adopted Regulation (EC) No 1500/94,⁷ also amending the provisions for the implementation of Regulation (EEC) No 2913/93 to bring them into line with the latest developments.

997. The Commission continued its work on the Combined Nomenclature (CN) and the Common Customs Tariff (CCT) arising from the tariff provisions of the Uruguay Round Agreement.⁸ It adopted several Regulations⁹ classifying a number of products correctly and uniformly in the CN and also the full version of the explanatory notes to the CN.

998. The multilingual TARIC (integrated Community tariff) database,¹⁰ covering Community measures relating to import and export, was updated and replaced by a new base, TARIC 2, in order to improve the flow of information to national administrations by means of daily electronic transmissions. The 1994 TARIC was published on 19 May.¹¹

¹ OJ L 105, 23.4.1983; Seventeenth General Report, point 217.

² OJ L 302, 19.10.1992; Twenty-sixth General Report, point 88.

³ OJ L 82, 25.3.1994.

⁴ OJ L 235, 9.9.1994.

⁵ OJ L 346, 31.12.1994.

⁶ OJ L 253, 11.10.1993; Twenty-seventh General Report, point 847.

⁷ OJ L 162, 30.6.1994.

⁸ Twenty-seventh General Report, point 850.

⁹ See, for example, Regulation (EC) No 3176/94 in OJ L 335, 23.12.1994.

¹⁰ Twenty-seventh General Report, point 851.

¹¹ OJ C 141, 24.5.1994; Bull. 5-1994, point 1.3.71.

999. In the interests of providing the same degree of protection for firms and citizens throughout the European Union the Commission and the Member States continued to organize training schemes and to coordinate and analyse the results of customs operations on the external borders, with the aim of ensuring widespread use of better working methods and striking the right balance between controlling and facilitating trade. Implementation of Council Regulation (EEC) No 3904/92¹ on measures to adapt the profession of customs agent to the internal market continued, placement and retraining services were offered in the most affected areas and various schemes were undertaken to restructure firms or diversify their activities, the aim being to cofinance measures to complement those taken under the European Social Fund and the Interreg programme.

1000. The legislation on preferential tariff measures resulting from agreements concluded between the European Community and States or groups of States with which contractual trade relations are maintained was put together into several main multiannual Regulations.² With a view to enlargement, the acceding countries were authorized to present applications for quotas and tariff suspensions applicable from 1 January 1995. Finland and Austria made use of this opportunity and tariff suspensions were granted for a further hundred or so products. The transitional arrangements designed to take account of traditional trade flows between the former German Democratic Republic and Central and Eastern Europe were also extended for 1994 by Council Regulation (EC) No 665/94³ and Decision 1478/94/ECSC,⁴ then for 1995 by Regulation (EC) No 3258/94 and Decision 3248/94/ECSC.⁵

1001. Regulation (EC) No 2193/94 provides for simplifications in the field of customs procedures with economic impact, giving Community operators from different sectors easier access at lower administrative cost to the advantages offered by Community legislation and hence enabling them to compete with non-Community firms on the international market. On 8 December the Council also adopted Decision 94/789/EC accepting Annexes E7 and F4 to the Kyoto Convention on the simplification and harmonization of customs procedures.⁶

1002. In response to a request by the Copenhagen European Council, on 30 November the Commission adopted a communication on the cumulation of origin rules in trade relations between the Community, the Central and East European countries and the EFTA countries.⁷

¹ OJ L 394, 31.12.1992; Twenty-sixth General Report, point 90.

² Regulation (EC) No 1798/94, OJ L 189, 23.7.1994; Regulation (EC) No 1981/94, OJ L 199, 2.8.1994.

³ OJ L 83, 26.3.1994; Bull. 3-1994, point 1.3.84.

⁴ OJ L 159, 28.6.1994; Bull. 6-1994, point 1.3.72.

⁵ OJ L 339, 29.12.1994; Bull. 12-1994.

⁶ OJ L 331, 21.12.1994; Bull. 12-1994.

⁷ COM(94) 462; Bull. 11-1994, point 1.3.90.

1003. The Commission stepped up discussions with Canada, South Korea and the United States with a view to signing customs cooperation agreements on the basis of negotiating Directives adopted by the Council on 5 April 1993.

1004. On 22 December the Council adopted a Regulation laying down measures to prevent imports of counterfeit and pirated goods (Table II) and on 19 December, Regulation (EC) No 3381/94 introducing a Community system to monitor exports of dual-use military/civilian goods (Table II). The latter Regulation is supplemented by a joint action adopted as part of the common foreign and security policy.¹

Commercial policy instruments

1005. On 15 March, jurisdiction in anti-dumping and anti-subsidy cases was transferred to the Court of First Instance.²

1006. Council Regulation (EC) No 521/94 of 10 March (Table II) amended Regulation (EEC) No 2423/88,³ with a view to speeding up investigations and making them more open once the Commission has the necessary additional resources. Furthermore, pursuant to Regulation (EC) No 522/94 (Table II) Council Decisions are henceforth to be taken by simple rather than qualified majority.

1007. The Council, by Regulation (EC) No 522/94, also amended Regulation (EEC) No 2461/84⁴ on illicit commercial practices by non-member countries in order to align it more closely on international dispute settlement procedures, particularly those of the future World Trade Organization (WTO).⁵

1008. On 5 October the Commission put before the Council a proposal for amendments to the anti-dumping and anti-subsidy legislation and the Regulation on the new commercial policy instrument with a view to implementation of the Uruguay Round conclusions.⁶ As regards anti-dumping legislation, the proposal incorporates the provisions of the new GATT Agreement in respect of the substantive rules, the duration of provisional measures, the transparency of proceedings and protection of the rights of all interested parties. It also includes special provisions on the identification of the Community interest. The proposal

¹ Point 745 of this Report.

² OJ L 66, 10.3.1994; Bull. 3-1994, point 1.7.21

³ OJ L 209, 2.8.1988; Twenty-second General Report, point 844.

⁴ OJ L 252, 20.9.1984; Eighteenth General Report, point 620.

⁵ Point 987 of this Report.

⁶ COM(94) 414; Bull. 10-1994, point 1.3.70.

on the anti-subsidy legislation contains a substantial amendment to the definition of a subsidy, which would be deemed to exist if there is a financial contribution by the State and a benefit is thereby conferred. The amount of the subsidy would then be assessed on the basis of the advantage gained by the beneficiary rather than the cost to the public authorities. A list of subsidies no longer subject to countervailing duties is also included. The aim of the Commission's proposed Regulation on illicit commercial practices by non-member countries is to add a third means of redress to those provided for by Regulation (EEC) No 2641/84,¹ in order to enable Community firms whose exports are hampered by non-Community countries' commercial practices to initiate Community action under the WTO's dispute settlement procedures.

1009. Following the entry into force of the Interim and/or Europe Agreements,² the Central and East European countries are henceforth considered market economy countries for the purposes of all anti-dumping proceedings initiated after the entry into force of the agreements.

Anti-dumping

1010. In the course of the year the Commission initiated 18 anti-dumping investigations and nine reviews, imposed provisional anti-dumping duties in 11 cases, accepted undertakings in two cases and terminated five investigations. The Council imposed definitive anti-dumping duties in 14 cases. The most significant anti-dumping cases³ concerned the following imports: ethanalamine originating in the United States;⁴ ammonium nitrate originating in Russia and Lithuania;⁵ television camera systems originating in Japan;⁶ large aluminium electrolytic capacitors originating in South Korea and Taiwan;⁷ colour televisions originating in Malaysia, South Korea, the People's Republic of China, Singapore and Thailand⁸ and mixtures of urea and ammonium nitrate in solution originating in Bulgaria and Poland.⁹

1011. Two panels were set up by the GATT Anti-dumping Committee to examine the compatibility with the anti-dumping code of two Community measures, concerning imports of Japanese audio cassettes and imports of

¹ OJ L 252, 20.9.1984; Eighteenth General Report, point 620.

² Point 786 of this Report.

³ For other cases, see, also, the *Bulletin of the European Union*.

⁴ OJ L 28, 2.2.1994; Bull. 1/2-1994, point 1.3.113.

⁵ OJ L 129, 21.5.1994; Bull. 4-1994, point 1.3.82.

⁶ OJ L 111, 30.4.1994; Bull. 4-1994, point 1.3.77.

⁷ OJ L 48, 19.2.1994; Bull. 6-1994, point 1.3.75.

⁸ OJ L 255, 1.10.1994; Bull. 9-1994, point 1.3.51; Bull. 12-1994.

⁹ OJ L 350, 31.12.1994; Bull. 12-1994.

Brazilian cotton fibres. Following consultations with the Community in April, Brazil repealed anti-dumping duties on imports of tinned peaches from Greece.

Anti-subsidy policy

1012. Council Regulation (EC) No 2271/94 reduced the countervailing duty on indirect imports of ball-bearings originating in Thailand from 6.7% to 5.3%, to take account of the reduction in the subsidy.¹

1013. At the Community's request the GATT Committee set up a second panel to consider US measures affecting Community steel exports.² The Community wanted the panel to look in particular at measures which related to subsidies granted to undertakings before privatization and benefits awarded only to former steel workers.

1014. Mexico initiated an anti-subsidy investigation concerning imports of pork from Denmark. It also imposed a countervailing duty on imports of beef from the Community and Venezuela adopted a similar measure with regard to imports of cheese. Peru terminated its anti-subsidy investigations on milk powder without introducing measures while Jamaica initiated investigations on the same product. With regard to the countervailing duties imposed by Brazil on imports of milk powder from the Community, a GATT panel decided that Brazil had infringed the subsidy code and the disputed measure was withdrawn in August.

Illicit practices

1015. Two proceedings are currently under way under Regulation (EEC) No 2641/84³, concerning pirating of Community sound recordings in Thailand and EU exports of polyester fibres to Turkey on which an import levy and higher customs duties had been imposed.

Import arrangements, including safeguards

1016. On 7 March the Council adopted Regulations (EC) Nos 518/94⁴ and 519/94⁵ with a view to speeding up the investigation of safeguard measures and making the procedure more transparent. In addition, all national quantitative

¹ OJ L 247, 22.9.1994; Bull. 9-1994, point 1.3.54.

² First panel, Twenty-seventh General Report, point 869.

³ OJ L 252, 20.9.1984; Eighteenth General Report, point 620.

⁴ OJ L 67, 10.3.1994; Bull. 3-1994, point 1.3.88.

⁵ OJ L 67, 10.3.1994; Bull. 3-1994, point 1.3.89.

restrictions maintained by Member States were abolished and at the same time a small number of Community quotas were introduced on seven categories of products, all originating in the People's Republic of China.

1017. Regulation (EC) No 520/94, also adopted on 7 March, established a Community procedure for the administration of quantitative quotas, which is now within the Commission's field of competence.¹ Community importers can now use a uniform import licence, valid throughout the Community.

1018. By way of implementation of the Uruguay Round conclusions, the Commission put a proposal to the Council to amend Regulation (EC) 518/94.² All 'grey area' measures such as voluntary restraint and orderly marketing agreements will also be eliminated.

1019. No safeguard measure nor any measure based on Article 115 of the EC Treaty was adopted in the course of the year.

Export arrangements and other measures affecting exports to non-member countries

1020. Information on embargoes is given in the relevant geographical sections.

Treaties, trade agreements and mutual recognition agreements

1021. On 6 December pursuant to Decision 69/494/EEC,³ the Council authorized the automatic renewal or maintenance in force of certain friendship, trade and navigation treaties and similar agreements between Member States and third countries, with the exception of agreements between the Member States, the former Yugoslavia and Libya.

¹ OJ L 66, 10.3.1994; Bull. 3-1994, point 1.3.87.

² COM(94) 414; Bull. 10-1994, point 1.3.70.

³ OJ L 326, 29.12.1969.

Export credits

Agreement on guidelines for officially supported export credits

1022. The 1977 OECD agreements in this field have been revised several times. The latest amendments were given effect by Council Decision 93/112/EEC.¹

Export credit insurance

1023. On 13 July the Commission adopted a proposal for a Directive on export credit insurance for transactions with medium- and long-term cover (Table II), with the aim of reducing distortion of competition between Community undertakings caused by disparities between national systems, establishing common principles applicable to guarantees and premiums and introducing a degree of transparency in the policy on cover.

Export promotion

1024. This year's programme followed the general guidelines confirmed last year and was designed to concentrate on the Asian and Gulf countries, give priority to capital goods, strike a balance between exhibitions and other trade forums, and coordinate with Community economic cooperation or development programmes.

1025. Special emphasis was given to China because of the great interest aroused by its sustained economic growth. Four Community events were organized there, giving over 300 Community firms a taste of the Chinese market and raising the profile of European industry in key sectors such as construction, the car industry, manufacturing and energy. Other Community trade events were organized in South Korea, Malaysia, Thailand and the United Arab Emirates.

1026. Average attendance by Community undertakings at these events increased by over 25%. Closer cooperation with industry, in the form of direct involvement by trade federations, also meant that participants were more representative and more commercially oriented. The multidimensional aspect of trade forums make them a first-rate promotional tool, on which participants can put their personal stamp. The presence of delegations of European industrialists also encourages parallel negotiations with local authorities and industry.

¹ OJ L 44, 22.2.1993; Twenty-sixth General Report, point 985.

Individual sectors

Steel

Multilateral steel agreement

1027. Following the failure to conclude a multilateral steel arrangement in the context of the Uruguay Round in December 1993, the participants agreed to resume negotiations this year in order to capitalize on the momentum generated by the successful outcome of the round in other sectors. Two rounds of multilateral consultations were accordingly held, in April and in June. Unfortunately the delegations failed to settle their differences. The Community is determined to see practical expression given to the principles underlying the negotiations, namely the establishment of strict rules for granting subsidies, elimination of tariff and non-tariff barriers to trade and prevention of the misuse of legitimate commercial instruments for protectionist purposes, with the aim of creating a climate conducive to free and fair international trade in steel products.

Autonomous ECSC arrangements

1028. As a result of the entry into force in May of the Europe Agreement with Bulgaria, the last autonomous quotas applicable to the Central and East European countries were abolished. Statistical surveillance continued for imports from all sources under automatic licensing arrangements.¹

Relations with the countries of Central and Eastern Europe, the former Soviet Union and Turkey

1029. On 25 and 28 March² the EC-Czech Republic and Slovak Republic Joint Committees decided to increase the tonnage of certain steel products allowed into the Community free of the additional rates of duty laid down in the 1993 arrangements.³ At the same time certain products previously considered non-processed or non-exported were expressly included in the system. The customs arrangements were put into effect in the Community by Decision 2244/94/ECSC and Council Regulation (EC) No 2245/94.²

¹ OJ L 17, 20.1.1994.

² OJ L 241, 16.9.1994.

³ Twenty-seventh General Report, point 879.

1030. The 1993 Community quota arrangements for long products and flat-rolled products covered by the ECSC Treaty were renewed in two tranches, with a slight volume increase (225 566 tonnes for flat-rolled products and 105 406 tonnes for long products).¹ The system was applied to the former USSR as a back-up to the restructuring of the Community steel industry and was intended to be replaced by voluntary restraint arrangements with the three main producer republics (Russia, Ukraine and Kazakhstan). The Council duly gave the Commission negotiating Directives to this end, and the negotiations which began in the autumn with Russia and Ukraine are in their final phase.

1031. After lengthy discussions with Turkey, the Commission opened negotiations in October with a view to an agreement establishing a free trade area for the ECSC sector to complement the customs union. The agreement provides for unrestricted duty-free trade and the introduction of competition rules modelled on the system agreed with the Central and East European countries.

Shipbuilding

1032. Negotiations in the OECD for an international agreement enforcing normal and fair conditions of competition in the commercial shipbuilding and repair industry were concluded on 17 July on the basis of a text adopted subject to confirmation.² The agreement was signed on 21 December in Paris, following its adoption by the Council on 19 December.²

Textiles

Consequences of the single market

1033. The internal market for textiles was completed in 1993 and a system of centralized quota administration came on stream. Continuing exceptions to this single market were a major source of concern to the Commission during the year.

1034. On 8 December the Council adopted Regulation (EC) No 3036/94 establishing economic outward processing arrangements applicable to certain textile and clothing products reimported into the Community after working or processing in certain third countries.³ The purpose of the Regulation is to adapt

¹ OJ L 32, 5.2.1994; Bull. 1/2-1994, point 1.3.138; OJ L 155, 22.6.1994; Bull. 6-1994, point 1.3.87.

² Point 215 of this Report.

³ OJ L 322, 15.12.1994; Bull. 12-1994.

processing in certain third countries.¹ The purpose of the Regulation is to adapt these arrangements to the internal market and to give effect promptly to the tariff concessions for the Central and East European countries agreed by the Copenhagen European Council. It will enter into force on 1 January 1995, although the provisions applicable to the Central and East European countries have in fact been applied since 1 January 1994.

1035. Council Regulation (EC) No 517/94² on common rules for imports of textile products from certain third countries not covered by specific arrangements opens Community quotas for certain textile products imported from China, North Korea or the former Yugoslavia, which replace the national quotas previously in force. It effectively liberalized trade in a number of products but the volume of quotas granted to China gave rise to difficulties because of the scale of importers' applications.

1036. For the purposes of administering Community quotas following the abolition of national quotas,³ a system of common import licences was agreed between the Member States. In future licences will be accepted at any entry point into the Community, regardless of the destination stated in the export licence and the Member State of issue.

Relations with non-member countries (bilateral agreements, preferential arrangements)

1037. On 16 May the Council adopted the protocol extending the Multifibre Arrangement (MFA) until 31 December (Table III), in line with the Uruguay Round conclusions. After this date the Community's bilateral agreements are to be replaced by the provisions of the Uruguay Round Agreement on textiles and clothing, which in future will govern trade in textile products between the contracting parties to the agreement.

1038. On 1 October the Commission, on behalf of the European Union and the applicant countries (subject to completion of the accession procedure by 1 January 1995), notified the GATT Secretariat of the first tranche of textile products to be reintegrated under WTO rules. This represents 16% of the 1990 trade volume and is to come into force on 1 January 1995.

1039. One problem not settled in the Uruguay Round was the inadequate market access offered by India. The Commission is continuing negotiations on this matter.

¹ OJ L 322, 15.12.1994; Bull. 12-1994.

² OJ L 67, 10.3.1994; Bull. 3-1994, point 1.3.104.

³ Twenty-seventh General Report, point 884.

1040. On 31 October (Table III) the Council adopted negotiating Directives for the renegotiation of each of the 50 existing bilateral textile agreements and arrangements, the aim being to alter the quotas to take account of enlargement. The negotiations with the exporting countries are being conducted by the Commission.

1041. In recent years China has become the European Union's main supplier of textile products and clothing and the Commission considered it desirable to renegotiate some of the provisions of the current bilateral textile agreement. On the basis of Council negotiating Directives it conducted negotiations with China for a bilateral agreement (Table III) on trade in textile products not covered by the existing MFA-based agreement, silk, linen and ramie in particular, which currently come under Regulation (EC) No 517/94.¹ Consultations with China on cases of fraud concerning the quantitative limits for certain categories of textiles continued. Negotiations were also held concerning the amendment of some of the economic aspects of the current textiles agreement with a view to China's membership of GATT/WTO.

1042. On 7 September Turkey and the European Union initialled a new textile agreement with a view to the establishment of a customs union. It raises the quantitative limits applicable to certain categories of textile products subject to restrictions and completely liberalizes other categories. In November the Council adopted negotiating Directives (Table III) for the renewal of the agreement on clothing, which expires on 31 December.

1043. A textiles protocol was negotiated with Estonia as part of a new free trade agreement.² This protocol eliminates customs duties from 1 January 1995 and places no quantitative restrictions on Estonia's textile products, maintaining the *status quo* in that respect.

1044. The Council also adopted negotiating Directives for a bilateral textile agreement with the United Arab Emirates (Table III). A first round of negotiations was held in November.

1045. On the administrative side a number of quantitative limits were imposed on products not previously subject to restrictions, following a sudden and damaging import surge (the 'basket extractor' mechanism). The products in question originated in China,³ India,⁴ Indonesia⁵ and Pakistan.⁶ Consultations were also held with China concerning a further three categories of products.

¹ Point 1037 of this Report.

² Point 787 of this Report.

³ OJ L 183, 19.7.1994; Bull. 7/8-1994, point 1.3.111.

⁴ OJ L 297, 18.11.1994.

⁵ OJ L 171, 6.7.1994; Bull. 7/8-1994, point 1.3.109.

⁶ OJ L 189, 23.7.1994; Bull. 7/8-1994, point 1.3.110.

1046. The Commission continued activities under the textiles anti-fraud initiative (TAFI), which is cofinanced by the Commission and European industry with the aim of developing new methods of detecting fraud.

1047. In conjunction with European industrial federations, the Commission cofinanced several studies on new market prospects for textile products, clothing, shoes and leather. It also backed trade fairs in markets already identified as promising for Community exporters, such as Russia, Japan, the United States, Mexico and Hungary.

Motor industry

1048. In a communication dated 23 February on the automobile industry,¹ the Commission pointed out that comparable and effective access to non-Community country markets for vehicles and spare parts produced in the EU is vitally important. The industry and the Commission have worked together to improve access to a number of markets, particularly Japan and Korea.

1049. The aim of the arrangement concluded with Japan in July 1991² is to open the EU market progressively to Japanese exports of cars and light goods vehicles during a transitional period ending in 1999 without disrupting the market. During the transitional period, European producers may take restructuring measures in order to attain adequate levels of international competitiveness. Following consultations between the Commission and the Japanese Ministry of Trade and Industry, the two sides agreed in March on the figure of 11 974 million vehicles as an estimate of EU demand for 1994 and set exports at 984 000 units.

Other products

1050. At a time of worldwide shortage of raw materials, the European leather industry has been hard hit by the export restrictions imposed on raw hides by Poland. After fruitless consultations with the Polish authorities, the Commission decided to invoke the arbitration procedure provided for in Article 105 of the EU-Poland Europe Agreement.

1051. Following multilateral consultations in 1993, the Commission took part in a series of informal multilateral conferences on the world aluminium market,

¹ COM(94) 49; point 213 of this Report.

² Twenty-fifth General Report, point 1060.

attended by representatives from Australia, Canada, Norway, the Russian Federation and the United States. In Ottawa in March the participants carried out a study of the world aluminium market, endorsed in a 'Memorandum of agreement on the world aluminium market'. On the basis of this study, producers would be able to take appropriate commercial decisions on a voluntary, individual and independent basis. Russia also agreed to lower its production in line with the study indications, while the industrial cooperation aspect was approached via the possibility of increased technical assistance for the Russian industry. The Commission accordingly set in motion the TACIS programme for restructuring the Russian aluminium industry. Ensuring transparency of the world aluminium market will be the task of a working party of official experts from the six signatories to the memorandum, who will be responsible for gathering and exchanging information. In addition, transparency of the Russian market will be ensured through Russian industry participation in the International Primary Aluminium Institute. It was decided at the end of a conference held in Brussels in January that the measures adopted previously to limit imports of unwrought aluminium from the former Soviet Union and the Baltic States (Regulation (EC) No 3257/93) would not be renewed.¹

¹ OJ L 293, 27.11.1993; Twenty-seventh General Report, point 894.

*Section 15***International organizations and conferences****United Nations and UN specialized agencies***General Assembly*

1052. The 49th session of the United Nations General Assembly opened in New York on 20 September. Mr van den Broek attended the second week's proceedings conducted at ministerial level and used the occasion to take part in a series of meetings between the European Union and a number of States and regional groupings and in several rounds of bilateral discussions. Mr Klaus Kinkel, President of the Council, addressed the General Assembly on behalf of the European Union.¹ The key topics of discussion, which gave rise to a number of draft resolutions, were as follows: the situation in Bosnia-Herzegovina and in Rwanda; the Middle East peace process; the Secretary-General's 'Agenda for development' report; the debt problem; international trade, with particular reference to the conclusion of the Uruguay Round and the establishment of the World Trade Organization; the right to development; the Convention on the Law of the Sea; reform of the United Nations system; the 50th anniversary of the signing of the United Nations Charter; the follow-up to the conference in Cairo on population and development; and preparation of the 1995 conference for parties to the Nuclear Non-Proliferation Treaty.

1053. In a resolution adopted on 8 February, Parliament commented on the European Union's role in the United Nations and on UN reform.² On 17 November it urged the General Assembly to work towards the elimination of weapons of mass destruction and the negotiation of a worldwide nuclear test ban.³

*Economic and Social Council/
Commission on Sustainable Development*

1054. At the second session of the Commission on Sustainable Development,⁴ which saw decisions adopted on topics such as the link between trade and the environment and changes to production and consumer patterns to take account

¹ Bull. 9-1994, point 1.3.33.

² OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.91.

³ OJ C 341, 5.12.1994; Bull. 11-1994, point 1.3.73.

⁴ Point 495 of this Report.

of the principle of sustainable development, the Community presented a report on the implementation in 1993 of the conclusions adopted at the Rio Summit.¹ ECU 770 million was committed for cooperation in various areas covered by Agenda 21. The Community also undertook specific initiatives concerning the transfer of clean technologies and various other activities in relation to public health, forests, drinking-water resources, toxic chemicals, hazardous waste and consumer behaviour.

1055. The 49th annual session of the United Nations Economic Commission for Europe was held in Geneva from 18 to 26 April. The emphasis was again on the need to concentrate efforts and available resources on the priority areas of ECE activity (transport, environment, trade, statistics and economic analysis), along with the ECE's role in supporting, with a view to expanding its membership, the transition to a market economy of the countries of Central and Eastern Europe and the newly Independent States of the former Soviet Union. The meeting also saw the adoption of 10 decisions concerning, *inter alia*, assistance to States undergoing economic transition, the ECE's role, transport and the environment.

Convention on the Law of the Sea

1056. Twelve years after it was originally adopted,² the Convention on the Law of the Sea entered into force on 16 November and this event was marked by an inaugural conference attended by the UN Secretary-General in Kingston from 16 to 18 November. Prior to the convention's entry into force, the informal talks conducted by the UN Secretary-General with a view to ensuring its universal acceptance had culminated, after four years' work,³ in agreement on the wording of a UN General Assembly resolution and on the provisions of an agreement implementing Part XI of the Convention on exploitation of the sea-bed. Following the adoption by the Council of Decision 94/262/EC on 25 July,⁴ the Community, in accordance with the provisions of the Convention, signed the implementing agreement on 29 July and gave notification of its provisional application on 16 November once the signatures of a majority of Member States had been obtained. The parties to the convention, currently numbering 68, held their first meeting in New York on 21 and 22 November.⁵

¹ Twenty-sixth General Report, point 626.

² Sixteenth General Report, point 786.

³ Twenty-seventh General Report, point 900.

⁴ OJ L 215, 20.8.1994; COM(94) 305; Bull. 7/8-1994, point 1.3.73.

⁵ Bull. 11-1994, point 1.3.75.

International Monetary Fund (IMF) and the World Bank (IBRD)

1057. The International Monetary Fund and the World Bank held a number of meetings in conjunction with their annual meetings, which took place in Madrid from 2 to 6 October.¹ The Community was represented by Mr Theo Waigel, President of the Council, and by Mr Christophersen. Commission representatives also took part in the discussions of the Group of Ten, the Interim Committee and the Development Committee.

World Intellectual Property Organization (WIPO)

1058. The World Intellectual Property Organization's main activity in the field of industrial property was the preparation of an implementing regulation common to the Madrid Agreement and Protocol.² The Community was involved in the diplomatic conference for the conclusion of the Treaty on trade-mark law adopted in Geneva on 27 October. In the area of copyright and neighbouring rights, talks were held on a protocol to the Berne Convention and an agreement on the protection of the rights of phonogram producers and performing artists.³ Discussions also took place on draft treaties on dispute settlement and relations with the World Trade Organization.⁴

General Agreement on Tariffs and Trade (GATT)

1059. The 49th session of the GATT Contracting Parties was held on 25 and 26 January and focused mainly on the importance of early implementation of the results of the Uruguay Round and the need to maintain a climate conducive to the successful conclusion of the ratification procedures. At the 50th session, held on 8 and 9 December,⁵ the key topic of discussion was the launch of the World Trade Organization (WTO) on 1 January 1995.⁴ The Contracting Parties also adopted the derogation requested by the Community and the ACP States regarding preferential trade treatment under the Lomé Convention.

1060. Amongst the issues examined by the GATT Council during the year were contracting parties' trade disputes and trade policies, regional agreements and new accessions.

¹ Point 57 of this Report.

² Point 152 of this Report.

³ Twenty-seventh General Report, point 120.

⁴ Point 987 of this Report.

⁵ Bull. 12-1994.

1061. At the start of the year the Committee on Trade and Development devoted its attention to informal talks concerning its future role in the WTO. At its 77th session in November, the main issues discussed were developing country participation in world trade, technical assistance to developing countries in the Uruguay Round context and the activities of the subcommittee on least developed countries' trade.

1062. The working party set up to consider the application for accession to GATT by 'Chinese Taipei' as a separate customs territory held a number of meetings,¹ as did the group set up to examine the status of the People's Republic of China.²

1063. The committees on the codes on non-tariff measures held regular meetings on administration of the agreements.³ The Preparatory Committee likewise held several meetings on implementation of the Uruguay Round.⁴

1064. In this context, the Final Act of the Uruguay Round of multilateral trade negotiations was signed in Marrakesh in April.⁴

Organization for Economic Cooperation and Development (OECD)

1065. In May, more than 20 years after the last accession, the OECD admitted a new member to its ranks — Mexico. While further accession negotiations were opened with four Central and East European countries,⁵ the dialogue with non-member States proceeded and the OECD continued to provide help to countries undergoing transition to a market economy, including the Russian Federation, with which the OECD signed a declaration of cooperation in June.

1066. At the annual ministerial meeting held in Paris on 7 and 8 June,⁶ ministers welcomed the report on jobs and unemployment and the three-year study of progress in structural reform, to both of which the Commission contributed, and called on the OECD to enlarge the scope to include national and sectorial studies. The OECD was also mandated by the G7 ministers at their Detroit meeting⁷ to analyse further the consequences for employment of the development of technology and productivity.

¹ Twenty-sixth General Report, point 1017.

² Twenty-first General Report, point 892.

³ Subsidies, dumping, technical standards, government procurement, trade in civil aircraft and import licensing.

⁴ Point 985 of this Report.

⁵ Hungary, Czech Republic, Slovak Republic and Poland.

⁶ Bull. 6-1994, point 1.3.62.

⁷ Point 818 of this Report.

1067. Work continued on analysis of the new dimensions of trade policy and the OECD renewed its commitment to cooperation with the other international organizations concerned, including GATT¹ and the WTO.²

Conference on Security and Cooperation in Europe (CSCE)

1068. The main focus of CSCE activities was the review conference held in Budapest from 10 October to 2 December,³ which was concluded by the Budapest Summit of 5 and 6 December.⁴ The final communiqué adopted at the summit, entitled 'Towards a new partnership for a new era', confirms the participants' commitment to the founding principles of the CSCE with a view to a new security partnership and more effective use of instruments such as preventive diplomacy, conflict prevention and crisis management. The statement endorses the Conference's change of name to the Organization for Security and Cooperation in Europe (OSCE) as from 1 January 1995 and allows for the possibility of incorporating the results of the continuing Stability Pact negotiations. On outstanding regional issues, the Conference agreed in principle to the sending of a CSCE peacekeeping force to Nagorno-Karabakh, subject to prior adoption of a resolution by the UN Security Council. It was also agreed to step up preventive diplomacy in Georgia, Moldova and the Baltic States. Although no immediate agreement was reached on CSCE participation in existing peacekeeping operations elsewhere, there was agreement on setting up a work programme in the fields of security and non-proliferation and on a political and military code of conduct for the use and democratic control of armed forces. Agreement was also reached on increasing the synergy between the CSCE's security arm and the human and economic dimensions, in particular through the Economic Forum, and on closer ties with non-member Mediterranean States. On a proposal from Russia, the CSCE will start a wide-ranging debate on a common security model for the 21st century with the aim of arriving at some practical decisions for the next summit, to be held in Lisbon in 1996. In the meantime, outstanding issues will be discussed at the ministerial conference planned for Budapest at the end of 1995.

1069. As part of its preventive diplomacy and peacekeeping activities, the CSCE continued to monitor developments in current crises and their impact on regional stability, especially in the former Yugoslavia, through its missions in the territories of Kosovo, Sandjak, Vojvodina, Skopje and Sarajevo, and also in Georgia, Moldova and Tadjikistan. Through the Minsk Group, the CSCE also

¹ Point 1059 of this Report.

² Point 987 of this Report.

³ Bull. 10-1994, point 1.3.71; Bull. 12-1994.

⁴ Bull. 12-1994.

followed closely the process of negotiations on Nagorno-Karabakh, for which it set up a monitoring mission. Other missions were undertaken to the Baltic States and Albania in the context of protection for national minorities. In a resolution adopted on 24 March, Parliament commented on the overall role of the CSCE and its future relations with the European Union,¹ which played a leading part in the presentation of the pact for stability in Europe.² The CSCE was given responsibility for administering the pact.

1070. The Committee of Senior Officials (CSO) met on four occasions and discussed the various crisis situations in Europe and peacekeeping operations. The Permanent Committee, which was set up in 1993, held its inaugural meeting in Vienna and met thereafter on a weekly basis, thus keeping the CSCE continually abreast of developments. On the economic front, the second meeting of the CSCE Economic Forum took place in Prague in March.³ In addition to 12 international organizations, representatives of five non-member Mediterranean States took part for the first time at this meeting.⁴ The main focus of discussion was the process of transition to a market economy, with particular emphasis on the key factors for bringing about a favourable business climate and promoting trade and mutual investment, and the role of infrastructure and scientific and technological cooperation in industrial development and enhancing industry's international competitiveness. The CSCE's Warsaw-based Office for Democratic Institutions and Human Rights organized several seminars with the active involvement of the Commission.⁵

Council of Europe

1071. The Council of Europe, now 33 strong, devoted itself to stepping up cooperation with the countries of Central and Eastern Europe. New programmes of cooperation and assistance to applicant countries and new members were adopted, notably in respect of the Baltic States.

1072. The Community continued to extend cooperation with the Council of Europe,⁶ in particular in areas which lent themselves to complementary action. Meetings took place between the Commission and the Council of Europe specifically devoted to the themes of culture, social matters, training, heritage, youth, regional policy and legal matters, and also in the context of activities

¹ OJ C 114, 25.4.1994; Bull. 3-1994, point 1.3.80.

² Point 742 of this Report.

³ Twenty-seventh General Report, point 913.

⁴ Algeria, Egypt, Israel, Morocco and Tunisia.

⁵ Topics covered included early warning and preventive diplomacy mechanisms, migrant workers and nomad communities, and local democracy.

⁶ Twenty-seventh General Report, point 917.

related to the aftermath of Chernobyl. Representatives of the Commission and the Council of Europe took part on a reciprocal basis in bodies conducting parallel initiatives to combat racism and xenophobia. In September the Community acceded to the Council of Europe Convention on the elaboration of a European pharmacopoeia.¹ The Council of Europe was also involved in the European Union's work on the implementation of the pact for stability in Europe.² Under the institutional arrangements agreed on 16 June 1987,³ the Commission continued to be involved in the major political events which punctuated the activities of the Council of Europe throughout the year. These included the 94th⁴ and 95th⁵ meetings of the Committee of Ministers on 11 May and 10 November, the informal conference of local authority ministers in Warsaw on 18 October and the fourth ministerial conference on mass communications policy, held in Prague on 7 and 8 December. The annual quadripartite meeting did not go ahead owing to scheduling problems, but the Secretary-General of the Commission took part in the annual talks with the ministers' deputies on 15 November. Mr van den Broek had discussed the state of mutual cooperation between the European Union and the Council of Europe with them on 20 April.

European Bank for Reconstruction and Development (EBRD)

1073. Details of the activities of the European Bank for Reconstruction and Development are contained in Chapter II, Section 2, 'Economic and monetary policy'.⁶

¹ Point 108 of this Report.

² Point 742 of this Report.

³ OJ L 273, 26.9.1987; Twenty-first General Report, point 902.

⁴ Bull. 5-1994, point 1.3.65.

⁵ Bull. 11-1994, point 1.3.74.

⁶ Point 64 of this Report.

Chapter IV

Cooperation in the fields of justice and home affairs

Section 1

Priority activities and objectives

1074. *The first year of application of the provisions of Title VI of the Treaty on European Union was given over mainly to the implementation of the action plan and priority programme adopted by the Council on 29 and 30 November 1993 and approved by the European Council on 10 and 11 December 1993¹ and of new working structures in line with the provisions of the Union Treaty. With the encouragement of the European Council,² work continued steadily but not without encountering a number of difficulties connected both with the sensitive nature of the matters discussed and with the interpretation of various aspects of the new institutional framework. At the close of the first annual debate provided for in Article K.6 of the Treaty, Parliament was impelled to express itself in rather critical terms concerning the progress made by the Council in implementing provisions relating to the fields covered by Title VI.³*

In its steadfast determination to make full use of the opportunities opened up by this new dimension of the Union, the Commission presented two communications of major importance, one on immigration and asylum and the other on the fight against drugs, thus contributing to the definition of a comprehensive and consistent approach to these matters of general concern. It also sought to consolidate the protection of the Communities' financial interests by framing a draft Convention on the approximation of Member States' criminal laws in this area.

Cooperation in the fields of justice and home affairs has also become a more tangible aspect of relations with non-member countries, especially those of

¹ Twenty-seventh General Report, point 968.

² Bull. 6-1994, point 1.4.1; Bull. 11-1994, point 1.4.1; Bull. 12-1994.

³ OJ C 18, 23.1.1995; Bull. 12-1994.

Central and Eastern Europe.¹ The Council adopted conclusions in this connection in November.² Cooperation has progressed to include a number of particularly important matters such as the treatment of refugees and the combating of racism and xenophobia. This development serves to confirm the importance of its contribution to the achievement of the European Union's aims, which will now have to be consolidated by the adoption of practical measures.

¹ Point 1088 of this report.

² Bull. 11-1994, point 1.4.4.

Section 2

Asylum, external frontiers and immigration

1075. On 23 February, the Commission adopted a communication on immigration and asylum policies,¹ which expands on the ideas outlined in its 1991 communications,² taking into account, in particular, the new possibilities created by the Treaty on European Union. The Commission advocates a comprehensive and multidisciplinary approach embracing action to reduce migration pressure, immigration control and more forceful policies on the integration of legal immigrants. Welcoming the communication on 20 June,³ the Council expressed the hope that consideration would be given to the case for including the topics raised by the Commission which come under Title VI of the Union Treaty in a new work programme in this area. The Economic and Social Committee also issued a favourable opinion on 14 September.⁴

1076. On 20 June, the Council adopted a resolution on limitations on the admission of third-country nationals to the Member States for employment.⁵ Resolutions on the admission of third-country nationals for the purpose of study⁶ and of pursuing activities as self-employed persons⁷ were adopted at the Council meeting on 30 November and 1 December. On 30 November, the Council adopted, by Decision 94/795/JHA,⁸ the first joint action under Article K.3 of the Union Treaty on travel facilities for school pupils from third countries resident in a Member State. At the same meeting it approved a recommendation on a standard bilateral readmission agreement,⁹ to be used as a basis for negotiation with non-member countries from 1 January 1995, and conclusions on the organization and development of the Centre for information, discussion and exchange on the crossing of frontiers and immigration (Cirefi),¹⁰ set up by a decision of immigration ministers at their six-monthly meeting in London on 30 November and 1 December 1992.¹¹

¹ COM(94) 23; Bull. 1/2-1994, point 1.4.3.

² Twenty-fifth General Report, points 205 and 218.

³ Bull. 6-1994, point 1.4.3.

⁴ Bull. 9-1994, point 1.4.2.

⁵ Bull. 6-1994, point 1.4.5.

⁶ Bull. 11-1994, point 1.4.6.

⁷ Bull. 11-1994, point 1.4.7.

⁸ OJ L 327, 19.12.1994; Bull. 11-1994, point 1.4.5.

⁹ Bull. 11-1994, point 1.4.8.

¹⁰ Bull. 11-1994, point 1.4.9.

¹¹ Twenty-sixth General Report, point 1070.

1077. In conclusions adopted on 20 June¹ the Council endorsed the Commission's view² that the time was not yet ripe for applying Article K.9 of the Union Treaty to asylum policy, but declared its intention of reconsidering the question in the light of experience at a later date — by the end of 1995 at the latest.

1078. Taking up a point discussed by immigration ministers meeting in Copenhagen in June 1993,³ the European Council in Essen called on the Council to examine the problems raised by the flood of refugees with a view to finding an effective arrangement for sharing the burden in future.⁴

1079. Parliament adopted a resolution on 21 April,⁵ after being consulted by the Council Presidency under Article K.6 of the Union Treaty, on the proposal for a decision establishing a Convention on controls on persons crossing external frontiers of the Member States.⁶ Parliament endorsed the Commission's proposal subject to a number of amendments, notably the transfer of certain provisions from the Convention to the proposal for a Regulation determining the third countries whose nationals must be in possession of a visa when crossing the external borders of the Member States, which was presented simultaneously and supplemented by a proposal for a Regulation on measures relating to the introduction of a uniform format for visas.⁷

1080. Parliament also passed resolutions on the general principles of a European refugee policy⁸ and the Schengen Agreements.⁹

¹ Bull. 6-1994, point 1.4.4.

² Twenty-seventh General Report, point 970.

³ Twenty-seventh General Report, point 969.

⁴ Bull. 12-1994.

⁵ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.4.1.

⁶ OJ C 11, 15.1.1994; Twenty-seventh General Report, point 971.

⁷ Point 2 of this Report.

⁸ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.4.2.

⁹ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.4.4.

Section 3

The fight against drugs

1081. In the communication adopted on 23 June, the Commission, in accordance with the wishes expressed by the Brussels European Council in December 1993,¹ proposed a European Union action plan to combat drugs (1995-99), which defines a comprehensive strategy under the Union's new powers in the matter of public health and the common foreign and security policy and in the fields of justice and home affairs.² This plan addresses three major aspects of a general response to the drugs phenomenon, namely: demand reduction, combating illicit trafficking and action at international level. The Commission also stresses how important it is to coordinate action taken at the level of the Member States and the Union with regard to the role of the European Monitoring Centre for Drugs and Drug Addiction³ and the multidisciplinary aspects of the drug problem such as information, research or training. This communication was supplemented by another communication relating to Community action in the field of drug dependence together with a proposal for a programme on prevention.⁴ The Essen European Council requested that work relating to this plan be carried out efficiently so that conclusions could be presented to the European Council in June 1995.⁵

¹ Twenty-seventh General Report, point 972.

² COM(94) 234; Bull. 6-1994, point 1.4.6.

³ Point 688 of this Report.

⁴ Point 687 of this Report.

⁵ Bull. 12-1994.

Section 4

Judicial, customs and police cooperation

1082. On 15 June, the Commission adopted a proposal for a Council Act establishing a Convention for the protection of the Communities' financial interests.¹ This Convention supplements a proposal for a Regulation on administrative penalties² and introduces into the criminal legislation of all Member States the specific offence of 'fraud against the Communities' financial interests', thus assuring convergence of the systems of penalties, and rules on conflicts of jurisdiction which might emerge. In response to the concern expressed by the European Council in Corfu,³ the Council reached agreement on 1 December on a resolution reaffirming the need to protect the Communities' financial interests by means of criminal sanctions and setting out the guiding principles of a legal instrument to be drawn up on the basis of the Commission proposal and a move by the United Kingdom for joint action in this sector.⁴ At its meeting in Essen, the European Council took note of this resolution and asked the Council to pursue its deliberations actively.⁵

1083. In the field of judicial cooperation, activities continued in respect of both civil and criminal matters. The Council continued its examination of the extension of the 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments to certain areas of family law. Agreement was also reached on the final text of a convention on simplified extradition procedures with the consent of the person concerned, while examination of other aspects of extradition continued. The Council agreed to look for practical improvements to certain aspects of cooperation to combat international organized crime.

1084. Work continued on a convention on the use of computers in the customs sector, which would set up a customs information system,⁶ and a start was made on the report of the Naples Convention of 1 January 1967 for mutual assistance between the customs administrations of the Member States.

1085. Despite the requests reiterated by the European Council at its two meetings in Brussels in 1993,⁷ the Convention establishing a European Police

¹ COM(94) 214; Bull. 6-1994, point 1.4.8.

² Point 1146 of this Report.

³ Bull. 6-1994, point 1.24.

⁴ OJ C 355, 14.12.1994; Bull. 11-1994, point 1.4.11; Bull. 12-1994.

⁵ Bull. 12-1994.

⁶ Twenty-seventh General Report, point 975.

⁷ Twenty-seventh General Report, point 976.

Office (Europol) could not be finalized by the end of the year. At its meeting in Essen¹ the European Council therefore instructed the Council, following on from the results already obtained on the basis of an existing draft, to find a balanced solution for the main outstanding problems so that the Convention could be concluded in the first half of 1995. It was also decided to extend the mandate of the Europol Drugs Unit (EDU),² which moved into its new premises in The Hague in February, to the fight against some other forms of crime.

1086. At its meeting in Corfu³ the European Council, replying to a Franco-German initiative, set a timetable and work plan with a view to the adoption by the end of June 1995 of an overall strategy of the Union against racism and xenophobia.⁴ As requested, the Council presented its first progress report⁵ on activities in the fields of justice and home affairs. In Essen, the European Council considered this report to be a good basis and called on the Council to continue along these lines.¹

1087. Work also continued under the 1994 priority programme,⁶ leading in particular to the adoption of recommendations on the trade in human beings for the purpose of prostitution⁷ and a move to introduce electronic immobilizers in all new motor vehicles, which the Essen European Council welcomed.¹

1088. At multilateral level there were two important events in the course of the year. At the request of the Corfu European Council,⁸ a Ministerial Conference with the associated countries of Central and Eastern Europe on cooperation in the fight against drug-related and organized crime was held in Berlin on 8 September.⁹ The first ministerial conference on international organized crime was held in Naples from 21 to 23 November under the aegis of the United Nations.¹⁰

1089. Parliament adopted resolutions on its participation in international agreements concluded by the Member States and the Union in the fields of justice and home affairs,¹¹ criminal activities in Europe¹² and terrorism and its effects on security in Europe.¹³

¹ Bull. 12-1994.

² Twenty-sixth General Report, points 1068 and 1071.

³ Bull. 6-1994, point 1.23.

⁴ Point 1092 of this Report.

⁵ Bull. 11-1994, point 1.4.2.

⁶ Twenty-seventh General Report, point 977.

⁷ Bull. 6-1994, point 1.4.2.

⁸ Bull. 6-1994, point 1.24.

⁹ Bull. 9-1994, point 1.4.1.

¹⁰ Bull. 11-1994, point 1.4.10.

¹¹ OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.4.1.

¹² OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.4.5.

¹³ OJ C 91, 10.3.1994; Bull. 3-1994, point 1.4.1.

Chapter V

Human rights and fundamental freedoms

1090. Upholding and protecting human rights is one of the European Union's major concerns, as reflected in the many initiatives aimed at its own citizens, in the political dialogue with non-member countries and the agreements concluded with them and in its contribution to implementing the action plan adopted by the World Conference on Human Rights in June 1993.¹

Section 1

Inside the Union

1091. In accordance with the Treaty on European Union, European citizens residing in a Member State of which they are not nationals were able for the first time to vote or stand as candidates in the June elections for the European Parliament.² From 1996, they will also be able to participate in local elections.³ On 9 March, Parliament adopted regulations and general conditions governing the performance of the Ombudsman's duties.⁴

1092. At its meeting in Corfu in June, the European Council again condemned the continuing manifestations of intolerance, racism and xenophobia and affirmed its determination to step up the fight against them, approving a programme of work designed to lead to the adoption of an overall strategy to help the Union combat these problems.⁵ Interim progress reports,^{6 7} one dealing specifically with youth, were presented to the European Council in Essen.⁸ Underlining the importance of tackling racism and xenophobia at Union

¹ Twenty-seventh General Report, point 992.

² Point 5 of this Report.

³ Point 4 of this Report.

⁴ Point 6 of this Report.

⁵ Bull. 6-1994, point I.23.

⁶ Bull. 11-1994, point 1.2.210.

⁷ Bull. 11-1994, point 1.4.2; point 1086 of this Report.

⁸ Bull. 12-1994.

level, the Council welcomed the progress made and called upon the institutions to continue their efforts to enable the European Council to adopt an overall strategy in June 1995. On 27 October, Parliament adopted a resolution on racism, xenophobia and anti-Semitism, calling for the implementation of a comprehensive non-discrimination policy as a useful adjunct to national policies and the adoption of appropriate and clearly differentiated solutions for immigration policy and asylum policy.¹

1093. In a resolution adopted on 18 January, Parliament reiterated its support for the Community's accession to the European Convention on Human Rights. The Council agreed on 19 April to obtain the opinion of the Court of Justice on whether accession would be compatible with the EC Treaty (Table III).

1094. Mindful of the fundamental rights of EU citizens, Parliament also adopted resolutions on the freedom and fundamental rights of women,² linguistic and cultural minorities, equal rights for homosexuals and lesbians,³ conscientious objection⁴ and the situation of gypsies in the Union.⁵

1095. On 20 June, the Council formally approved five recommendations addressed to the Member States calling for stronger measures to curb the procuring of prostitutes and for the dismantling of prostitution networks.⁶

¹ OJ C 323, 21.11.1994; Bull. 10-1994, point 1.4.1.

² OJ C 205, 25.7.1994; Bull. 5-1994, point 1.1.3.

³ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.1.9.

⁴ OJ C 44, 14.2.1991; Bull. 1/2-1994, point 1.1.8.

⁵ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.1.5.

⁶ Point 1087 of this Report.

Section 2

Outside the Union

1096. In line with the EC Treaty's development cooperation objectives and the Treaty on European Union's provisions on the common foreign and security policy, the European Union worked steadily through the year to promote the consolidation of democracy, the rule of law and universal respect for human rights.

1097. In a resolution adopted on 21 April,¹ Parliament reaffirmed the principle that any agreement between the Community and non-Community countries should include a clause on respect for human rights and social rights, and provide for its automatic suspension in the event of violations of those rights.² It also called on the Council and the Commission to ensure greater transparency with regard to budget funds to be used to implement a coherent policy in the field of human rights and to ensure better coordination of Member States' action.

1098. A new chapter heading, 'European initiative for democracy and the protection of human rights', was inserted in the budget,³ highlighting the new human rights dimension given to Community policies by the entry into force of the Union Treaty. This enabled the Commission to use the available financial instruments to help promote the rule of law and the development of democratic government and civil society in developing countries, in Central and Eastern Europe, in the Independent States of the former Soviet Union and in the former Yugoslavia.

1099. The corollary of an active human rights policy is the ability to take appropriate action to deal with anti-democratic practices and human rights abuses when they occur. The persistence of flagrant violations of human rights in many countries led the EU and its Member States to make some 70 behind-the-scenes representations, to issue some 90 statements and, in certain cases, to modify the content of cooperation programmes, withhold the signatures necessary for their implementation or even suspend cooperation, while taking care to avoid penalizing the people of the country concerned, especially the poorest sections of society.

¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.94.

² Twenty-seventh General Report, point 988.

³ General budget for the European Union for the financial year 1994, Chapter B7-52, OJ L 34, 7.2.1994.

1100. Parliament condemned human rights abuses in a number of countries and passed resolutions on such important issues as the right to humanitarian intervention,¹ the setting-up of an international war crimes tribunal,² the establishment of an international criminal court,³ 'ethnic cleansing'⁴ and the economic exploitation of prisoners and children worldwide.⁵

1101. The importance attached by the Union and its Member States to democratic government and respect for human rights was also reflected in their contributions to the work of international organizations and institutions, notably the United Nations General Assembly and the UN Commission on Human Rights, the conference on the human dimension of the Conference on Security and Cooperation in Europe (CSCE) and the Council of Europe.⁶ The Union also contributed to implementing the recommendations in the action plan adopted by the World Conference on Human Rights held in June 1993,⁷ which included the creation of the post of High Commissioner for Human Rights, to which Mr José Ayala Lasso was appointed.

1102. On 13 December, Mr Klaus Hänsch, President of the European Parliament, presented the Sakharov Prize for freedom of thought to Ms Taslima Nasreen.⁸

¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.103.

² OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.104.

³ OJ C 341, 5.12.1994; Bull. 11-1994, point 1.3.112.

⁴ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.105.

⁵ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.157.

⁶ Point 1072 of this Report.

⁷ Twenty-seventh General Report, point 992.

⁸ Bull. 12-1994.

Chapter VI

Financing Community activities

Section 1

Priority activities and objectives

1103. *Implementation of the interinstitutional agreement signed on 29 October 1993¹ began in 1994. At institutional level, this involves the application of new procedures for the improvement of the budgetary procedure and sound financial management and, in particular, a procedure for interinstitutional collaboration comprising a dialogue meeting to discuss possible priorities for the budget of the coming year ahead of the Commission's decision on the preliminary draft budget, and ad-hoc conciliation meetings on the amount of compulsory expenditure, held at the time of the Council's first reading. This procedure was applied for the preparation of the 1995 budget. With the same objective of improving the budgetary procedure, and in accordance with the repeated undertaking of the institutions, the Commission proposed, in a communication dated 6 July,² the introduction of practical arrangements to ensure compliance with the principles laid down in the 1982 declaration,³ which requires that a proper legal basis must exist before appropriations entered in the budget can be used and seeks to avoid the indication of maximum amounts in legal instruments. The budget adopted on the basis of the interinstitutional agreement fits into the framework of the financial perspective, as adjusted to take account of enlargement, and respects the own resources ceiling of 1.20% of the GNP of the 15-nation Community, pending ratification of the new own resources decision raising this ceiling to 1.21%. The negotiation of the new ceilings with an eye to enlargement was a further factor complicating the preparation of the 1995 budget. However, the rapid conclusion of these negotiations immediately after the Norwegian referendum and the Commission's letter of amendment to take account of the financial impact of the accession of three new Member*

¹ OJ C 331, 7.12.1993; Twenty-seventh General Report, point 1078.

² Bull. 7/8-1994, point 1.4.1.

³ Joint Declaration by the European Parliament, the Council and the Commission on various measures to improve the budgetary procedure — OJ C 194, 28.7.1982; Sixteenth General Report, point 91.

States allowed the budgetary procedure to end relatively smoothly with the adoption of a budget containing an enlargement-related reserve for the main categories of expenditure which will be divided up by a supplementary and amending budget in early 1995. The budget was adopted even though Parliament and the Council had still failed to agree on the classification of agricultural expenditure.

Section 2

Budgets

General budget

Financial perspective

1104. The 1995 budget procedure was the first to be governed in full by the rules of the interinstitutional agreement on budgetary discipline and improvement of the budgetary procedure, signed on 29 October.¹ It can thus serve to gauge the way in which it is implemented. A meeting of the interinstitutional triologue (Parliament, Council and Commission) was held in Brussels on 7 April to discuss priorities for the 1995 budget² and there were two *ad-hoc* conciliation meetings on compulsory expenditure on 7 and 25 July. The institutions felt that this first application was useful.

1105. The forthcoming enlargement of the European Union loomed over the 1995 budgetary procedure. On 4 October³ the Commission, as provided in the interinstitutional agreement and as requested by Parliament in two resolutions dated 24 March,⁴ proposed that the 1995-99 financial perspective be adjusted in line with the requirements and new resources of an enlarged Union. The Commission took the view that the additional own resources resulting from enlargement should be assigned to three types of objective. First, the expenditure ceilings should be raised over the entire period to cover the new requirements resulting from enlargement; some of this expenditure is the direct consequence of the Acts of Accession (allocations for the Structural Funds and the temporary agri-budgetary compensation for the acceding countries). In particular, the Commission proposed that the agricultural guideline be raised by 74% of the increase in Community GNP resulting from enlargement. For the other categories of expenditure (internal policies, external action, administrative expenditure), the proposals were based on a case-by-case assessment of requirements. Second, the Commission proposed boosting various operations for which requirements had been updated. This covered both internal policies (in particular, the financing of the framework programme

¹ OJ C 331, 7.12.1993; Twenty-seventh General Report, point 1078.

² Bull. 4-1994, point 1.5.4.

³ COM(94) 398; Bull. 10-1994, point 1.5.1.

⁴ OJ C 114, 25.4.1994; Bull. 3-1994, points 1.5.5 and 1.5.6.

for research) and external action (common foreign and security policy, cooperation with the countries of Central and Eastern Europe and the Mediterranean). Third, the margin between the expenditure ceiling and the own resources ceiling should be restored and enlarged to cope with cyclical variations in resources or, through revision of the financial framework, with unforeseen expenditure which arises during the period.

1106. The Commission had previously sent to the Council and Parliament on 10 March its conclusions on the adjustment of the financial perspective following examination of the conditions for the implementation of the 1993 budget.¹

1107. The budgetary procedure was also compromised by delays in the adoption and ratification of the new own resources decision² by the Member States. Without this, the own resources ceiling would have remained limited to 1.20% of GNP in 1995 instead of the 1.21% agreed at the Edinburgh European Council.³ The Council finally adopted the decision on 31 October. However, temporary cuts were made to expenditure pending the entry into force of the decision after ratification by the national parliaments.

1108. At a triologue meeting on 29 November the three institutions agreed on the financial perspective for the enlarged 15-member Union. The conclusion of these negotiations prevented a budget crisis by preserving the interinstitutional agreement concluded in 1993 and paved the way for the rapid adoption of a budget for the enlarged Union. The financial perspective was approved by the Council on 5 December and voted by Parliament on 13 December and signed the same day.

1109. The ceilings for the following headings of the financial perspective were raised for the whole of the period 1995-99 to cover the requirements resulting from enlargement of the Union.

- (i) Common agricultural policy: the agricultural guidelines was increased by 74% of the relative GNP of the acceding countries.
- (ii) Structural operations: the Structural Fund allocations were increased for the acceding countries. At the same time, the three acceding countries' contributions to the EEA financial mechanism will be paid from the budget.

¹ Bull. 3-1994, point 1.5.3.

² Point 1119 of this Report.

³ Twenty-sixth General Report, point 18.

- (iii) Internal policies: the ceiling for this heading was raised by 7% in line with the relative size of the acceding countries' GNP.
- (iv) External action: the ceiling for this heading was raised by 6.3% to allow external action to increase in proportion to the Union's additional financial capacity.
- (v) Administrative expenditure: the ceiling rises by an average 4.66% over the period 1995-99. However, in a joint statement, the institutions stated that expenditure under this heading will be reviewed in 1996 to take account of the financing requirements for the buildings of the European institutions and the staff requirements for the new Member States.
- (vi) A new heading 7 was also added to cover the compensation which the new Member States will receive over the period 1995-98.

1110. The institutions also took advantage of this adjustment of the financial perspective and the new funds available to the Union to adapt the ceilings for headings 2 (Structural operations) and 3 (Internal policies) in line with specific requirements which have recently emerged. Heading 2 was increased by ECU 200 million (at 1995 prices) in three equal instalments between 1995 and 1997. This lump-sum increase for Community initiatives will be used to finance the Northern Ireland peace programme in accordance with the conditions laid down by the Essen European Council. Heading 3 was increased by ECU 400 million (1994 prices), spread evenly over the next five years, to finance the programme for the modernization of the textile and clothing industry in Portugal, the principle of which was approved at the end of the Uruguay Round.

1111. Table 23 shows that the margin for revision between the ceiling for appropriations for payments and the own resources ceiling in the new financial perspective for the enlarged Union is far greater than provided for at the Edinburgh European Council and now comes to 0.03% of GNP at the end of the period. This new table, expressed in 1992 prices, will in future replace the table agreed at Edinburgh in 1992.

TABLE 23

Financial perspective for the enlarged Union — appropriations for commitments

	<i>(million ECU — 1992 prices)</i>				
	1995 ¹	1996	1997	1998	1999
1. Common agricultural policy	35 354	37 245	37 922	38 616	39 327
2. Structural operations	24 477	26 026	27 588	29 268	30 945
Structural Funds ²	22 369	23 668	24 980	26 610	28 345
Cohesion Fund	2 000	2 250	2 500	2 550	2 600
EEA financial mechanism ^{3,4}	108	108	108	108	—
3. Internal policies	4 702	4 914	5 117	5 331	5 534
4. External action	4 549	4 847	5 134	5 507	5 953
5. Administrative expenditure	3 738	3 859	3 974	4 033	4 093
6. Reserves	1 100	1 100	1 100	1 100	1 100
Monetary reserve ³	500	500	500	500	500
Guarantee reserve	300	300	300	300	300
Emergency aid reserve	300	300	300	300	300
7. Compensation	1 547	701	212	99	—
8. Total appropriations for commitments	75 467	78 692	81 047	83 954	86 952
9. Total appropriations for payments	72 020	74 605	77 372	80 037	82 778
Appropriations for payments as % of GNP	1.21	1.21	1.22	1.23	1.24
Margin as % of GNP	0.00	0.01	0.02	0.03	0.03
Own resources ceiling as % of GNP	1.21	1.22	1.24	1.26	1.27

¹ The cumulative deflator applicable to the 1995 budget is 7.6%.

² Between 1996 and 1999 the annual technical adjustment for the amounts intended for the new Member States, which are fixed at 1995 prices in the Act of Accession, will be based on 1995 prices.

³ Current prices.

⁴ The ceiling for this subheading could be changed, if necessary, under the technical adjustment procedure provided for in paragraph 9 of the interinstitutional agreement in line with the actual payments in the course of each financial year.

Budget procedure for 1995

1995 budget

1112. The preliminary draft budget adopted by the Commission on 19 April for a 12-member European Union¹ fits into the financial framework as adjusted in line with movements in GNP and prices. It totalled ECU 76 327 million in commitment appropriations and ECU 72 349 million in payment appropriations. These figures, up by 3.9% and 3.3% respectively on 1994, must be compared with European inflation (3.1%) and the average increase in public spending in the Member States (4.5%), as the Commission stressed in its communication of 10 March.² The receipts needed to finance this preliminary draft were compatible with an own resources ceiling of 1.21% of GNP. While complying with the budgetary constraints, the Commission still proposed a substantial increase in the appropriations allocated to various priority measures such as economic and social cohesion, structural policies, trans-European networks, research, education, vocational training and youth, as well as external action in favour of the countries of the Mediterranean and Central and Eastern Europe. Agricultural expenditure came to ECU 36 994 million, the level of the agricultural guideline, although this amount appeared insufficient to cover all requirements when the preliminary draft was being drawn up. The forecast of requirements was, however, reduced when the Commission adopted letter of amendment No 1/95 on 21 September.³ Estimated requirements, which exceeded the agricultural guideline by ECU 1 314 million, were reduced by ECU 395 million, leaving ECU 919 million connected with monetary realignments still not covered by the budget. The appropriations for structural operations were raised by 9% from ECU 23.2 billion to ECU 25.3 billion, as decided at the Edinburgh European Council. The Structural Funds were increased by 8.4% to ECU 23.112 billion, while the Cohesion Fund was allocated ECU 2.152 billion, an increase of 16.1%. The resources allocated to internal policies went up by 5.9% to ECU 4.6 billion. Most of this increase was for trans-European networks (+23%), research (+7.5%), and education, vocational training and youth (+12%). The external policy appropriations were raised by 5.8% to ECU 4.55 billion, mainly for the Mediterranean countries (+9.4%) and the countries of Central and Eastern Europe and the Independent States of the former Soviet Union (+9.2%). There was a significant increase in humanitarian aid, with the reserve for humanitarian operations rising from ECU 212 million to ECU 323 million. A further ECU 50 million was provided for the common foreign and security policy. Finally, the

¹ Bull. 4-1994, point 1.5.5.

² Bull. 3-1994, point 1.5.2.

³ Bull. 9-1994, point 1.5.4.

appropriations for the administrative expenditure of the institutions were increased by 4%.

1113. At its first reading on 25 July,¹ the Council cut back the draft budget to ECU 75 745 million in commitment appropriations and ECU 71 955 million in payment appropriations, 3.13% and 3.42% higher respectively than in 1994; compared with the Commission's preliminary draft, the volume of commitment appropriations was cut by ECU 641 million and payment appropriations by ECU 452 million. The Council accepted the Commission proposals as regards agricultural expenditure and structural policies, but substantially cut the amounts for internal policies (trans-European networks, information policy, other social measures, audiovisual policy and consumer policy). Drastic cuts were also made in external action (in particular 'other cooperation measures', which includes cooperation with developing countries in the environmental sector). The increase in administrative expenditure in relation to 1994 was reduced from 5.64% to 2%, with the Commission bearing the brunt of this austerity measure.

1114. The draft budget amended by Parliament on first reading on 27 October displayed all the hallmarks of a 'conditional budget'.² Parliament decided to impose two restrictions on its draft: certain amounts were frozen pending ratification of the own resources decision³ by the Member States and the amounts it felt at this stage would be necessary to take account of the financial implications of enlargement were entered in a reserve. Overall, Parliament voted appropriations for commitments of ECU 75 775 million and appropriations for payments of ECU 71 318 million. These totals include the ECU 777 million in appropriations for commitments and ECU 1 200 million in appropriations for payments which were frozen and the ECU 5 525 million in appropriations for commitments and ECU 4 491 million in appropriations for payments which Parliament considered necessary to cover the requirements resulting from enlargement.

1115. At its second reading on 16 November the Council rejected most of Parliament's proposed modifications and amendments, in particular those relating to the classification of agricultural expenditure and to the financing of the common foreign and security policy.⁴ After the inclusion of the amendments proposed in letter of amendment No 1, the statement of expenditure adopted by the Council came to ECU 75 934.9 million in appropriations for commitments and ECU 72 005.1 million in appropriations for payments.

¹ Bull. 7/8-1994, point 1.4.2.

² OJ C 323, 21.11.1994; Bull. 10-1994, point 1.5.3.

³ Point 1119 of this Report.

⁴ Bull. 11-1994, point 1.5.2.

1116. On 29 November, immediately after the Norwegian referendum, the Commission took the precautionary measure of presenting a letter of amendment No 2 to its preliminary draft budget to take account of the financial implications of the accession of three new Member States to the Union.¹ The financial perspective was adjusted on the same day. Parliament made allowance for these changes when it conducted its second reading in December.²

1117. Parliament decided against the strategy, employed at its first reading, of freezing some of the appropriations pending ratification of the own resources decision adopted on 31 October, but it did uphold its position on agricultural spending and amended the Council's draft as regards the EAGGF Guarantee Section appropriations.

Totalling ECU 80 892 million, the budget adopted on 15 December after Parliament's second reading will cover all the requirements of the enlarged Community. The payment appropriations needed come to ECU 76 527 million; the own resources required thus total 1.184% of the GNP of the 15-nation Community. Agricultural spending totals ECU 37 925.5 million. The ECU 26 329 million entered under heading 2 (Structural operations) will finance the Structural Funds, as provided at the Edinburgh European Council in December 1992, as well as operations under the new Objective 6, the extension of operations under the other objectives to the new Member States and the creation of a new Community initiative for peace and reconciliation in Northern Ireland with an allocation of ECU 66 million in 1995. Internal policies are allocated a total ECU 5 506 million (ECU 4.3 million beneath the ceiling for heading 3 of the financial perspective as adjusted for enlargement). There has been an increase of 13.2% for research and 31% for the trans-European networks, the operation to assist the Portuguese textile industry has been allocated ECU 80 million and there is a rise in expenditure on the International Fund for Ireland, Socrates (ECU 175.9 million, up by 37%) and Leonardo (ECU 137.3 million, 24% higher). An enlargement reserve has been established for the other internal policies. The ECU 4 881 million entered for external action is ECU 13.6 million below the ceiling for heading 4 of the adjusted financial perspective. Cooperation with the Mediterranean countries (including the new MEDA operation) is allocated ECU 487.4 million, 21.9% more than in 1994, and ECU 110 million is proposed for operations under the common foreign and security policy, including ECU 60 million for the joint action relating to the administration of Mostar. When account is taken of the requirements resulting from enlargement, in particular in relation to the language service, administrative expenditure will increase overall by

¹ Bull. 11-1994, point 1.5.2.

² Bull. 12-1994.

10.3% — 6.7% for the Commission and 17.5% for the other institutions. This leaves a margin of ECU 13.7 million beneath the ceiling for heading 5. The monetary reserve is reduced by half (ECU 500 million) as promised at the Edinburgh European Council. Finally, the budget contains ECU 1 547 million in budgetary compensation for the new Member States. A supplementary and amending budget will be presented early in 1995 so that appropriations from the reserve can be allocated to specific budget headings. The supplementary and amending budget will also contain a breakdown of administrative expenditure and the establishment plan for each of the institutions.

1118. The budget was declared adopted by the President of the Parliament on 15 December.¹

Table 24 shows the amounts entered under each heading of the financial perspective at the various stages of the budgetary procedure.

Own resources

1119. On 31 October, as decided at the Edinburgh European Council,² the Council adopted a new decision (Decision 94/728/EC) on the system of own resources (Table II) to replace Council Decision 88/376/EEC, Euratom.³ This decision fixes the level of own resources available over the period 1995-99 and the structure of the Community's system of financing and, in particular, raises the budget ceiling on own resources from 1.20% of gross national product to 1.21% in 1995, gradually rising to 1.27% in 1999.

1120. Earlier, on 21 April, Parliament called for greater transparency in the new system and the creation of a new source of revenue in the form of a fixed percentage of VAT.⁴ On 4 January the Commission had adopted two reports on the functioning of the inspection arrangements for traditional own resources⁵ and on the separate accounts.⁶

1121. Foreseeable revenue for 1995 is shown in Table 27.

¹ Bull. 12-1994.

² Twenty-sixth General Report, point 18.

³ OJ L 185, 15.7.1988; Twenty-second General Report, point 102.

⁴ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.5.15.

⁵ COM(93) 691; Bull. 1/2-1994, point 1.5.7.

⁶ COM(93) 674; Bull. 1/2-1994, point 1.5.8.

TABLE 24

Utilization of appropriations for commitments (Commission)
at 31 December 1994, by financial perspective subdivision
(figures not final)

	Appropriations entered in 1994 budget (including supplementary/amending budgets)	Appropriations entered in 1994 budget (including supplementary/amending budgets)	Additional appropriations from 1994 and carryovers from 1993	Total appropriations available in 1994	Book commitments entered into in 1994				(million ECU)	
					Against 1994 appropriations		Against additional appropriations and carryovers		Against total appropriations available in 1994	
					Amount	%	Amount	%	Amount	%
1. Common agricultural policy										
Markets (B1-1 to B1-3)	34 520.000	34 082.000	434.000	34 516.000	32 458.500	95.2	426.700	98.3	32 885.200	95.3
Accompanying measures (B1-4 and B1-5)	267.000	705.000	76.000	781.000	469.300	66.6	68.000	89.5	537.300	68.8
Total 1	34 787.000	34 787.000	510.000	35 297.000	32 927.800	94.7	494.700	97.0	33 422.500	94.7
2. Structural operations										
EAGGF-Guidance (B2-10)	3 343.000	3 279.072	22.445	3 301.517	3 278.010	100.0	22.415	99.9	3 300.425	100.0
FFG (B2-11)	419.000	375.054	4.851	379.905	374.973	100.0	4.817	99.3	379.790	100.0
ERDF (B2-12)	9 030.000	9 641.455	127.929	9 769.384	9 600.947	99.6	126.747	99.1	9 727.694	99.6
ESF (B2-13)	6 457.000	5 795.989	45.223	5 841.212	5 519.074	95.2	45.223	100.0	5 564.297	95.3
Community initiatives (B2-14)	1 706.000	1 927.000	22.139	1 949.139	229.749	11.9	22.139	100.0	251.888	12.9
Structural Funds — miscellaneous (B2-18 and B2-19)	368.000	304.430	1.422	305.852	187.748	61.7	1.421	99.9	189.169	61.8
Other structural operations (B2-2)	0.000	0.000	0.000	0.000	0.000	0.0	0.000	0.0	0.000	0.0
Cohesion Fund (B2-3)	1 853.000	1 853.000	0.136	1 853.136	1 852.963	100.0	0.121	88.5	1 853.084	100.0
Total 2	23 176.000	23 176.000	224.145	23 400.145	21 043.464	90.8	222.883	99.4	21 266.346	90.9
3. Internal policies										
Research (B6)	2 933.610	2 925.710	81.011	3 006.721	2 866.305	98.0	45.472	56.1	2 911.777	96.8
Other agricultural operations (B2-5)	205.825	194.881	0.000	194.881	192.737	98.9	0.000	0.0	192.737	98.9
Other regional operations (B2-6)	31.000	31.000	0.226	31.226	30.089	97.1	0.220	97.2	30.310	97.1
Transport (B2-7)	16.000	16.000	0.000	16.000	15.989	99.9	0.000	0.0	15.989	99.9
Fisheries and the sea (B2-9)	25.640	25.640	0.000	25.640	25.636	100.0	0.000	0.0	25.636	100.0
Education, vocational training, youth (B3-1)	300.055	300.055	9.554	309.609	299.147	99.7	9.359	98.0	308.506	99.6
Culture and audiovisual media (B3-2)	74.226	74.226	0.000	74.226	74.207	100.0	0.000	0.0	74.207	100.0
Information and communication (B3-3)	47.500	47.500	0.000	47.500	47.598	100.0	0.000	0.0	47.598	100.0
Other social operations (B3-4)	156.030	148.030	7.508	155.538	145.783	98.5	7.508	100.0	153.291	98.6
Energy (B4-1)	33.000	33.000	0.000	33.000	32.826	99.5	0.000	0.0	32.826	99.5
Euratom nuclear safeguards (B4-2)	19.480	16.980	0.000	16.980	13.572	79.9	0.000	0.0	13.572	79.9
Environment (B4-3)	134.205	138.905	1.500	140.405	137.853	99.2	1.500	100.0	139.353	99.3
Consumer protection (B5-1)	16.000	15.190	0.000	15.190	15.089	99.3	0.000	0.0	15.089	99.3
Aid for reconstruction (B5-2)	9.250	9.615	0.000	9.615	9.597	99.8	0.000	0.0	9.597	99.8
Internal market (B5-3)	190.146	209.146	0.697	209.843	206.653	98.8	0.000	0.0	206.653	98.5
Industry (B5-4)	40.922	40.047	0.893	40.940	39.564	98.8	0.644	72.1	40.209	98.2
Statistical information (B5-6)	32.585	39.720	0.000	39.720	39.471	99.4	0.000	0.0	39.471	99.4
Trans-European networks (B5-7)	289.800	289.530	2.850	292.380	289.026	99.8	2.840	99.6	291.866	99.8
Total 3	4 555.274	4 555.274	104.240	4 659.515	4 481.141	98.4	67.544	64.8	4 548.685	97.6

TABLE 24 (continued)

(million ECU)

	Appropriations entered in 1994 budget (including supplementary/ amending budgets)	Appropriations entered in 1994 budget (including supplementary/ amending budgets)	Additional appropriations from 1994 and carryovers from 1993	Total appropriations available in 1994	Book commitments entered into in 1994					
					Against 1994 appropriations		Against additional appropriations and carryovers		Against total appropriations available in 1994	
					Amount	%	Amount	%	Amount	%
4. External action	589.100	589.100	0.000	589.100	589.010	100.0	0.000	0.0	589.010	100.0
Food aid (B7-2)	648.700	648.700	0.000	648.700	522.654	80.6	0.000	0.0	522.654	80.6
Cooperation with Latin American and Asian developing countries (B7-3)	449.850	449.850	0.000	449.850	436.081	96.9	0.000	0.0	436.081	96.9
Cooperation with Mediterranean countries (B7-4)	842.350	1 064.050	1.812	1 065.862	1 053.997	99.1	1.405	77.5	1 055.401	99.0
Other cooperation measures (B7-5)	1 463.000	1 462.000	21.000	1 483.000	1 446.007	98.9	20.000	95.2	1 466.007	98.9
Cooperation with Central and East European countries and the Independent States of the former Soviet Union (B7-6)	0.000	0.000	0.000	0.000	0.000	0.0	0.000	0.0	0.000	0.0
Cooperation with other third countries (B7-7)	304.190	295.490	0.000	295.490	287.471	97.3	0.000	0.0	287.471	97.3
External aspects of certain Community policies (B7-0 and B7-8)										
Total 4	4 297.190	4 509.190	22.812	4 532.002	4 335.219	96.1	21.405	93.8	4 356.623	96.1
5. Repayment and administration										
Administration — Part A	2 434.181	2 434.181	4.439	2 438.620	2 405.836	98.8	4.439	100.0	2 410.275	98.8
Total 5	2 434.181	2 434.181	4.439	2 438.620	2 405.836	98.8	4.439	100.0	2 410.275	98.8
6. Reserves										
Monetary reserve (B1-6)	1 000.000	1 000.000	0.000	1 000.000	0.000	0.0	0.000	0.0	0.000	0.0
Guarantee (B0-2)	318.000	318.000	14.180	332.180	293.720	92.4	14.180	100.0	307.900	92.7
Reserve for humanitarian aid (B7-9)	212.000	0.000	0.000	0.000	0.000	0.0	0.000	0.0	0.000	0.0
Reserve for re-use (B0-41)	0.000	0.000	0.000	0.000	0.000	0.0	0.000	0.0	0.000	0.0
Total 6	1 530.000	1 318.000	14.180	1 332.180	293.720	22.3	14.180	100.0	307.900	23.1
Grand total	70 779.645	70 779.645	879.816	71 659.461	65 487.179	92.5	825.151	93.8	66 312.330	92.5

TABLE 25
Utilization of appropriations for payments (Commission)
at 31 December 1994, by financial perspective subdivision
(figures not final)

(million ECU)									
	Appropriations entered in 1994 budget (including supplementary/amending budgets)	Appropriations entered in 1994 budget (including supplementary/amending budgets and transfers)	Additional appropriations from carryovers from 1993	Total appropriations available in 1994	Payments made in 1994				Against total appropriations available in 1994
					Against 1994 appropriations		Against additional appropriations and carryovers		
					Amount	%	Amount	%	
1. Common agricultural policy									
Markets (B1-1 to B1-3)	34 520.000	34 082.000	787.849	34 869.849	32 458.500	95.2	577.028	73.2	94.7
Accompanying measures (B1-4 and B1-5)	267.000	705.000	76.000	781.000	469.300	66.6	68.000	89.5	68.8
Total 1	34 787.000	34 787.000	863.849	35 650.849	32 927.800	94.7	645.028	74.7	94.2
2. Structural operations									
EAGGF-Guidance (B2-10)	2 772.000	2 716.580	62.286	2 778.866	2 474.001	91.1	22.465	36.1	89.8
FIFG (B2-11)	529.000	502.000	35.000	537.000	395.006	78.7	0.000	0.0	73.6
ERDF (B2-12)	7 702.000	8 007.000	80.428	8 087.428	6 261.963	78.2	79.561	98.9	78.4
ESF (B2-13)	5 819.000	5 432.985	21.082	5 454.067	4 123.940	75.9	20.900	99.1	76.0
Community initiatives (B2-14)	1 860.000	1 970.500	88.937	2 059.437	701.754	35.6	75.873	85.3	37.8
Structural Funds — miscellaneous (B2-18 et B2-19)	733.979	733.979	168.975	902.954	418.779	57.1	77.687	46.0	55.0
Other structural operations (B2-2)	209.170	174.170	0.000	174.170	55.704	32.0	0.000	0.0	32.0
Cohesion Fund (B2-3)	1 679.000	1 679.000	64.411	1 743.411	851.582	50.7	64.411	100.0	52.5
Total 2	21 304.149	21 216.214	521.119	21 737.333	15 282.730	72.0	340.896	65.4	71.9
3. Internal policies									
Research (B6)	2 623.351	2 644.395	111.034	2 755.429	2 495.901	94.4	44.245	39.8	92.2
Other agricultural operations (B2-5)	133.454	133.454	0.000	133.454	126.208	94.6	0.000	0.0	94.6
Other regional operations (B2-6)	53.599	50.599	9.336	59.935	29.586	58.5	4.844	51.9	57.4
Transport (B2-7)	14.300	14.300	0.000	14.300	10.881	76.1	0.000	0.0	76.1
Fisheries and the sea (B2-9)	23.300	29.800	0.000	29.800	26.632	89.4	0.000	0.0	89.4
Education, vocational training, youth (B3-1)	275.463	293.257	14.524	307.781	284.184	96.9	12.431	85.6	96.4
Culture and audiovisual media (B3-2)	74.363	73.531	0.000	73.531	69.369	94.3	0.000	0.0	94.3
Information and communication (B3-3)	42.450	42.550	0.000	42.550	29.418	69.1	0.000	0.0	69.1
Other social operations (B3-4)	162.180	152.480	26.292	178.772	122.657	80.4	14.976	57.0	77.0
Energy (B4-1)	45.270	38.270	0.000	38.270	34.414	89.9	0.000	0.0	89.9
Euratom nuclear safeguards (B4-2)	16.528	15.128	0.000	15.128	10.156	67.1	0.000	0.0	67.1
Environment (B4-3)	113.302	115.202	4.000	119.202	75.034	65.1	3.298	82.4	65.7
Consumer protection (B5-1)	15.840	15.840	1.350	17.190	13.507	85.3	0.472	34.9	81.3
Aid for reconstruction (B5-2)	9.250	9.615	0.000	9.615	9.567	99.5	0.000	0.0	99.5
Internal market (B5-3)	177.902	193.727	13.700	207.427	174.470	90.1	5.698	41.6	86.9
Industry (B5-4)	38.758	36.358	5.776	42.134	30.632	84.3	3.224	55.8	80.4
Statistical information (B5-6)	34.857	35.557	0.900	36.457	28.472	80.1	0.801	89.0	80.3
Trans-European networks (B5-7)	194.173	190.213	6.320	196.533	179.002	94.1	2.850	45.1	92.5
Total 3	4 048.341	4 084.276	193.232	4 277.509	3 750.091	91.8	92.838	48.0	89.8

TABLE 25 (continued)

(million ECU)

	Appropriations entered in 1994 budget (including supplementary/amending budgets)	Appropriations entered in 1994 budget (including supplementary/amending budgets and transfers)	Additional appropriations from 1994 and carryovers from 1993	Total appropriations available in 1994	Payments made in 1994					
					Against 1994 appropriations		Against additional appropriations and carryovers		Against total appropriations available in 1994	
					Amount	%	Amount	%	Amount	%
4. External action										
Food aid (B7-2)	527.000	457.000	0.000	457.000	445.276	97.4	0.000	0.0	445.276	97.4
Cooperation with Latin American and Asian developing countries (B7-3)	364.500	364.500	0.717	365.217	355.052	97.4	0.239	33.3	355.291	97.3
Cooperation with Mediterranean countries (B7-4)	410.434	369.434	0.000	369.434	296.447	80.2	0.000	0.0	296.447	80.2
Other cooperation measures (B7-5)	685.657	886.157	243.909	1 130.067	529.684	59.8	241.107	98.9	770.792	68.2
Cooperation with Central and East European countries and the Independent States of the former Soviet Union (B7-6)	840.000	1 049.500	25.000	1 074.500	1 036.565	98.8	21.695	86.8	1 058.259	98.5
Cooperation with other third countries (B7-7)	14.745	14.745	7.500	22.245	9.725	66.0	0.000	0.0	9.725	43.7
External aspects of certain Community policies (B7-0 and B7-8)	292.915	257.915	14.650	272.565	156.653	60.7	14.145	96.6	170.798	62.7
Total 4	3 135.250	3 399.250	291.776	3 691.027	2 829.401	83.2	277.187	95.0	3 106.588	84.2
5. Repayment and administration										
Administration — Part A	2 434.181	2 434.181	259.535	2 693.716	2 133.747	87.7	223.912	86.3	2 357.659	87.5
Total 5	2 434.181	2 434.181	259.535	2 693.716	2 133.747	87.7	223.912	86.3	2 357.659	87.5
6. Reserves										
Monetary reserve (B1-6)	1 000.000	1 000.000	0.000	1 000.000	0.000	0.0	0.000	0.0	0.000	0.0
Guarantee (B0-2)	318.000	318.000	14.180	332.180	293.720	92.4	14.180	100.0	307.900	92.7
Reserve for emergency aid (B7-9)	212.000	0.000	0.000	0.000	0.000	0.0	0.000	0.0	0.000	0.0
Reserve for re-use (B0-41)	2.000	2.000	0.000	2.000	0.000	0.0	0.000	0.0	0.000	0.0
Total 6	1 532.000	1 320.000	14.180	1 334.180	293.720	22.3	14.180	100.0	307.900	23.1
Grand total	67 240.921	67 240.921	2 143.692	69 384.613	57 217.489	85.1	1 594.040	74.4	58 811.530	84.8

TABLE 26

**1995 budget (provisional figures)
(Appropriations for commitments — Parliament's nomenclature)**

	Budget 1994 (1)	Financial perspective 1995 (2)	Preliminary draft budget 1995 (3)	Council first reading (4)	Parliament first reading (5)	Council second reading (6)	Budget 1995 (7)	Difference % (8) = (7)/(1)
<i>(thousand ECU)</i>								
1. Common agricultural policy								
Markets (B1-1 to B1-3)	34 520 000.000		35 578 000.000	35 593 000.000	35 047 000.000	35 578 000.000	35 559 000.000	3.01
Accompanying measures (B1-4 and B1-5)	267 000.000		1 416 000.000	1 401 000.000	1 401 500.000	1 416 000.000	1 416 500.000	430.52
Enlargement reserve (B1-7)			950 000.000			950 000.000	950 000.000	∞
Total 1 Margin	34 787 000.000	37 944	37 944 000.000	36 994 000.000	36 448 500.000	37 944 000.000	37 925 500.000	9.02
			0.000	950 000.000	1 495 500.000	0.000	18 500.000	
2. Structural operations								
EAGGF-Guidance (B2-10)	3 343 000.000		3 316 000.000	3 316 000.000	3 316 000.000	3 316 000.000	3 316 000.000	-0.81
FIFG (B2-11)	419 000.000		439 000.000	439 000.000	439 000.000	439 000.000	439 000.000	4.77
ERDF (B2-12)	9 030 000.000		10 593 000.000	10 593 000.000	10 593 000.000	10 593 000.000	10 593 000.000	17.31
ESF (B2-13)	6 457 000.000		6 444 000.000	6 444 000.000	6 444 000.000	6 444 000.000	6 444 000.000	-0.20
Community initiatives (B2-14)	1 706 000.000		2 144 000.000	2 078 000.000	2 078 000.000	2 144 000.000	2 144 000.000	25.67
Transitional measures and innovation schemes (B2-18)	368 000.000		242 000.000	242 000.000	242 000.000	242 000.000	242 000.000	-34.24
Other structural operations (B2-2)	—		—	—	—	—	—	
Cohesion Fund (B2-3)	1 853 000.000		2 152 000.000	2 152 000.000	2 152 000.000	2 152 000.000	2 152 000.000	16.14
EEA financial mechanism (B2-4)			108 000.000	108 000.000		108 000.000	108 000.000	∞
Enlargement reserve (B2-40)			891 000.000	891 000.000		891 000.000	891 000.000	∞
Structural Funds — Subtotal	21 323 000.000	24 069	24 069 000.000	23 112 000.000	23 112 000.000	24 069 000.000	24 069 000.000	12.88
Cohesion Fund — Subtotal	1 853 000.000	2 152	2 152 000.000	2 152 000.000	2 152 000.000	2 152 000.000	2 152 000.000	16.14
EEA financial mechanism — Subtotal	23 176 000.000	26 329	26 329 000.000	25 264 000.000	25 264 000.000	26 329 000.000	26 329 000.000	∞
Total 2 Total margin			0.000	1 065 000.000	1 065 000.000	0.000	0.000	13.60
3. Internal policies								
Research (B6)	2 622 423.000		2 818 646.000	2 818 646.000	2 690 696.000	2 818 646.000	2 968 696.000	13.20
Other agricultural operations (B2-5)	205 825.000		199 500.000	196 900.000	207 700.000	196 900.000	207 700.000	0.91
Other regional operations (B2-6)	31 000.000		36 300.000	15 000.000	46 300.000	20 000.000	51 300.000	65.48
Transport (B2-7)	16 000.000		14 500.000	6 000.000	24 000.000	6 000.000	24 000.000	50.00
Fisheries and the sea (B2-9)	25 640.000		26 000.000	26 000.000	26 100.000	26 000.000	26 100.000	1.79
Education, vocational training, youth (B3-1)	287 500.000		323 700.000	278 100.000	321 450.000	278 100.000	361 450.000	25.72
Culture and audiovisual media (B3-2)	151 900.000		129 000.000	101 000.000	137 700.000	101 000.000	137 700.000	-9.35
Information and communications (B3-3)	47 500.000		58 000.000	26 000.000	57 000.000	26 000.000	57 000.000	20.00
Other social operations (B3-4)	156 630.000		154 447.000	97 275.000	174 645.000	97 275.000	174 645.000	11.50
Energy (B4-1)	83 000.000		60 000.000	21 000.000	62 000.000	51 000.000	62 000.000	-25.30
Euroatom nuclear safeguards (B4-2)	19 480.000		17 000.000	14 000.000	18 800.000	14 000.000	18 800.000	-3.49
Environment (B4-3)	133 450.000		135 500.000	130 950.000	137 000.000	130 950.000	137 000.000	2.66
Consumer protection (B5-1)	16 000.000		16 000.000	8 200.000	20 750.000	13 250.000	20 750.000	29.69
Aid for reconstruction (B5-2)	9 250.000		6 300.000	6 300.000	6 300.000	6 300.000	6 300.000	-31.89
Internal market (B5-3)	173 800.000		169 600.000	162 950.000	152 530.000	162 950.000	152 530.000	-12.24
Industry (B5-4)	40 450.000		38 500.000	30 800.000	37 700.000	30 800.000	117 700.000	190.98
Information market (B5-5)	12 000.000		13 000.000	10 000.000	13 000.000	10 000.000	13 000.000	8.33
Statistical information (B5-6)	30 000.000		33 000.000	33 000.000	33 000.000	33 000.000	33 000.000	10.00
Trans-European networks (B5-7)	289 800.000		356 000.000	299 000.000	351 000.000	299 000.000	381 000.000	31.47
Cooperation in the field of justice (B5-8)	2 000.000		5 000.000	5 000.000	5 000.000	5 000.000	5 000.000	150.00
Exploitation of results of research (B5-9)			408 000.000		p.m.		p.m.	∞
Enlargement reserve — internal policies (B5-95)					p.m.		100 000.000	∞
Research — Subtotal	2 622 423.000		2 818 646.000	2 818 646.000	2 690 696.000	2 818 646.000	2 968 696.000	13.20
Networks — Subtotal	289 800.000		356 000.000	299 000.000	351 000.000	299 000.000	381 000.000	31.47
Other policies — Subtotal	1 441 425.000	5 060	1 441 425.000	1 168 475.000	1 480 975.000	1 168 475.000	1 705 975.000	18.35
Total 3 Margin	4 353 648.000		4 207.000	773 879.000	537 329.000	4 734 171.000	5 055 671.000	16.12

TABLE 26 (continued)

	Budget 1994 (1)	Financial perspective 1995 (2)	Preliminary draft budget 1995 (3)	Council first reading (4)	Parliament first reading (5)	Council second reading (6)	Budget 1995 (7)	Difference % (8) = (7)/(1)
<i>(thousand ECU)</i>								
4. External action								
EDF (B7-1)	855 100.000		842 900.000	842 900.000	847 900.000	842 900.000	847 900.000	- 0.84
Food and humanitarian aid (B7-2)	648 700.000		670 500.000	665 500.000	670 500.000	665 500.000	670 500.000	3.36
Cooperation — Latin American countries and Asia (B7-3)	399 850.000		440 000.000	403 000.000	437 400.000	403 000.000	487 400.000	21.90
Cooperation — Mediterranean countries (B7-4)	587 000.000		601 283.000	469 150.000	646 783.000	469 150.000	646 783.000	10.18
Other cooperation measures (B7-5)	1 463 000.000		1 597 600.000	1 582 600.000	1 582 600.000	1 582 600.000	1 582 600.000	8.17
Cooperation — Central and Eastern Europe (B7-6)	50 000.000		52 000.000	50 000.000	52 000.000	50 000.000	52 000.000	4.00
Cooperation — Other third countries (B7-7)	284 190.000		300 200.000	300 200.000	274 200.000	300 200.000	294 200.000	3.52
Eastern aspects of certain Community policies (B7-8)	20 000.000		50 000.000	50 000.000	60 000.000	80 000.000	110 000.000	450.00
Common foreign and security policy (B8-1)								
Enlargement reserve — external policies (B7-95)			290 000.000	50 000.000		290 000.000	190 000.000	∞
Total 4 Margin	4 307 840.000	4 895	4 844 483.000 50 517.000	4 363 350.000 531 650.000	4 571 383.000 323 617.000	4 683 350.000 211 650.000	4 881 383.000 13 617.000	13.31
5. Administrative expenditure of institutions								
Commission (Part A not including pensions)	2 093 962.000		2 207 250.879	2 125 431.453	2 133 920.356	2 125 606.453	2 153 175.356	2.83
Pensions	334 761.000		357 127.000	351 147.000	351 147.000	351 147.000	351 147.000	4.89
Enlargement reserve (A0-X5)			87 000.000				87 000.000	∞
Commission — Total	2 428 723.000		2 651 377.879	2 476 578.453	2 485 067.356	2 476 753.453	2 591 322.356	6.69
Other institutions	1 205 877.000		1 257 918.370	1 214 621.900	1 337 699.817	1 352 621.900	1 337 699.817	10.93
Enlargement reserve (other institutions)			83 000.000				79 300.000	∞
Other institutions — Total	1 205 877.000		1 340 918.370	1 214 621.900	1 337 699.817	1 352 621.900	1 416 999.817	17.51
Total 5	3 634 600.000	4 022	3 992 296.249	3 691 200.353	3 822 767.173	3 829 375.353	4 008 322.173	10.28
Total margin			29 703.751	330 799.647	199 232.827	192 624.647	13 677.827	
6. Reserves								
Monetary reserve (B1-6)	1 000 000.000		500 000.000	500 000.000	500 000.000	500 000.000	500 000.000	- 50.00
Guarantee (B0-23)	318 000.000		323 000.000	323 000.000	323 000.000	323 000.000	323 000.000	1.57
Emergency and reserve (B7-91)	212 000.000		323 000.000	323 000.000	323 000.000	323 000.000	323 000.000	52.36
Total 6 Margin	1 530 000.000	1 146	1 146 000.000 0.000	1 146 000.000 0.000	1 146 000.000 0.000	1 146 000.000 0.000	1 146 000.000 0.000	- 25.10
7. Compensation								
Compensation (B1-7)			1 547 000.000			1 547 000.000	1 547 000.000	∞
Total 7 Margin		1 547	1 547 000.000 0.000	1 547 000.000	1 547 000.000	1 547 000.000 0.000	1 547 000.000 0.000	∞
Grand total — Appropriations for commitments								
Compulsory	37 222 094.000		41 468 209.000	38 961 970.000	38 376 470.000	41 458 970.000	41 420 470.000	11.28
Non compulsory	34 566 994.000		39 352 563.249	36 782 701.353	37 398 851.173	38 753 926.353	39 472 406.173	14.19
Total compulsory + non-compulsory	71 789 088.000	80 943	80 820 772.249	75 744 671.353	75 775 321.173	80 212 896.353	80 892 876.173	12.68
Margin			122 227.751	5 198 328.647	5 167 678.827	730 103.647	50 123.827	
Grand total — Appropriations								
Compulsory	37 203 484.567		41 440 009.000	38 936 770.000	38 358 270.000	41 433 770.000	41 402 270.000	11.29
Non compulsory	31 151 116.876		35 063 270.249	33 018 434.353	32 959 910.173	34 510 359.353	35 124 810.173	12.76
Total compulsory + non-compulsory	68 354 601.443	77 229	76 503 279.249	71 955 204.353	71 318 180.173	75 944 129.353	76 527 080.173	11.96
Margin			725 720.751	5 273 795.647	5 910 819.827	1 284 870.647	701 919.827	

TABLE 27

Budget revenue

(million ECU)

	1994 (out-turn)	1995 (estimates)
Agricultural levies	922.5	946.2
Sugar and isoglucose levies	1 382.1	1 235.8
Customs duties	12 419.9	14 380.1
Own resources collection costs	- 1 472.4	- 1 656.2
VAT own resources	36 313.5	39 422.9
GNP-based own resources	18 456.3	21 681.0
Balance of VAT and GNP-based own resources from previous years	- 3 875.7	p.m.
Refunds to Member States	- 25.2	p.m.
Budget balance from previous years	971.1	p.m.
Correction	69.4	p.m.
Other revenue	598.0	517.3
Total	65 759.5	76 527.1
	% GNP	
Maximum own resources which may be assigned to the budget	1.20	1.20
Own resources actually assigned to the budget	1.119	1.176

NB: p.m. = pro-memoria.

Implementation of the 1994 budget

1122. During the 1993 Notenboom procedure, Parliament called for a new procedure to give it more effective control over implementation of the current budget and an aid to decision-making in drawing up the budget for the following year. It was therefore decided that a revised procedure, starting with a Commission report on the implementation of the budget, would already be introduced in 1994. After this report, dated 3 August,¹ Parliament wound up its examination on 27 September² with a resolution in which it made a number of comments on Member States' forecasts of agricultural expenditure, the management of the Structural Funds, the financing of the common foreign and security policy, the failure of the Member States to use the budget headings provided for in the fight against fraud, and the cost of the establishment and

¹ Bull. 7/8-1994, point 1.4.3.² OJ C 305, 31.10.1994; Bull. 9-1994, point 1.5.3.

operation of the satellite agencies following the decision of the Brussels European Council in 1993 on where they are to be located.¹

1123. Tables 24 and 25 show the 1994 rates of utilization of available appropriations — 92.5% in commitments and 84.8% in payments. For headings 2, 3 and 4 of the financial perspective the out-turn was 92.6% in commitments and 76.1% in payments, well down on the 1993 figures of 99.3% and 94.7% respectively. This is largely accounted for by the situation concerning structural operations, where the start of a new programming period (1994-99) for the Structural Funds required the adoption of a number of decisions in 1994 before commitments could be made against new appropriations. Under heading 5 virtually all the appropriations for administrative expenditure were used.

1124. In 1994 budget resources totalled ECU 65 161.5 million, i.e. 1.19% of Community GNP.

ECU 598 million has been added to 'other revenue' for 1994 in Table 27, which shows the revenue for the year.

Supplementary and amending budgets in 1994

1125. The 1994 budget adopted in December 1993² was changed by two supplementary and amending budgets. Supplementary and amending budget No 1 was adopted by the Council on 25 April³ following Parliament's opinion of 20 April;⁴ it introduced a separate section of the budget for the Economic and Social Committee and the Committee of the Regions. Supplementary and amending budget No 2, presented by the Commission on 19 September,⁵ supplemented by a letter of amendment on 5 October,⁶ adopted by the Council on 7 November and by Parliament on 15 November,⁷ increased the administrative appropriations of the Council and the Court of Justice and adjusted appropriations within the new section for the Economic and Social Committee and the Committee of the Regions. It also incorporated into the budget the agricultural savings made in 1994, the balance from 1993 and the foreseeable surplus from 1994 to allow early financing of all the VAT and GNP balances due in respect of 1993, an increase for the common foreign and security policy to cover joint action in former Yugoslavia (Mostar) and, on Parliament's initiative, the creation

¹ OJ C 323, 30.11.1993; Twenty-seventh General Report, point 1019.

² Twenty-seventh General Report, point 1089.

³ Bull. 4-1994, point 1.5.3.

⁴ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.5.3.

⁵ Bull. 9-1994, point 1.5.2.

⁶ Bull. 10-1994, point 1.5.2.

⁷ Bull. 11-1994, point 1.5.1.

of a heading for the textile industry in Portugal and the boosting of the growth initiative for small business.

Discharge procedure

1126. In its resolution of 21 April on the budgetary implementation of the European Year of Tourism,¹ Parliament made a number of suggestions on the future financial management of this type of operation.

1991 financial year

1127. On 21 April Parliament adopted a resolution on action taken by the Commission in response to its observations on the discharge for 1991.²

1992 financial year

1128. Parliament postponed the discharge to be given to the Commission until such time as it revised certain decisions relating to milk quotas. Parliament did, however, adopt a series of decisions to accompany the resolutions giving discharge in respect of the management of the ECSC, the EDF, the Centre for the Development of Vocational Training, the Dublin Foundation and its own budget.³ It also expressed a number of observations on the ECSC balance sheet for 1992.⁴

1993 financial year

1129. The Court of Auditors' draft annual report for 1993⁵ sent to the Commission on 15 July at the same time as the report on the ECSC,⁵ together with the Commission's replies of 7 October, were presented to Parliament on 15 November.⁶

ECSC budget

1130. After taking note of the ECSC Consultative Committee's opinion of 6 October⁷ and Parliament's opinion of 26 October,⁸ the Commission adopted the ECSC operating budget for 1995 on 20 December⁹ and reduced the ECSC

¹ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.5.2.

² OJ C 128, 9.5.1994; Bull. 4-1994, point 1.5.6.

³ Bull. 4-1994, points 1.5.8 to 1.5.12.

⁴ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.5.12.

⁵ Point 1214 of this Report.

⁶ Bull. 11-1994, point 1.5.3.

⁷ OJ C 308, 4.11.1994; Bull. 10-1994, point 1.5.4.

⁸ OJ C 323, 21.11.1994; Bull. 10-1994, point 1.5.4.

⁹ OJ L 335, 23.12.1994; Bull. 12-1994.

levy rate for 1995 from 0.23% to 0.21% in anticipation of the expiry of the ECSC Treaty in 2002.¹ The resources (levy, net balance, miscellaneous items, cancellations, budgetary resources not used the previous year and the special reserve) estimated at ECU 291 million should cover the ECSC's requirements, which break down as follows (ECU million):

Administrative expenditure	5
Redeployment aid	114
Aid for research	52
Interest subsidies on conversion loans	30
Social measures (steel)	60
Social measures (coal)	30

1131. On 21 June the Commission also adopted the ECSC financial statements for 1993, which include the execution of the operating budget for 1993.²

1132. On 16 December the ECSC Consultative Committee adopted a resolution on the granting of sufficient budget appropriations for social support and labour market policy measures.³

Financial Regulation

1133. The Council adopted Regulation (EC) No 1923/94 (Table II) on 25 July and Regulation (EC, Euratom) No 2730/94 (Table II) on 31 October. Both these Regulations amend the 1977 Financial Regulation:⁴ the first contains provisions relating to the Economic and Social Committee, the Committee of the Regions and the Ombudsman and the second covers the Guarantee Fund for external operations, which was also created on 31 October by Regulation (EC, Euratom) No 2728/94 (Table II), and two reserves — one for emergency aid to non-member countries and the other for Community loans and loan guarantees for non-member countries.

1134. In 1994 the Commission presented two further proposals for the amendment of the Financial Regulation, the first on 1 July⁵ to amend the provisions relating to the clearance of the accounts following amendment of

¹ Point 1160 of this Report.

² Bull. 6-1994, point 1.5.2.

³ Bull. 12-1994.

⁴ OJ L 356, 31.12.1977; Eleventh General Report, points 62 and 63.

⁵ Point 636 of this Report.

Regulation (EEC) No 729/70 on the financing of the CAP¹ and the second on 22 July (Table II) to take account of the new activities of the Joint Research Centre following adoption of the fourth framework programme.

1135. On 31 October the Council adopted all the instruments giving legal form to the conclusions of the Edinburgh European Council.² In addition to the amended decision on the own resources system,³ these instruments include the Regulation establishing a Guarantee Fund for external action⁴ and the amendment of the Financial Regulation,⁴ Decision 94/729/EC on budgetary discipline (Table II), and Regulation (EC, Euratom) No 2729/94 (Table II) amending Regulation (EEC) No 1552/89⁵ in order to incorporate the provisions needed for the payment of own resources to finance the reserves for external action.

1136. On 3 June the Commission also adopted a report on the possibilities for budgetizing the European Development Fund,⁶ as promised in the interinstitutional agreement of October 1993.

¹ OJ L 94, 28.4.1970.

² Twenty-sixth General Report, point 1166.

³ Point 1119 of this Report.

⁴ Point 1133 of this Report.

⁵ OJ L 155, 7.6.1989; Twenty-third General Report, point 91.

⁶ Bull. 6-1994, point 1.5.1.

Section 3

Financial control

1137. With a view to greater decentralization of the management and control of Community funds in the Member States, the Financial Controller held a further meeting in March with the supreme authorities responsible for controls at national level.¹ As a result, protocols were signed with Spain, Italy, Luxembourg and France concerning cooperation on on-the-spot inspections of operations financed by the Structural Funds. Financial Control also completed its audit of national management and control systems for the Structural Funds,² and training seminars for national officials were organized in several Member States.³

1138. As part of increased Community aid to the countries of Central and Eastern Europe⁴ under the PHARE programme,⁵ a training seminar for Polish officials was held in Warsaw in March. On-the-spot inspections were conducted in Romania (PHARE) and Ukraine (TACIS).⁶

1139. In order to monitor Community expenditure in international organizations the Financial Controller, acting on the basis of the Commission communication of November 1993,⁷ obtained the consent of several international organizations for the application of control clauses and continued negotiations on the wider introduction of such clauses.

1140. Financial Control continued to play an active role in discussions between the Court of Auditors and the Commission on the rules for implementing Article 188c of the EC Treaty concerning the Court's statement of assurance as to the reliability of the accounts of the Community institutions.⁸

1141. The Financial Controller, acting in accordance with the Commission Decision of 7 June 1990,⁹ conducted a financial audit of four Directorates-General or departments and investigated what action had been taken on his

¹ Twenty-seventh General Report, point 1095.

² Twenty-seventh General Report, point 1096.

³ Including Greece, the Netherlands, Portugal and Luxembourg.

⁴ Twenty-seventh General Report, point 1097.

⁵ Point 789 of this Report.

⁶ Point 809 of this Report.

⁷ Twenty-seventh General Report, point 1098.

⁸ Twenty-seventh General Report, point 1099.

⁹ Twenty-fourth General Report, point 1007.

recommendations in four Directorates-General and departments audited at an earlier date. On 27 July the Commission approved a report on the audits conducted so far.

1142. With a view to improving financial management within the Commission, Financial Control ran a trial on new *ex ante* control methods from 1 to 31 March. A communication on the improvement of the Commission's financial management, presented to the Commission in July, was partly based on the main results of this trial.

1143. Financial Control also lent its support to operations to increase awareness of the need to protect the Union's financial interests.¹

1144. For the first time the Commission adopted a report² on separate accounts for own resources.³ In its annual report on entitlements which have not been established or recovered, Financial Control examined for the first time the arrangements for the recovery of 'indirect' entitlements, the management of which is primarily a matter for the Member States, and turned its attention to Community claims arising from cases of fraud or irregularity.

¹ Points 1146 and 1082 of this Report.

² COM(93) 674; Bull. 1/2-1994, point 1.5.8.

³ These are the accounts kept by Member States for own resources which have been established but not yet collected.

Section 4

Action to combat fraud

1145. The protection of the Community's financial interests, the importance of which was again emphasized at the Essen European Council,¹ is a complex issue (in some cases extending over several sectors or countries) which calls for a common response and a strengthening of the partnership with the Member States. Fraud prevention, which is essential to the credibility and effectiveness of policies, has been given a new impetus and a new institutional framework by the entry into force of the Treaty on European Union. For one thing, Article 209a of the EC Treaty specifies the obligations of the Member States in matters of fraud prevention and institutionalizes cooperation between the competent national bodies, with the help of the Commission. For another, Title VI of the Treaty on European Union broadens the legal framework by providing for various forms of cooperation in the fields of justice and home affairs, affording optimum protection for the Community's financial interests. Responding to a request made by the Copenhagen European Council in June 1993,² a Commission communication dated 23 March³ sets out its anti-fraud strategy and work programme for 1994, the four main points of which are a stronger operational presence on the ground, a closer partnership with the Member States, improvements to the Community legislative framework and greater compatibility of national legislation. The resources available to the Commission's Unit for the Coordination of Fraud Prevention (UCLAF) have been increased.⁴ On 11 July the Council approved the Commission's anti-fraud strategy, its work programme and the 1993 report on the fight against fraud.⁵

1146. On 15 June the Commission adopted a proposal for a Council Regulation (EC, Euratom) and a proposal for an ECSC Decision on the protection of the Community's financial interests (Table II).⁶ It advocates a common legal framework for measures to combat fraud and suggests that the system of administrative penalties be extended to all budget sectors. Depending on the seriousness of the case, financial penalties could be imposed or eligibility for Community funding could be withdrawn. At the same time the Commission adopted a proposal for an international convention on the protection of the

¹ Bull. 12-1994.

² Bull. 6-1993, point 1.23.

³ COM(94) 92; Bull. 3-1994, point 1.5.22.

⁴ In 1994 the budgetary authority made an additional 50 posts available. General Budget of the European Union for the financial year 1994 — Chapter A-11: OJ L 34, 7.2.1994.

⁵ OJ C 292, 20.10.1994; Bull. 7/8-1994, point 1.4.18.

⁶ OJ C 216, 6.8.1994; COM(94) 214; Bull. 6-1994, point 1.5.11.

Community's financial interests,¹ which would be based on Title VI of the Treaty on European Union and would go beyond the legislative measures planned at Community level, the aim being to harmonize the criminal law of the Member States. On 11 March Parliament adopted a resolution on the independent power of investigation and inquiry which the Union may exercise for the purposes of legal protection of its financial interests² and, on 15 December, a resolution on the proposal for a Regulation and the draft convention for the protection of the Communities' financial interests,³ with particular reference to the legal base.

1147. The fifth annual report on the fight against fraud,⁴ adopted by the Commission on 23 March, reviews the measures taken and Community initiatives launched in 1993. In that year the cases of fraud and irregularities reported by the Member States involved a total of ECU 248.6 million in the EAGGF Guarantee Section and ECU 169.5 million in own resources. Details of the cases reported by national authorities in any budgetary area are stored in the Community's IRENE database, which has been operational since January 1993. Inquiries conducted in the course of the year revealed complex international fraud on a large scale and the existence of organized smuggling networks. The products involved included refined sugar, milk powder and beef. Preventive measures included the further simplification of the agricultural rules, the training of national officials, the tightening of controls⁵ and the development of cooperation, particularly with non-member countries.

1148. On 23 February, with a view to a closer partnership with the national authorities, the Commission adopted Decision 94/140/EC setting up an Advisory Committee for the coordination of fraud prevention.⁶ This Committee, which was set up in line with the principle of subsidiarity, provides a forum in which the most important cases of fraud may be studied and wide-ranging matters relating to prevention, prosecution and the legal protection of the Community's financial interests may be discussed. At the Committee's inaugural meeting on 1 July, the Commission presented to the national delegations Regulation (EC) No 1681/94 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the structural policies and the organization of an information system in this field⁷ (on which Parliament passed a resolution on 11 March)⁸ and Regulation (EC) No 1831/94, which introduces similar

¹ Point 1082 of this Report.

² OJ C 91, 28.3.1994; Bull. 3-1994, point 1.5.24.

³ OJ C 18, 23.1.1995; Bull. 12-1994.

⁴ COM(94) 94; Bull. 3-1994, point 1.5.23.

⁵ The measures taken to tighten controls include risk analysis, targeted inspections, remote sensing and the establishment of supervisory agencies in the olive oil sector.

⁶ OJ L 61, 4.3.1994; Bull. 1/2-1994, point 1.5.16.

⁷ OJ L 178, 12.7.1994; Bull. 7/8-1994, point 1.4.19; point 439 of this Report.

⁸ OJ C 91, 28.3.1994; Bull. 3-1994, point 1.5.25.

arrangements for the Cohesion Fund.¹ On 5 December the Council expressed its agreement on a proposal for the amendment of Regulation (EEC) No 1468/81 on administrative cooperation on customs or agricultural matters (Table I).²

1149. As part of its work programme on fraud prevention and with a view to closer cooperation between its departments and the national authorities, the Commission developed new sources of information on fraud, including the experimental introduction of a freephone number, and studied the possibility of offering rewards for crucial information, as is the practice in some Member States.

¹ OJ L 191, 27.2.1994; Bull. 7/8-1994, point 1.4.20; point 434 of this Report.

² OJ L 144, 2.6.1981; Fifteenth General Report, point 203.

Section 5

Borrowing and lending operations

1150. Borrowing operations during the year totalled ECU 1 164 million, of which ECU 77 million was to refinance earlier operations. The loans granted from 1992 to 1994 are shown in Table 28.

TABLE 28

Loans granted

(million ECU)

Instrument	1992	1993	1994
New Community Instrument ¹	—	—	—
EC balance-of-payments loans ¹	—	4 004.8	—
EC medium-term financial assistance to countries of Central Europe and other non-member countries ¹	865.0	270.0	245.0
EC food aid	93.6	709.1	156.8
ECSC	1 486.2	918.3	673.7
Euratom ¹	—	—	—
EIB (from the Bank's own resources)	16 904.3	19 531.8	21 038.5
of which:			
• loans to countries of the Union ²	16 140.0	17 724.2	19 660.4
• loans to ACP countries and overseas territories	130.5	147.4	222.5
• loans to Mediterranean countries ²	313.8	679.0	579.0
• loans to Eastern Europe ¹	320.0	882.0	357.0
• loans to Latin America and Asia	—	—	220.0
Total	19 349.1	25 434.4	22 114.0

¹ With partial guarantee from the general budget.

² With no guarantee from the general budget.

1151. The Commission's report on the borrowing and lending activities of the Community in 1993 was adopted on 18 July.¹ The reports on the utilization rate for the NCI in the second half of 1993 and the first half of 1994 were adopted on 18 July² and 17 November³ respectively.

¹ Bull. 7/8-1994, point 1.4.10.

² COM(94) 317; Bull. 7/8-1994, point 1.4.10.

³ COM(94) 494; Bull. 11-1994, point 1.5.11.

Operations concerning the New Community Instrument

1152. ECU 70 million was raised, in association with a medium-term financial assistance operation, to increase NCI funds administered by the EIB.¹

Macro-financial assistance

Balance-of-payments support for the Member States

1153. Under Regulation (EEC) No 1969/88 providing medium-term financial assistance for Member States' balances of payments,² and Decision 93/67/EEC granting Italy a loan of ECU 8 billion to be paid in four equal tranches,³ the third tranche became available on 1 February but Italy did not draw it down. This year again⁴ Greece did not make use of the second tranche of the ECU 2.2 billion loan granted in 1991.⁵

Macro-financial assistance for non-member countries

1154. In August the Commission paid the second tranche (ECU 150 million) of the ECU 400 million loan granted to Algeria⁶ in 1991.

1155. Following Council Decision 92/511/EEC⁷ and its proposal for a decision of 21 April (Table II) to grant an additional medium-term loan to Bulgaria, the Commission borrowed and disbursed ECU 70 million at a variable interest rate, obtained by means of a swap operation, for the first tranche of this loan. It also contracted a borrowing of ECU 25 million (then used for a swap operation) for the first tranche of the loan of ECU 45 million granted to Moldova in accordance with Council Decision 94/346/EC of 13 June (Table II).

1156. The remaining ECU 167 million of the medium-term loan of ECU 1.25 billion granted to the Republics of the former Soviet Union in 1991 to finance imports of foodstuffs and medicines⁸ and divided by the Commission in 1993 between the 10 Independent States which had signed the loan contract⁹

¹ Bull. 7/8-1994, point 1.4.17.

² OJ L 178, 8.7.1988; Twenty-second General Report, point 256.

³ OJ L 22, 30.1.1993; Twenty-seventh General Report, point 1110.

⁴ Twenty-seventh General Report, point 1111.

⁵ OJ L 66, 13.3.1990; Twenty-fifth General Report, point 1271.

⁶ OJ L 272, 28.9.1991; Twenty-fifth General Report, point 1272; point 68 of this Report.

⁷ OJ L 317, 31.10.1992; Twenty-sixth General Report, point 48.

⁸ OJ L 362, 31.12.1991; Twenty-fifth General Report, point 78.

⁹ Twenty-seventh General Report, point 1113.

was divided up as follows: ECU 40 million for Georgia, ECU 68 million for Azerbaijan and ECU 59 million for Uzbekistan. To finance these loans, the Commission contracted two borrowings — ECU 40 million in February and ECU 127 million in November — to supplement the borrowing operations concluded previously. All these borrowing and lending operations are subject to a variable interest rate and may be drawn down for new loans until 1995. During 1994, the Independent States used ECU 156.8 million.

Financing ECSC activities

1157. ECSC loans paid out in 1994 totalled ECU 673.7 million, compared with ECU 918.3 million in 1993. New industrial loans to support restructuring and modernization of iron and steel undertakings (first paragraph of Article 54 of the ECSC Treaty) totalled ECU 83.5 million. The Commission continued to pay out loans for the privatization and restructuring of the coal industry amounting to ECU 25.4 million. To promote steel consumption in connection with major infrastructure projects of European interest, the Commission paid out 17 loans totalling ECU 347.9 million. Loans totalling ECU 208.8 million for the conversion of coal and steel areas were paid out, mainly to small and medium-sized undertakings via financial intermediaries.

1158. The ECSC continued to look to the capital market for funds, raising a total of ECU 643.9 million.

1159. On 27 July the Commission adopted the ECSC financial report for 1993.¹

1160. On 22 June the Commission adopted a decision on the adjustment of borrowing and lending policy to ensure a smooth transition to the period following expiry of the ECSC Treaty (23 July 2002).² Under this decision the ECSC's financial activities will gradually be scaled down. The Council³ and the European Parliament⁴ also adopted decisions on this matter, and on 24 March the ECSC Consultative Committee adopted a memorandum on the future of ECSC financial activities.⁵ With a view to the gradual reduction of the ECSC levy, leading to its total elimination when the ECSC Treaty expires, the Commission adopted on 7 December⁶ Decisions No 2983/94/ECSC and

¹ Bull. 7/8-1994, point 1.4.11.

² OJ C 175, 28.6.1994; COM(94) 269; Bull. 6-1994, point 1.5.5.

³ Bull. 4-1994, point 1.5.16.

⁴ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.5.17.

⁵ OJ C 116, 27.4.1994; Bull. 3-1994, point 1.5.13.

⁶ OJ L 315, 8.12.1994; Bull. 12-1994.

No 2984/94/ECSC amending Decisions No 2/52,¹ No 3/52² and No 2854/72³ in order to reduce the frequency of declarations and payments of the ECSC levy, raise the threshold for payment of this levy and adjust the implementing rules accordingly.

Financing Euratom activities

1161. In view of the continuing unfavourable situation in the industry, there were again no loan operations this year. The grand total of loans since such operations began in 1977 is ECU 2.876 billion (at the exchange rates obtaining when contracts were signed). However, an operation equivalent to ECU 48 million, representing the refinancing of a loan in Belgian francs, was carried out in January.

1162. Decision 94/179/Euratom, adopted by the Council on 21 March (Table II), authorizes the Commission to contract Euratom borrowings, originally intended for investment in the nuclear energy sector within the European Union,⁴ in order to contribute to the financing required for improving the degree of safety and efficiency of nuclear facilities in certain Central and East European countries and in certain Independent States of the former Soviet Union.⁵ A cooperation agreement was concluded between the Commission and the EIB, giving the EIB responsibility for the examination and administration of loans.

European Investment Bank

1163. Information relating to the activities of the European Investment Bank appears in 'Economic and monetary policy' in Chapter II.⁶

¹ OJ ECSC No1, 30.12.1952; Decision last amended by Commission Decision No 3565/83/ECSC: OJ L 355, 17.12.1983.

² OJ ECSC No1, 30.12.1952; Decision last amended by Commission Decision No 3616/93/ECSC: OJ L 328, 29.12.1993.

³ OJ L 299, 31.12.1972.

⁴ Decision 77/270/Euratom, OJ L 88, 6.4.1977.

⁵ Eligible countries are Bulgaria, Hungary, Lithuania, Romania, Slovenia, the Czech Republic, the Slovak Republic, the Russian Federation, Armenia and Ukraine.

⁶ Point 70 *et seq.* of this Report.

Section 6

General budget guarantee for borrowing and lending operations

1164. The guarantee by the Community budget covers lenders when the Community floats an issue under one of its financial instruments: balance of payments facility,¹ Euratom loans,² New Community Instrument,³ medium-term financial assistance for Hungary, the former Czech and Slovak Federal Republic, Bulgaria, Romania, Algeria, Israel, the Baltic States and the former Soviet Union.⁴ The budget guarantee is also given to the European Investment Bank for loans it grants from its own resources to the Mediterranean countries (75% guarantee), the countries of Central and Eastern Europe and Asian and Latin American countries which have signed cooperation agreements with the Community.

1165. At end-1994 the ceiling for authorized borrowing and lending operations guaranteed by the general budget was ECU 42.95 billion. At 31 December, the guarantee was in operation for ECU 10.841 billion of Community borrowing, for loans of ECU 2.78 billion granted by the EIB out of its own resources and for loans of ECU 133 million granted to Russia by a syndicate of banks (98% guarantee) to finance imports of agricultural products and foodstuffs from the Community and the countries of Central and Eastern Europe.

1166. The guarantee was activated after various States of the former Soviet Union, which have received a loan of ECU 1 250 million,⁵ defaulted on their payments. The Republics for which the Community activated the guarantee by making provisional drawings on its cash resources in 1994 and which had failed to pay by 31 December were as follows: Ukraine (ECU 31.9 million), Tadjikistan (ECU 5.8 million), Georgia (ECU 5.4 million) and Kyrgyzstan (ECU 0.7 million).

¹ Point 1153 of this Report.

² Point 1161 of this Report.

³ Point 1152 of this Report.

⁴ Point 66 of this Report.

⁵ Point 67 of this Report.

1167. In 1994, the budget guarantee was again activated¹ for loans granted by the EIB to certain Republics of former Yugoslavia. When they failed to make repayments, the Community had to pay the EIB a total of ECU 19.7 million: ECU 6 million in May, ECU 8.4 million in September and ECU 5.3 million in December. At 31 December none of these three amounts had been repaid. At 31 December, the total amount of guarantees activated since 1992 after the Republics of former Yugoslavia defaulted on their payments came to ECU 48.3 million.

¹ Twenty-second General Report, point 134; Twenty-third General Report, point 120; Twenty-fifth General Report, point 1283; Twenty-sixth General Report, point 1211; Twenty-seventh General Report, point 1122.

Chapter VII

Institutions

Section 1

Institutional matters

Changes to legal bases and/or procedures for adoption of pending proposals

1168. The Commission paper of November 1993 on changes to legal bases and adoption procedures for proposals pending in the Council on 31 October 1993 following entry into force of the Treaty on European Union¹ received the general approval of the institutions as a basis for streamlining the adjustment process. A Parliament resolution of 20 January approves the majority of the changes called for by the Commission.²

Voting in the Council

1169. With the entry into force of the Union Treaty on 1 November 1993, the range of decisions that can be taken by qualified majority now embraces a substantial proportion of the Community's new powers and many environmental decisions as well. In practice the Council took 48 decisions by qualified majority in 1994,³ confirming the pattern that emerged after the Single Act came into force.

1170. On 29 March, following the agreement reached at the informal meeting of Foreign Ministers at Ioannina in Greece,⁴ the Council adopted a decision on

¹ COM (93) 570; Twenty-seventh General Report, point 14.

² OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.7.5.

³ Internal legislative instruments only.

⁴ Bull. 3-1994, points 1.3.27 and 1.3.28.

qualified-majority voting after accession of Austria, Finland, Norway and Sweden.¹ This decision was incorporated in a declaration adopted by the Member States on 30 March² and approved the same day by the EFTA countries applying for membership.² The Commission, also on the same day, issued a statement on this subject.³ On 20 December, the Council agreed to a Commission proposal amending the Decision of 29 March after Norway decided not to join.⁴

1171. To meet the commitments entered into *vis-à-vis* Parliament in the October 1993 joint declaration on subsidiarity, democracy and transparency,⁵ the Council, acting in accordance with its Rules of Procedure as amended in December 1993,⁶ approved the following publicity arrangements regarding the outcome of voting and statements of explanation of votes: results of voting on legislation to be announced as a matter of routine, unless a simple majority decides otherwise; results of voting on other matters to be announced if a Member State so requests and a simple majority so decides (except where the Council acts under Title V or VI of the Union Treaty and a unanimous decision is required); routine publicity for statements of explanation of votes when the results of voting are announced, subject to the Council's Rules of Procedure, considerations of certainty as to the law and the Council's general interests).

1172. Chapter I Section 3 ('Democracy, transparency and subsidiarity') reports on the Commission and Council Code of Conduct on access to documents.⁷

Involvement of Parliament in decision-making

1173. Since the entry into force of the Treaty on European Union, Parliament's involvement in the decision-making process has resulted in particular in the adoption, together with the Council, of a number of instruments covered by the co-decision procedure, in some cases after the conciliation period provided for by Article 189b of the EC Treaty. In one case (ONP for voice telephony)⁸ the proposal was deemed not to have been adopted since Parliament voted to reject it.

¹ OJ C 105, 13.4.1994; Bull. 3-1994, point 1.3.27.

² Bull. 3-1994, point 1.3.28.

³ Bull. 3-1994, point 1.3.29.

⁴ Bull. 12-1994.

⁵ Twenty-seventh General Report, point 12; Bull. 10-1993, point 1.6.8.

⁶ OJ L 304, 10.12.1993; Twenty-seventh General Report, point 999.

⁷ Point 7 of this Report.

⁸ Point 403 of this Report.

Implementing powers conferred on the Commission

1174. The Council gave further evidence of its tendency to confine the implementing powers conferred on the Commission within tight limits.¹ Although the Intergovernmental Conference that prepared the Single European Act specifically asked the Council to give pride of place to the advisory committee procedure in the exercise of implementing powers conferred on the Commission by instruments implementing Article 100a of the EEC Treaty,² the Council adopted this procedure only 2 times whereas the Commission had proposed it 6 times.

1175. Following Parliament's resolution of December 1993¹ and the difficulties which had arisen in Parliament's relations with the Council over the interpretation of Article 145 of the EC Treaty within the framework of the co-decision procedure, on 19 April the Commission presented the draft of an interinstitutional agreement between Parliament, the Council and the Commission on the exercise of implementing powers in respect of instruments adopted jointly by Parliament and the Council by the procedure of Article 189b of the EC Treaty.³

In view of the reservations expressed by a number of delegations, the German Presidency proposed a *modus vivendi*, to apply until the revision of the Treaties scheduled for the 1996 Intergovernmental Conference in order to reduce the risk of permanent conflict between the institutions.

On 20 December, an interinstitutional conference⁴ confirmed the agreement on a *modus vivendi* between Parliament, the Council and the Commission on the implementing measures for instruments adopted under the procedure referred to in Article 189b of the EC Treaty.⁴ Without prejudging the three institutions' declarations of principle, this agreement contains a number of guidelines designed to overcome the difficulties which have arisen in connection with the adoption of instruments under the procedure referred to in Article 189b of the EC Treaty for reasons of committee procedure.

Preparations for the 1996 Intergovernmental Conference

1176. At its Corfu meeting on 24 and 25 June, the European Council decided to set up a 'Reflection Group' to prepare the ground for the 1996 Intergovernmental Conference.⁵ The Group, which will start to operate in June

¹ Twenty-seventh General Report, point 1003.

² Twentieth General Report, point 4.

³ Bull. 4-1994, point 1.7.1.

⁴ Bull. 12-1994.

⁵ Bull. 6-1994, points 1.7.1 and 1.25.

1995, will consist of representatives of the Foreign Ministers of the Member States and of the Commission President; its Chair will be designated by the Spanish Government. Two representatives of the European Parliament, Mr Brok (EPP-Germany) and Mrs Guigou (PES-France) will also take part, and the other institutions will be asked for their views. All the institutions have been asked to prepare reports on the operation of the Union Treaty before the Group starts work. It is to consider not only those Treaty articles that are potentially reviewable but also 'other possible improvements in a spirit of democracy and openness, on the basis of the evaluation of the functioning of the Treaty as set out in the reports. It will also elaborate options in the perspective of the future enlargement of the Union on ... institutional questions'. It is to report in time for the European Council at the end of 1995.

1177. Looking ahead to the 1996 Conference, Parliament passed a resolution on 10 February on the need for the European Union to have a democratic constitution;¹ this was followed by a resolution of 28 September calling on the Member States to commit themselves to a stronger, more democratic institutional set-up in the European Union and speaking out against any kind of *à la carte* Europe.²

Simplification of legislation and administration

1178. The Commission has begun looking into the impact of existing Community and national legislation on employment and competitiveness. The Corfu European Council welcomed both this move and the establishment of a group of independent personalities to help the Commission in its task.³ The group was set up in July and had its first meeting on 26 September;⁴ its task is to review the state of Community and national legislation in the light of economic and social considerations to identify possible barriers to job creation and competitiveness, especially those affecting small business, and investigate possibilities for relieving the situation and simplifying matters.

1179. An interim report was presented to December's European Council meeting in Essen, describing the progress made and outlining future priorities.⁵ It listed the areas chosen for priority treatment or considered particularly representative: food hygiene, standards for machinery, the environment, social legislation and company law, with close attention being paid to the specific problems of small business. The European Council welcomed the progress made and called on the group to continue along these lines.

¹ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.7.1.

² OJ C 305, 31.10.1994; Bull. 9-1994, point 1.7.1.

³ Bull. 6-1994, point 1.6.

⁴ Bull. 9-1994, point 1.7.2.

⁵ Bull. 12-1994.

Section 2

Composition and functioning

Parliament

1180. The fourth direct elections to Parliament were held on 9 and 12 June.¹ Following a decision by the Edinburgh European Council,² the number of seats was increased from 518 to 567. These seats are distributed among Member States as follows: Belgium 25, Denmark 16, Germany 99, Greece 25, Spain 64, France 87, Ireland 15, Italy 87, Luxembourg 6, Netherlands 31, Portugal 25 and the United Kingdom 87. A total of 269 million electors went to the polls — the lowest turnout since 1979, with a sharp drop in the Netherlands, Portugal, Ireland and Greece, for a variety of reasons not necessarily connected with European issues. Although for the first time Union citizens residing in a Member State of which they were not nationals had the right to vote,³ very few of them exercised it, except in Ireland. An analysis of the results of the elections reveals contradictory trends, largely because they were dominated by domestic issues. In some Member States (United Kingdom and Spain) they served as an opportunity to censure the government of the day, while in others (Italy, in particular), the results were a measure of its popularity. In yet others, such as Belgium and France, the votes lost by the governing parties did not automatically benefit the main opposition parties because of the proliferation of minor lists. A further feature of these elections, particularly in Denmark and France, was the advance made by 'anti-Maastricht parties', although they still obtained fewer votes than the lists which were generally in favour of the Union Treaty.

1181. At 31 December, the distribution of seats among the political groups in the new Parliament was as follows:

Party of European Socialists	198
European People's Party	157
European Liberal, Democratic and Reformist Party	43
Confederal Group of the European United Left	28
Forza Europa	27

¹ Bull. 6-1994, points 1.7.3 to 1.7.6.

² Twenty-sixth General Report, point 1094.

³ Point 5 of this Report.

European Democratic Alliance	26
Greens	23
European Radical Alliance	19
Europe of the Nations	19
Non-affiliated	27

1182. At its first part-session from 19 to 22 July, Parliament elected Mr Klaus Hänsch (Party of European Socialists, Germany) President for a term of two and a half years.¹ It also elected fourteen Vice-Presidents² and five Quaestors.³ On the internal organization front, Parliament formed 20 committees, three subcommittees and a temporary committee on employment. In September it adopted its timetable of part-sessions for 1995, which consists of 12 meetings in Strasbourg and four additional sittings in Brussels.⁴

1183. Addressing the House at the July part-session, Mr Hänsch highlighted the challenges facing Europe and the new Parliament, in particular the 1996 Intergovernmental Conference, employment, democracy and the environment.⁵ He emphasized Parliament's determination to make full use of its new powers, in particular under the co-decision procedure, and its desire to play a stronger role in the areas of common foreign and security policy and cooperation in the fields of justice and home affairs. Mr Hänsch also opened the additional part-session of 14 and 15 September with a statement welcoming the start of the peace process in Northern Ireland.⁶

1184. Throughout the year, the main subjects of debate in the House were the implementation of the White Paper on growth, competitiveness and employment⁷ and negotiations on the accession of Austria, Finland, Sweden and Norway, notably the Ioannina compromise on the new blocking minority in the Council after enlargement.⁸ After a long debate at the part-session from 2 to 6 May,⁹ Parliament voted by a comfortable majority to give its assent to the accession of the four applicant countries.¹⁰ Parliament also examined the

¹ Bull. 7/8-1994, point 1.6.3; OJ Annex 445; OJ C 261, 19.9.1994.

² Ms Fontaine, Mr Martin, Ms Pery, Mr Anastassopoulos, Mr Avgerinos, Mr Schlüter, Ms Schleicher, Mr Capucho, Mr Gil-Robles Gil-Delgado, Sir Jack Stewart-Clark, Mr Verde i Aldea, Mr Imbeni, Mr Gutiérrez Diaz, Mr Fontana and Mr Imbeni.

³ Mr Soares, Mr Raffarin, Mr Bardong, Mr Balfe and Mr Ribeiro.

⁴ Bull. 9-1994, point 1.7.4; OJ Annex 446; OJ C 276, 3.10.1994.

⁵ Bull. 7/8-1994, point 1.6.3; OJ Annex 445; OJ C 261, 19.9.1994.

⁶ Bull. 9-1994, point 1.7.3; OJ Annex 446; OJ C 276, 3.10.1994.

⁷ Point 17 of this Report.

⁸ Point 1170 of this Report.

⁹ Bull 5-1994, point 1.6.4; OJ Annex 445; OJ C 205, 25.7.1994.

¹⁰ Point 724 of this Report.

results of the Corfu and Essen European Councils¹ and, at its supplementary part-session on 30 November and 1 December, delivered a strong message to the Essen European Council by devoting most of its debates to employment, the information society and the strengthening of relations with the countries of Central and Eastern Europe.² At the debate in Strasbourg on 14 December, several Members expressed their disappointment at the outcome of the Essen Council.³

1185. Discussion often focused on the constitutional and political importance of the confirmation of the Commission.⁴ After a long debate at the July part-session,⁵ Parliament voted in favour of the appointment of Mr Jacques Santer as President of the European Commission from 7 January 1995. Addressing the House, Mr Santer outlined the three main areas on which action would concentrate: winning back public support, generating new growth and reviving the integration process. In conclusion, he confirmed that it was his intention to promote the interests of all the citizens of the Union, to respect the balance of power between the institutions and to pursue the political objectives of the Union, while respecting the national identity of the Member States.

1186. On the institutional front, apart from the appointment of the next Commission, Parliament also adopted resolutions on a draft European Constitution⁶ and the question of a multi-speed Europe.⁷ In March, Parliament adopted the decision establishing the post of Ombudsman but no appointment to the post was made in the course of the year.⁸ As regards relations with the other institutions, Parliament held debates on the Commission's legislative programme for 1994,⁹ the work programmes of the Greek and German Presidencies,¹⁰ the Statute of the Court of Justice¹¹ and the appointment of Members of the Court of Justice¹² and the Court of Auditors.¹³ The annual report by the Court of Auditors was also presented to it.¹⁴

1187. On the external relations front, Parliament expressed concern at the situation in Rwanda and in former Yugoslavia on several occasions and

¹ Bull. 7/8-1994, point 1.6.3; OJ Annex 445; OJ C 261, 19.9.1994; Bull. 12-1994.

² Bull. 11-1994, point 1.7.2; OJ Annex 450; OJ C 363, 19.12.1994.

³ OJ C 18, 23.1.1995; Bull. 12-1994.

⁴ Point 1201 of this Report.

⁵ Bull. 7/8-1994, point 1.6.3; point 1201 of this Report.

⁶ Bull. 1/2-1994, point 1.7.10; point 1177 of this Report.

⁷ Bull. 9-1994, point 1.7.1; point 1177 of this Report.

⁸ Point 6 of this Report.

⁹ Bull. 1/2-1994, point 1.7.9; point 9 of this Report.

¹⁰ Bull. 1/2-1994, point 1.7.9.

¹¹ Bull. 10-1994, point 1.7.2; OJ Annex 448; OJ C 323, 21.11.1994.

¹² Bull. 1/2-1994, point 1.7.10; point 1207 of this Report.

¹³ Bull. 1/2-1994, point 1.7.9; point 1213 of this Report.

¹⁴ Bull. 11-1994, point 1.7.2; OJ Annex 450; OJ C 341, 15.12.1994.

denounced the violation of human rights in many different countries.¹ One of the high points of the part-session from 7 to 11 March was the speech given by Mr Havel, President of the Czech Republic.² The President of Madagascar, Mr Zafy, addressed the House in May.³

1188. On economic policy, several debates were held on the agreements arising from the Uruguay Round trade negotiations⁴ and Parliament gave its assent at the December part-session. The crisis in the steel industry was the focus of discussion at the additional part-session on 23 and 24 February⁵ and Parliament also dealt with this issue at its October part-session.⁶

1189. In the social field, Parliament welcomed the White Paper on European social policy.⁶

1190. After Parliament's two readings of the 1995 budget,⁷ Mr Hänsch signed it at the December part-session. At the same part-session Parliament also approved the revision of the financial perspective.⁸ Parliament also called for the whole question of the revision of the Union's finances⁹ to be placed on the agenda of the 1996 Intergovernmental Conference.¹⁰

1191. An interinstitutional decision was taken on 20 December concerning the arrangements for the exercise of Parliament's right of inquiry.

1192. A breakdown of Parliament's work in 1994 is shown in Table 29. Parliament addressed 3 885 questions to the Commission or the Council — 2 906 written questions (2 505 to the Commission and 401 to the Council), 166 oral questions (100 to the Commission and 66 to the Council) and 813 during question time (565 to the Commission and 248 to the Council).

At 31 December, the establishment plan of Parliament's Secretariat comprised 3 249 permanent posts and 541 temporary posts.

¹ Chapter V of this Report.

² Bull. 3-1994, point 1.7.5; OJ Annex 442; OJ C 91, 28.3.1994.

³ Bull. 5-1994, point 1.6.4; OJ Annex 445; OJ C 205, 25.7.1994.

⁴ Point 985 of this Report.

⁵ Bull. 1/2-1994, point 1.7.11; OJ Annex 441; OJ C 77, 14.3.1994.

⁶ Bull. 10-1994, point 1.7.2; OJ Annex 448; OJ C 323, 21.11.1994.

⁷ Bull. 10-1994, point 1.7.2; OJ Annex 448; OJ C 323, 21.11.1994; OJ C 18, 23.1.1995; Bull. 12-1994; point 1118 of this Report.

⁸ Bull. 12-1994; point 1104 of this Report.

⁹ Bull. 1/2-1994, point 1.7.10; OJ Annex 440; OJ C 61, 28.8.1994.

¹⁰ Point 1177 of this Report.

TABLE 29
The year in Parliament

Part-session	Normal consultations (single reading)	Cooperation procedure		Codexion procedure		Assent	Other opinions ⁷	Budget questions	Recommendations ⁸ (Rules 90, 92 and 94)	Own-initiative reports and resolutions			Miscellaneous decisions and resolutions ¹⁰
		First reading I	Second reading II	First reading I	Second reading II	Third reading III				Rules 45 and 148 (reports)	Rules 37 and 40 (resolutions)	Rule 47 (urgent subjects)	
January	5	1	—	1	1	—	5	—	1	21	4	11	2
February (I)	7	4	—	2	4	—	1	—	—	22	5	15	2
February (II)*	2	—	—	—	—	—	—	2	1	4	—	—	—
March (I)	—	—	—	—	—	—	—	4	1	6	—	—	—
March (II)*	8	5	2	1	10	—	8	14	2	15	8	13	2
April	66	5	1	9	2	1	9	4	1	30	3	17	2
May	26	9	3	2	5	3	19	1	—	35	3	1	2
June	—	—	—	—	—	1	—	—	—	—	2	—	3
July	—	—	—	—	—	—	—	—	—	—	1	—	—
September (I)	1	—	—	—	2	—	—	—	—	—	9	13	1
September (II)*	7	—	—	—	1	1	—	1	—	—	7	19	1
October	8	3	5	—	5	—	2	5	—	1	—	15	1
November (I)	17	4	8	1	3	—	1	1	1	2	—	—	—
November (II)*	5	1	—	—	—	—	3	—	—	—	—	—	—
December	16	1	—	2	1	2	1	3	—	—	6	10	—
Total	168 ¹	33 ²	21 ³	18 ⁴	34 ⁵	8 ⁶	49	31	7	136 ⁹	48	114	16

* Additional part-session in Brussels.

NB: Parliament also adopted one resolution under Rule 61(4) (Follow-up to Parliament's opinion) and one resolution challenging the legal basis of the Commission's proposal.

1 Including 117 cases where Parliament proposed amendments to the Commission proposal and 1 case where it rejected it.

2 Including 30 cases where Parliament proposed amendments to the Commission proposal.

3 Including 7 cases where Parliament amended the Council's common position and 2 cases where it rejected it.

4 Including 16 cases where Parliament proposed amendments to the Commission proposal.

5 Including 21 cases where Parliament amended the Council's common position and 1 case where it stated its intention to reject it.

6 Including 1 case where Parliament rejected the Council text.

7 Opinions on Commission reports or communications.

8 Recommendations concerning the opening of negotiations with non-member countries, the application of the common foreign and security policy and cooperation in the fields of justice and home affairs.

9 Including 2 legislative initiatives under Rule 50.

10 Mainly decisions on the waiving of Parliamentary immunity or amendments to the Rules of Procedure.

Council

1193. Greece was in the chair for the first half of the year and Germany for the second half. The European Council met three times during the year — in Corfu in June, in Brussels in July and in Essen in December.

1194. The Corfu European Council on 24 and 25 June¹ focused mainly on various aspects of the White Paper on growth, competitiveness and employment.² Particular emphasis was placed on six points which should provide a new impetus to the debate: the encouragement of reforms in the Member States to make employment systems more efficient; full use of the employment potential of small businesses; closer coordination in research policy; rapid implementation of high-priority trans-European projects in the transport and energy fields; full use of the possibilities opened up by the information society; and encouragement of the new model of sustainable development, including the environmental dimension. As regards trans-European networks, the European Council adopted a list of high-priority transport projects and a list of priority projects being studied in the energy field.³ The development of the information society was given a further boost, notably by the decision to set up a permanent coordination instrument.⁴ The European Council also endorsed the economic policy guidelines presented by the Council.⁵ On the external relations front, it confirmed its commitment to the development of relations with the Mediterranean countries and its support for the peace process in the Middle East and stressed the importance of the Europe Agreements with the countries of Central and Eastern Europe. Turning to cooperation in justice and home affairs, it welcomed the Franco-German initiative against racism and xenophobia and the Commission's initiatives on immigration, asylum policy and drugs.⁶ On the institutional front, it decided to set up a Reflection Group to prepare for the 1996 Intergovernmental Conference.⁷ The European Council was also the occasion for the signing of the Acts of Accession of Austria, Sweden, Finland and Norway⁸ and for the signing of the partnership and cooperation agreement with Russia.⁹

1195. At the extraordinary meeting in Brussels on 15 July, the representatives of the Governments of the Member States formally nominated Mr Jacques

¹ Bull. 6-1994, points I.1 to I.29.

² Point 17 of this Report.

³ Point 321 of this Report.

⁴ Point 327 of this Report.

⁵ Point 34 of this Report.

⁶ Points 1081 and 1086 of this Report.

⁷ Point 1176 of this Report.

⁸ Point 724 of this Report.

⁹ Point 807 of this Report.

Santer, Prime Minister of Luxembourg, as the person they intended to appoint as President of the Commission from 7 January 1995.¹

1196. At its meeting in Essen on 9 and 10 December, with the full participation of the Heads of State or Government of the three countries acceding to the European Union (Austria, Finland and Sweden), the European Council laid down guidelines for continuing and strengthening the strategy of the White Paper on growth, competitiveness and employment. It confirmed the priority it attached to the fight against unemployment and identified five key areas for action: improving employment opportunities for the labour force by promoting investment in vocational training, increasing the employment-intensiveness of growth, reducing non-wage labour costs, improving the effectiveness of labour-market policy and improving measures to help groups which are particularly hard hit by unemployment, in particular the young. It also confirmed the launch of 14 priority projects in connection with the trans-European networks and a revised list of 10 energy network projects and asked the Council to top up the funds currently available for this purpose. The Heads of State or Government also adopted a comprehensive strategy for bringing the associated countries of Central and Eastern Europe closer to the European Union by gradually preparing them for inclusion in the Union's internal market. The presence of the Heads of State or Government of the six associated countries at part of the proceedings bore witness to this. The European Council also confirmed its desire to develop the special relations between the European Union and the Mediterranean countries, in particular through the establishment of a Euro-Mediterranean partnership. It also adopted a statement on former Yugoslavia. The Heads of State or Government also decided to conclude the Convention establishing Europol during the forthcoming French Presidency in order to boost the European Union's activities in relation to internal security. They also approved the principle of a multiannual support programme for the peace process in Northern Ireland.

1197. Continuing the practice introduced in 1981, Mr Pangalos, accompanied by Mr Delors, reported to Parliament on the conclusions of the Corfu European Council.² Mr Kohl and Mr Kinkel, accompanied by Mr Delors and Mr van den Broek, reported on the Essen European Council.³

1198. At its 95 meetings in 1994, the Council adopted 46 directives, 274 regulations and 148 decisions.

¹ Point 1201 of this Report.

² Bull. 7/8-1994, point 1.6.3.

³ Bull. 12-1994.

1199. There were 2 289 permanent posts on the Council's establishment plan at the end of the year.

Commission

1200. On 27 April, the representatives of the Governments of the Member States adopted a decision appointing Mr Oreja Aguirre Member of the Commission until 6 January 1995 to replace Mr Matutes, who had resigned.¹

1201. On 26 July,² following the extraordinary European Council in Brussels on 15 July³ and Parliament's vote of approval at the July part-session,⁴ Mr Jacques Santer, Prime Minister of Luxembourg, was nominated by the representatives of the Governments of the Member States, by common accord, as the person they intended to appoint President of the Commission for a five-year term of office commencing in January 1995. Mr Santer and the other Members of the Commission nominated on 31 October by the representatives of the Governments of the Member States, in consultation with the nominee for President⁵ will be subject as a body to a vote of approval by Parliament in January 1995. This will be the first time that the appointment of the Commission has been confirmed by Parliament under Article 158 of the EC Treaty. Parliament emphasized the importance of this procedure in a resolution adopted on 21 April.⁶ In January 1995, the representatives of the Governments of the Member States will adopt two decisions, by common accord, appointing the Members of the Commission and appointing Mr Santer as President.

1202. The Commission held 46 meetings in the course of the year. It adopted 7 034 instruments (3 064 regulations, 3 635 decisions, 33 directives, 26 recommendations and 263 opinions) and sent the Council 558 proposals, recommendations or draft instruments (52 proposals for directives, 305 proposals for regulations and 201 proposals for decisions) and 272 communications, memoranda and reports.

1203. The Commission's establishment plan for 1994 comprised 14 070 permanent posts (including 1 614 LA posts for the Language Service) and 848 temporary posts (including 30 LA) paid out of administrative appropriations; 3 316 permanent posts and 181 temporary posts paid out of research appropri-

¹ Bull. 4-1994, point 1.7.12.

² OJ L 203, 6.8.1994; Bull. 7/8-1994, point 1.6.9.

³ Bull. 7/8-1994, point 1.1; point 1195 of this Report.

⁴ Bull. 7/8-1994, point 1.6.2.

⁵ Bull. 10-1994, point 1.7.9.

⁶ OJ C 128, 9.5.1994; Bull. 4-1994, point 1.7.2; point 1185 of this Report.

ations; 465 permanent posts in the Publications Office; 76 permanent posts at the European Centre for the Development of Vocational Training and 71 at the European Foundation for the Improvement of Living and Working Conditions.

1204. Under the secondment and exchange arrangements between the Commission and Member States' government departments, 46 Commission officials were seconded to national civil services and international organizations, and the number of national experts coming to work for the Commission departments was equivalent to 583 man/years, paid from the administrative budget.

Court of Justice and Court of First Instance

1205. On 7 March, the Council adopted Decision 94/149/ECSC, EC (Table II) amending Decision 93/350/Euratom, ECSC, EEC,¹ which had amended Decision 88/591/ECSC, EEC, Euratom² establishing the Court of First Instance of the European Communities. The new Decision set 15 March 1994 as the date for the transfer of jurisdiction in respect of trade protection measures from the Court of Justice to the Court of First Instance.³

1206. The Court proposed an amendment to its statute in order to lay down the procedure applicable in cases referred to it under the EEA Agreement⁴ and the rights of the EFTA States and the lawyers from these countries.⁵

1207. On 9 February,⁶ Parliament adopted a resolution on the appointment of members of the Court of Justice and on 26 July a number of appointments were made to the Court by Decision 94/504/ECSC, EC, Euratom of the representatives of the Governments of the Member States.⁷ Mr Edward, Mr Hirsch, Mr Kapteyn, Mr La Pergola, Mr Mancini, Mr Moitinho De Almeida and Mr Puissochet were appointed Judges for the period from 7 October 1994 to 6 October 2000, while Mr Gulmann was appointed Judge for the period from 7 October 1994 to 6 October 1997. Mr Cosmas, Mr Léger and Mr Tesauo were appointed Advocates-General for the period from 7 October 1994 to 6 October 2000 and Mr Elmer was appointed Advocate-General for the period from 7 October 1994 to 6 October 1997.

¹ OJ L 144, 16.6.1993; Twenty-seventh General Report, point 1029.

² Twenty-second General Report, point 28.

³ OJ L 66, 10.3.1994; Bull. 3-1994, point 1.7.21.

⁴ Point 778 of this Report.

⁵ OJ C 323, 21.11.1994; Bull. 10-1994, point 1.7.14.

⁶ OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.7.20.

⁷ OJ L 203, 6.8.1994; Bull. 7/8-1994, point 1.6.14.

1208. On 20 December, the Council expressed its agreement on the changes in the composition of the Court of Justice and the Court of First Instance to take account of the fact that Norway is not acceding to the European Union.¹ Following enlargement, the Court will therefore be made up of 15 Judges assisted by eight Advocates-General. A ninth Advocate-General will be appointed for the period from 1 January 1995 to 6 October 2000.

1209. On 10 October the composition of the Chambers of the Court of Justice was determined as follows for a period of one year from 10 October:²

First Chamber: President: Mr Joliet; Judges: Mr Edward and Mr La Pergola;

Second Chamber: President: Mr Schockweiler; Judges: Mr Mancini and Mr Hirsch;

Third Chamber: President: Mr Gulmann; Judges: Mr Moitinho De Almeida and Mr Puissochet;

Fourth Chamber: President: Mr Kapteyn; Judges: Mr Kakouris and Mr Murray;

Fifth Chamber: President: Mr Joliet; Judges: Mr Gulmann, Mr Moitinho De Almeida, Mr Edward, Mr La Pergola and Mr Puissochet;

Sixth Chamber: President: Mr Schockweiler; Judges: Mr Kapteyn, Mr Mancini, Mr Kakouris, Mr Murray and Mr Hirsch.

Mr Jacobs was appointed First Advocate-General for the same period. The Judges of the Court elected Mr Rodríguez Iglesias President for the period from 7 October 1994 to 6 October 1997.³

1210. On 2 June, the composition of the Chambers of the Court of First Instance was determined as follows for the period 1 September 1994 to 31 August 1994:⁴

First Chamber: President: Mr Cruz Vilaça; Judges: Mr Kirschner and Mr Kalogeropoulos;

Second Chamber: President: Mr Vesterdorf; Judges: Mr Barrington and Mr Saggio;

Third Chamber: President: Mr Biancarelli; Judges: Mr Briët and Mr Bellamy;

Fourth Chamber: President: Mr Lenaerts; Judges: Mr Schintgen and Mr García-Valdecasas;

¹ Bull. 12-1994.

² OJ C 304, 29.10.1994.

³ OJ C 304, 29.10.1994; Bull. 10-1994, point 1.7.13.

⁴ OJ C 233, 20.8.1994.

First Chamber (extended composition): President: Mr Cruz Vilaça; Judges: Mr Barrington, Mr Saggio, Mr Kirschner and Mr Kalogeropoulos;

Second Chamber (extended composition): President: Mr Vesterdorf; Judges: Mr Barrington, Mr Saggio, Mr Kirschner and Mr Kalogeropoulos;

Third Chamber (extended composition): President: Mr Biancarelli; Judges: Mr Schintgen, Mr Briët, Mr García-Valdecasas and Mr Bellamy;

Fourth Chamber (extended composition): President: Mr Lenaerts; Judges: Mr Schintgen, Mr Briët, Mr García-Valdecasas and Mr Bellamy.

1211. In 1994, 347 cases were brought (206 references for preliminary rulings, 13 appeals (including 5 staff cases) and 128 others). Of the 215 judgments given by the Court of Justice, 135 were preliminary rulings, 20 were appeals (including 12 staff cases) and 60 were other cases.¹ The Court of First Instance dealt with 450 cases and delivered 150 judgments.

1212. There were 750 permanent posts and 87 temporary posts on the establishment plan of the Court of Justice and the Court of First Instance at 31 December.

Court of Auditors

1213. On 7 February, the Council, after consulting Parliament,² appointed Mr Everard, Mr Warberg, Mr Clemente, Mr de Sousa Ribeiro, Mr Desmond and Mr Castells Members of the Court of Auditors for the period from 10 February 1994 to 9 February 2000.³

1214. The Annual Report for 1993 was adopted on 27 October⁴ and sent to the authorities responsible for discharge and the other institutions in accordance with Article 88 of the Financial Regulation. The report was published in the Official Journal⁵ together with replies from the institutions. On 27 October, the Court also adopted its annual report for 1993 on the ECSC in accordance with Article 45c(5) of the ECSC Treaty.⁶

1215. This year the Court produced six specific reports relating to 1993 concerning the financial statements of the ECSC⁷ and the Joint European Torus

¹ The Court's judgments are discussed in Chapter VIII: Community law.

² OJ C 20, 24.1.1994; OJ C 44, 14.2.1994.

³ Bull. 1/2-1994, point 1.7.23.

⁴ Bull. 10-1994, point 1.7.22.

⁵ OJ C 327, 24.11.1994.

⁶ Bull. 10-1994, point 1.7.23.

⁷ Bull. 6-1994, point 1.7.42.

(JET)¹ and the accounts of the Euratom Supply Agency,² the European Foundation for the Improvement of Living and Working Conditions,³ the European Centre for the Development of Vocational Training⁴ and the European Schools.⁵

1216. On 27 January and 10 March, the Court adopted Special Reports Nos 1/94 and 2/94 — the first followed on from Special Report No 2/92⁶ and continued the Court's audit of export refunds paid to large firms in the dairy sector,⁷ while the second dealt with the import programmes carried out under the sixth EDF.⁸ On 6 October, the Court adopted Special Report No 3/94 on the implementation of intervention measures under the common organization of the market in beef,⁹ and on 8 December Special Report No 4/94 on the urban environment.¹⁰

1217. The Court also delivered opinions on proposals for Council Regulations — the first amending Regulation (EEC, Euratom) No 1552/89 implementing Decision 88/376/EEC on the system of the Communities' own resources and the second amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities.¹¹

1218. There were 360 permanent posts and 67 temporary posts on the Court's establishment plan at 31 December.

Economic and Social Committee

1219. The Committee held 10 plenary sessions and adopted 121 opinions and additional opinions on Commission proposals or communications, 23 own-initiative (additional) opinions and two information reports. The Committee's opinion was requested on 59 occasions where this was compulsory under the EC Treaty; on the other occasions consultation was optional.

1220. The most significant of the opinions on matters referred to the Committee were on the following topics: the Annual Economic Report,¹² the Structural

¹ Bull. 7/8-1994, point 1.6.18.

² Bull. 5-1994, point 1.6.16.

³ Bull. 11-1994, point 1.7.21; point 591 of this Report.

⁴ Bull. 11-1994, point 1.7.20; point 315 of this Report.

⁵ Bull. 10-1994, point 1.7.24.

⁶ OJ C 101, 22.4.1992; Bull. 3-1992, point 1.6.27.

⁷ Bull. 1/2-1994, point 1.7.22.

⁸ OJ C 97, 6.4.1994; Bull. 3-1994, point 1.7.33.

⁹ Bull. 10-1994, point 1.7.25.

¹⁰ Bull. 12-1994.

¹¹ OJ C 115, 26.4.1994; Bull. 3-1994, points 1.7.34 and 1.7.35; Bull. 12-1994; point 1119 of this Report.

¹² Bull. 4-1994, point 1.2.8; point 43 of this Report.

Funds,¹ Community initiatives,² the Cohesion Fund,³ the Green Paper and White Paper on European social policy,⁴ the Social Charter,⁵ consultation of employees,⁶ the general framework for Commission action on health and safety at work,⁷ public health,⁸ Europe against AIDS,⁹ Community measures in education, vocational training and youth policy,¹⁰ the Green Paper on environmental damage and integrated pollution prevention and control,¹¹ ecological water quality,¹² the packaging of dangerous substances,¹³ the transport of dangerous goods,¹⁴ access to the occupation of transport operator,¹⁵ trans-European networks,¹⁶ the internal market in gas and electricity,¹⁷ the specific research programmes in non-nuclear energy, communications technologies and industrial technologies,¹⁸ the textile industry,¹⁹ the legal protection of designs,²⁰ the audiovisual industry (Media),²¹ the automobile industry,²² the 23rd Competition Report,²³ the simplification of VAT and excise duties on mineral oils,²⁴ the finances and tax position of small businesses and the integrated programme to assist them,²⁵ agricultural prices,²⁶ the common organization of the market in wine,²⁷ the conservation of and access to certain fishery resources,²⁸ the set-aside of arable land²⁹ and the Green Papers on consumers' access to justice, guarantees for consumer goods³⁰ and the revision of the GSP.³¹

1221. Among the own-initiative opinions, the Committee delivered three opinions on the White Paper on growth, competitiveness and employment,

¹ Bull. 4-1994, point 1.2.105; point 433 of this Report.

² Bull. 6-1994, point 1.2.133; point 466 of this Report.

³ Bull. 1/2-1994, point 1.2.103; point 434 of this Report.

⁴ Bull. 3-1994, point 1.2.160; point 554 of this Report.

⁵ Bull. 6-1994, point 1.2.189; point 555 of this Report.

⁶ Bull. 6-1994, point 1.2.190; point 556 of this Report.

⁷ Bull. 4-1994, point 1.2.159; point 582 of this Report.

⁸ Bull. 7/8-1994, point 1.2.174; point 681 of this Report.

⁹ Bull. 1/2-1994, point 1.2.188; point 685 of this Report.

¹⁰ Point 292 of this Report.

¹¹ Bull. 4-1994, point 1.2.146; point 491 of this Report.

¹² Bull. 12-1994, point 516 of this Report.

¹³ Bull. 1/2-1994, point 1.2.162; point 508 of this Report.

¹⁴ Bull. 4-1994, points 1.2.89 and 1.2.90; point 369 of this Report.

¹⁵ Bull. 6-1994, point 1.2.111; point 371 of this Report.

¹⁶ Bull. 4-1994, points 1.2.73 and 1.2.74; Bull. 11-1994, points 1.2.83 and 1.2.84; point 321 of this Report.

¹⁷ Bull. 4-1994, point 1.2.81; point 343 of this Report.

¹⁸ Bull. 6-1994, point 1.2.87 to 1.2.89; point 237 of this Report.

¹⁹ Bull. 6-1994, point 1.2.77; point 217 of this Report.

²⁰ Bull. 7/8-1994, point 1.2.18; point 155 of this Report.

²¹ Bull. 3-1994, point 1.2.179; point 713 of this Report.

²² Bull. 9-1994, point 1.2.68; point 213 of this Report.

²³ Bull. 12-1994; point 160 of this Report.

²⁴ Bull. 4-1994, point 1.2.41; point 146 of this Report; Bull. 10-1994, point 1.2.17.

²⁵ Bull. 7/8-1994, point 1.2.75; Bull. 9-1994, point 1.2.72; point 187 of this Report.

²⁶ Bull. 3-1994, point 1.2.122; point 600 of this Report.

²⁷ Bull. 1/2-1994, point 1.2.129; point 615 of this Report.

²⁸ Bull. 1/2-1994, point 1.2.144; point 640 of this Report; Bull. 11-1994, point 1.2.163.

²⁹ Bull. 3-1994, point 1.2.118; point 599 of this Report.

³⁰ Bull. 6-1994, point 1.2.208; point 669 of this Report.

³¹ Bull. 10-1994, point 1.3.97; point 947 of this Report.

dealing in turn with industrial, economic and social aspects.¹ Other opinions of note concerned young farmers,² tourism,³ energy policy,⁴ involvement of the social partners in Community policy,⁵ the role of the EIB in regional development,⁶ the use of the ecu,⁷ Stage II of Economic and Monetary Union,⁸ cross-border payments,⁹ savings,¹⁰ relations with Latin America¹¹ and Slovenia,¹² the effects of the Uruguay Round agreements and the regional structure of world trade.¹³

1222. Most of the Committee's opinions were in support of the Commission's objectives, although approval in principle was often accompanied by suggestions or reservations, even criticism of the means deployed. Some opinions were more critical of Commission proposals, especially those concerning agricultural prices and the set-aside of arable land,¹⁴ fishery management strategies,¹⁵ the revamped control of the common fisheries policy,¹⁶ integrated pollution prevention and control,¹⁷ the automobile industry,¹⁸ and the description of spirit drinks and aromatized drinks following the Uruguay Round negotiations.¹⁹

1223. Information reports were drawn up on relations with the countries of Central and Eastern Europe and on social welfare in rural areas of the European Union.²⁰ In August, the Committee held a conference in conjunction with the Centre for Political Education in Sachsen-Anhalt and the Euro-Info Centre in Magdeburg on the theme 'A People's Europe'.

1224. In October, the Committee held its opening session and elected a new President, Mr Ferrer, at an inaugural sitting attended by Mr Delors, Commission President, Ms Pery, Parliament Vice-President, and Mr Von Kyaw, Chairman of the Permanent Representatives Committee (for the Council).

¹ Bull. 6-1994, points 1.2.2 to 1.2.4; point 19 of this Report.

² Bull. 4-1994, point 1.2.109; point 597 of this Report.

³ Bull. 9-1994, point 1.2.75; point 201 of this Report.

⁴ Bull. 9-1994, point 1.2.102; point 334 of this Report.

⁵ Bull. 1/2-1994, point 1.2.106; point 558 of this Report.

⁶ Bull. 1/2-1994, point 1.7.24.

⁷ Bull. 1/2-1994, point 1.2.5; point 52 of this Report.

⁸ Bull. 9-1994, point 1.2.10; point 44 of this Report.

⁹ Bull. 7/8-1994, point 1.2.15; point 134 of this Report.

¹⁰ Bull. 9-1994, point 1.2.9; point 44 of this Report.

¹¹ Bull. 1/2-1994, point 1.3.76; point 898 of this Report.

¹² Bull. 4-1994, point 1.3.34; point 852 of this Report.

¹³ Bull. 9-1994, point 1.3.34; point 987 of this Report.

¹⁴ Bull. 3-1994, point 1.2.118; point 599 of this Report.

¹⁵ Bull. 9-1994, point 1.2.151; point 640 of this Report.

¹⁶ Bull. 11-1994, point 1.2.163; point 665 of this Report.

¹⁷ Bull. 4-1994, point 1.2.146; point 483 of this Report.

¹⁸ Bull. 9-1994, point 1.2.68; point 213 of this Report.

¹⁹ Bull. 11-1994, point 1.2.144; point 615 of this Report.

²⁰ Bull. 9-1994, point 1.2.185; point 574 of this Report.

1225. On several occasions Members of the Commission spoke at plenary sessions (Mr Flynn, Mr Steichen and Mr Schmidhuber) or section meetings (Ms Scrivener, Mr Millan, Mr Pinheiro and Mr Ruberti), and Mr Christophersen attended the second joint meeting with the EEA Consultative Committee in Helsinki. Mr Baltas, Greek State Secretary for Trade and Mr Rexrodt, Federal German Minister for Economic Affairs, presented the Council's priorities at the beginning of the Greek and German Presidencies. Mr Lammert, State Secretary at the Federal Ministry for Economic Affairs, presented the German Presidency's conclusions at the final session of the year.

Other prominent speakers at plenary sessions included Mr Blanc, Chairman of the Committee of the Regions and Mr Kefi, President of the Tunisian Economic and Social Committee.

1226. There were 510 permanent posts on the Committee's establishment plan at 31 December.

Committee of the Regions

1227. The Committee of the Regions is a new advisory body set up under the Treaty on European Union which consists of 189 full members and an equal number of alternate members, representing regional and local authorities. The number of members from each Member State is the same as for the Economic and Social Committee.

1228. The new Committee must be consulted on matters relating to education, culture, public health, trans-European networks and economic and social cohesion. It is also informed of all requests for an opinion addressed to the Economic and Social Committee and may issue opinions on its own initiative.

1229. The members and alternate members were appointed by the Council for a period of four years¹ and the Committee held its inaugural session on 9 and 10 March. After electing Mr Blanc, President of the Languedoc-Roussillon Regional Council, Chairman and Mr Maragall, Mayor of Barcelona, first Vice-Chairman for the first two-year term, the Committee set up a Bureau, consisting of 30 members, and a working party responsible for drawing up its Rules of Procedure. The Rules of Procedure were then adopted at the second plenary session² and approved by the Council on 25 May.³ At the third session

¹ Council Decision 94/65/EC, OJ L 31, 4.2.1994; Bull. 1/2-1994, point 1.7.46.

² Bull. 4-1994, point 1.7.44.

³ OJ L 132, 27.5.1994; Bull. 5-1994, point 1.6.32.

on 17 and 18 May, the Committee formed eight commissions¹ and four sub-commissions.² At its fourth meeting on 27 and 28 September, the Committee set up a commission on institutional affairs to draw up proposals for the study group responsible for making preparations for the 1996 Intergovernmental Conference.³

1230. The Committee delivered its first opinion — on the Council Regulation establishing a Cohesion Fund — at its second session on 5 April.⁴ At the next three sessions, it adopted 27 opinions, including three own-initiative opinions. Among the opinions on matters referred to the Committee, special attention should be called to those on Community initiatives⁵ and on the right of Union citizens residing in a Member State of which they are not nationals to vote and stand in municipal elections.⁶ The Committee also gave several opinions on trans-European networks⁷ and public health.⁸ In all these opinions the Committee endorsed the Commission's proposals, while paying particular attention to the application of the principle of subsidiarity of which it considers itself the guardian. On 15 November, it adopted a resolution on subsidiarity.⁹

1231. The Committee is keen to emphasize the vital role of economic growth and competitiveness in strengthening cohesion and delivered an own-initiative opinion on the White Paper on growth, competitiveness and employment.¹⁰ After a heated debate, it also gave an opinion in which it criticized the reform of the common organization of the market in wine.¹¹

1232. At the May session, attended by Mr Delors, the Committee held a general debate on the priority objectives of European integration.¹² In addressing the Committee on the state of the European Union, Mr Delors developed two basic ideas: first, that the Union was suffering from growing pains and not from decline; and second, that the challenges it would face in future would be imposed by history and not by the European process itself, whose foundations were sound. In various speeches from the floor, members stressed the importance of the Committee as a forum for the aspirations of Europe's citizens. At the

¹ Regional development; agriculture; transport and communications; urban policies; land-use planning; education and training; Citizen's Europe, research and culture; cohesion, social policy and public health.

² Local and regional finances; tourism; telecommunications; youth and sport.

³ Point 1176 of this Report.

⁴ Point 434 of this Report.

⁵ Point 466 of this Report.

⁶ Point 4 of this Report.

⁷ Point 321 of this Report.

⁸ Point 681 of this Report.

⁹ Bull. 11-1994, point 1.1.2.

¹⁰ Point 19 of this Report.

¹¹ Point 615 of this Report.

¹² Bull. 5-1994, point 1.6.34.

September session Mr Millan presented the broad outlines of 'Europe 2000+',¹ taking the opportunity to stress once again the importance which the Commission attaches to the principle of subsidiarity.

ECSC Consultative Committee

1233. In all, the Committee held seven meetings in 1994 (two extraordinary meetings, four ordinary meetings and one opening meeting). Mr Detaille was elected President and Mr González and Mr Cimenti Vice-Presidents of the Committee for 1994-95.²

1234. The Committee was formally consulted by the Commission on draft decisions concerning tariff quotas for the import of certain ECSC products originating in the Czech Republic and Slovakia³ and the restructuring of EKO-Stahl GmbH.⁴ It also delivered opinions on technical research programmes in the steel⁵ and coal⁶ industries and on the six-monthly forward programmes for steel.⁷ The Committee was consulted on a report on the market for solid fuels in 1993 and 1994⁸ and on the forecasts for 1995,⁹ on the European Energy Charter,¹⁰ on free-trade agreements with the Baltic States,¹¹ on the implementing rules adopted by the EC-Poland Association Council in respect of competition,¹² on the agreements with Ukraine,⁹ Moldova,⁹ Bulgaria and Romania,⁹ and Hungary⁹ and on seven instruments implementing the free trade agreements with the Czech and Slovak Republics. It adopted a resolution on the 1995 ECSC budget¹³ on 6 October and two resolutions on 16 December — one on the monitoring of the steel market¹⁴ and the other on social support and labour market policy measures.¹⁵

1235. The Committee adopted a memorandum on the future of ECSC financial activities.¹⁶ It also held an exchange of views with the Commission on the

¹ Point 433 of this Report.

² Bull. 6-1994, point 1.7.62.

³ Bull. 6-1994, point 1.7.63; Bull. 11-1994, point 1.7.45; point 210 of this Report.

⁴ Bull. 11-1994, point 1.2.50.

⁵ Bull. 3-1994, point 1.2.72; point 210 of this Report.

⁶ Bull. 6-1994, point 1.2.99; point 338 of this Report.

⁷ Bull. 6-1994, point 1.2.76; Bull. 12-1994; point 210 of this Report.

⁸ Bull. 3-1994, point 1.2.82; Bull. 10-1994, point 1.2.60; point 349 of this Report.

⁹ Bull. 12-1994.

¹⁰ Bull. 10-1994, point 1.2.61; point 355 of this Report.

¹¹ Bull. 10-1994, points 1.3.23 to 1.3.25; point 787 of this Report.

¹² Bull. 11-1994, point 1.7.45.

¹³ Bull. 10-1994, point 1.5.4; point 1130 of this Report.

¹⁴ Bull. 12-1994; point 210 of this Report.

¹⁵ Bull. 12-1994; point 1132 of this Report.

¹⁶ OJ C 116, 27.4.1994; Bull. 3-1994, point 1.5.13.

transfer of certain ECSC activities to the ESF,¹ on social measures to accompany the restructuring of the Community coal industry,² on the restructuring of the Community steel industry,³ on the medium-term guidelines for technical coal research (1994-99),⁴ on the future of ECSC financial activities,⁴ on the state of the scrap market⁵ and on the Commission report on the control of aid to the steel industry.⁵

European Monetary Institute

1236. Pursuant to Article 109f of the EC Treaty, as amended by the Treaty on European Union, the European Monetary Institute (EMI) was established on 1 January 1994 to coincide with the start of Stage II of Economic and Monetary Union.⁶ The main tasks of the EMI are as follows: to create the necessary conditions for the transition to Stage III of Economic and Monetary Union,⁷ in particular by strengthening cooperation between the central banks of the Member States and the coordination of monetary policies with the aim of ensuring price stability; to oversee the functioning of the European Monetary System and the development of the ecu; to make the necessary preparations for the introduction of a European System of Central Banks, the implementation of a single monetary policy and the establishment of a single currency. The Council of the EMI held its first meeting in Frankfurt on 15 November.⁸

1237. The EMI is consulted by the Council on any proposal for a Community instrument in the fields falling under its jurisdiction. It may also formulate opinions or recommendations on the general direction of monetary policy at European and national level and on policies which might affect the internal or external monetary situation in the Community. The EMI has legal personality and is directed and managed by a Council consisting of a President, Mr Lamfalussy, and the governors of the national central banks.

¹ Bull. 3-1994, point 1.7.55.

² Bull. 3-1994, point 1.7.55; Bull. 10-1994, point 1.7.46.

³ Bull. 6-1994, point 1.7.63; Bull. 10-1994, point 1.7.46; Bull. 12-1994.

⁴ Bull. 6-1994, point 1.7.63.

⁵ Bull. 12-1994.

⁶ Point 34 of this Report.

⁷ Point 38 of this Report.

⁸ Bull. 11-1994, point 1.7.48.

Section 3

Administration and management

Staff policy and Staff Regulations

Staff Regulations

Changes in the Staff Regulations

1238. The improvement in the budgetary situation enabled the Commission to reactivate the staff management policy established in 1991.¹ Revision of the financial perspective and entry by the budgetary authority of the necessary appropriations in the 1994 budget to cover remunerations for all the authorized posts and pensions meant that the Commission was in a position to resume recruitment to the posts which had been kept vacant in 1993 (around 1 000) because of the cash problems resulting from the depreciation of the ecu against the Belgian franc. In February the Commission also took a decision on the internal allocation of the additional posts authorized in the 1994 budget (380 conversions of appropriations to posts, 330 of which are to replace outside staff by regular staff). More than 600 staff have already been recruited in an attempt to fill as many of the vacant posts as possible.

1239. The Commission produced a draft amendment to the Rules determining the list of organizations devoted to furthering the Community's interests (referred to in Article 37 of the Staff Regulations) so that officials can be seconded to the new bodies of the European Union. The Regulations setting up most of these bodies make provision for their staff to be governed by the Staff Regulations and Conditions of Employment of Other Servants of the European Communities.

1240. Although the staff requirements (language service excluded) for the new tasks stemming from enlargement have been estimated at more than a thousand, including around 600 in category A, the Commission has decided to limit its requests for new posts to a maximum of between 500 and 550. The overall target for the representation of the new Member States, now only three,² has been set at between 1 050 and 1 350 staff paid from the administrative budget, 40% in

¹ Twenty-fifth General Report, point 1191.

² Point 723 of this Report.

category A. So that work can start in the languages of the new Member States from 1 January 1995, competitions for translators and secretaries for the language services have already been launched on an interinstitutional basis.

Equal opportunities

1241. The Commission continued implementation of its second positive action programme for female staff on a threefold basis: involving the Directorates-General through individual action plans, defining overall targets for women in each category,¹ and increasing staff and management awareness of its equal opportunities policy.

Staff training

1242. Introduced in 1992, the new training policy is now a key element of staff policy as a whole.² The main outcome in practical terms has been the establishment of 16 training plans, the majority of which are managed on a decentralized basis by the Directorates-General concerned; the idea is to extend them to all Directorates-General and other departments, thereby improving the match between resources and institutional and individual requirements.

Staff remuneration

1243. In accordance with the salary adjustment method adopted by the Council in December 1991,³ which is based on the principle of parallel development designed to ensure that the purchasing power of salaries in the Community civil service moves in line with that of salaries in the national civil services, salaries were increased by a moderate 0.9% in December 1993. When the Regulation making this adjustment was adopted, the Council and the Commission agreed to analyse the statistical methodology for the calculation of purchasing power parities. The analysis, carried out in 1994, shows that the statistical methodology is not flawed and that the results can be considered correct. The Council also asked the Commission to examine whether the economic and social situation was such as to allow application of the exception clause provided for in the salary adjustment method. The Commission report concludes that the conditions for application of this clause are not met as the deterioration in the economic

¹ In 1994 the Commission achieved the 10% target for women in managerial posts; it is now aiming at 12%. The trend in the recruitment of women to all categories is equally positive.

² Twenty-sixth General Report, point 1132.

³ Twenty-fifth General Report, point 1198.

situation has already had an impact on national salaries and, consequently, on the salaries of Community officials.

Joint Sickness Insurance Scheme

1244. Introduction of the new computerized system Assmal in the claims offices is under way, as are preparations for opening a claims office in the United Kingdom.

1245. A pilot agreement on hospital costs was signed with one of the hospitals most commonly used by scheme members in Brussels and preparatory work is going ahead on other agreements in an attempt to contain medical expenses generally. Finally, revision of the Rules relating to Article 73 of the Staff Regulations (insurance against accident and occupational disease) continued on an interinstitutional basis.

Pensions

1246. The Council examined the Commission report on invalidity pension, which concludes that the scheme is being rigorously and properly managed by the institutions. Special social assistance has been given to 43 recipients of a Community pension under the new budget article introduced for the purpose.

1247. Rapid progress is being made on the 5 000 or so applications for the transfer of pension rights between the Belgian and Community schemes, and negotiations with Spain, Greece and Portugal continue. Staff were officially notified of the conclusion of agreements with France, Germany and Denmark in the autumn. Initial discussions were held with the acceding countries with a view to the conclusion of agreements after their accession to the Union.

Statute of the European Schools

1248. A new Convention defining the Statute of the European Schools was signed by the contracting parties¹ in Luxembourg on 21 June.

Buildings

1249. In Brussels, negotiations continued with the Belgian authorities on the future of the Berlaymont, in the course of which the Commission confirmed that it is interested in moving back into the building once it has been renovated

¹ The Member States of the European Union and the European Communities.

provided that it is given every guarantee concerning safety and health, that the capacity and infrastructure meet its requirements, and that the financial terms for renting the building are approved by the budgetary authority. At the same time, within the framework of the budget allocation for 1993-99, the Commission continued with the restructuring of its building stock with a view to ensuring that quality standards are maintained and that changing requirements, particularly in the run-up to enlargement, are met.

1250. In Luxembourg, the preliminary study on the situation of the Jean Monnet building was completed, and the terms and conditions for the sale of the building to the Commission by the Luxembourg authorities are in the process of being finalized. The building currently being put up near the Foire de Luxembourg has been earmarked for the Statistical Office, which will move in late in 1996 or early 1997. As the Early Childhood Centre is now far too small to meet the demand for places, work has started on an extension project. Negotiations on the renting and fitting out of a building to replace the former Foyer are in the process of being finalized. Finally, the Luxembourg State has given the Commission a plot of land for a sports complex.

Interinstitutional cooperation

1251. The Commission has instructed its departments, in conjunction with the other institutions, to carry out a detailed analysis of the way in which the areas of administration affected by interinstitutional cooperation are run. The terms of reference of the study are to determine the costs of the activities involved, the benefits to the institutions under the present system and the potential advantages of extending *ad hoc* interinstitutional cooperation or regrouping existing activities, and possibly creating new interinstitutional administrative structures.

Data processing

1252. Data processing in the Commission continued to develop rapidly under the responsibility of the individual Directorates-General. At the same time the Informatics Directorate continued its rationalization efforts by adopting policies on replacing equipment and on contracting out, standardizing the range of product options, upgrading equipment in line with major technological advances, coordinating administrative systems and developing common systems.

1253. By the end of the year, 75% of staff had been issued with a modern personal computer and the changeover of word-processing systems decided on

in 1992¹ was two-thirds complete. Electronic mail, now used extensively within the institution, moved rapidly towards international standards; this should promote its use between the institutions and with government departments in the Member States.

1254. The Computer Centre in Luxembourg was equipped with new computers to cope with the advances in a wide range of applications, including administrative management and the dissemination of Community information, legislation and statistics. The traffic capacity of the new data-transmission network set up in 1994 linking the different Commission sites and buildings is far higher than that of the previous system,² the service provided is better and the cost is lower.

1255. Numerous information systems use this infrastructure to provide users with a variety of services. Work has started on upgrading the administrative management systems (property, budgets, personnel and procedures). New information systems, some of them trans-European, are in the process of being set up in the fields of statistics (world trade), social affairs (job applications, social security), fisheries, customs and public procurement (tendering procedures).

Language services

1256. In 1994, the Joint Interpreting and Conference Service (JICS) provided interpreters for more than 10 000 meetings, representing a total of more than 120 000 interpreter/days, organized by the Commission, the Council, the Economic and Social Committee, the European Investment Bank, the Committee of the Regions and other new European Union agencies which are now starting up. A further 83 Commission conferences were organized by the JICS or in collaboration with it.

1257. The JICS undertook a number of activities with a view to enlargement, in particular recruitment campaigns to cover the new language requirements, accelerated training courses for the new languages and the establishment of a new computer instrument for the allocation of conference interpreters to cover all language needs.

1258. On account of the shortage of conference interpreters, the JICS continued its prospecting and training efforts, maintaining the same quality standard for all languages. It interviewed some 270 interpreters and 250 young graduates for intensive postgraduate conference interpreting courses. The Portuguese

¹ Twenty-seventh General Report, point 1066.

² Twenty-seventh General Report, point 1067.

authorities have been provided with educational and financial assistance to set up a postgraduate interpreting course at the University of Minho.

1259. Cooperation with non-member countries in the field of interpreter training continued, notably with China, Viet Nam and Slovenia. Under the Tempus programme,¹ the JICS participated in training schemes for teachers of conference interpreting in university institutes in the Czech Republic, Hungary and Poland. It also initiated the procedure for the selection of freelance interpreters in the Baltic States, Albania, Romania and Slovenia on whom it could call in the context of the PHARE programme.²

1260. In 1994, the Translation Service translated 1 024 000 pages, including 4 000 from and into non-Community languages, especially the languages of Central and Eastern Europe and the four applicant countries, which represented an 8% increase in workload compared with the previous year. Freelance translation now accounts for 18% of output, making it possible to handle this increasing and fluctuating workload. In this connection, the Translation Service, in conjunction with Parliament, issued an invitation to tender with a view to compiling a register of freelance translators for use by both the Commission and Parliament. This has made it possible to create a genuine production network able to deal on a more regular basis with certain categories of document which lend themselves more readily to outside translation.

1261. In the course of the year the Translation Service embarked on a modernization programme involving on the technical side the introduction of new computer tools and streamlined working methods. It also pursued its efforts to standardize documents such as reports and repetitive decisions, applications for financing and exemption, invitations to tender, early warning reports, notices of competition and the like. The conversion of the Service's computer environment continued in conjunction with the requesting departments and should be completed in 1995.

1262. The Service continued assisting with the development of the machine translation system Systran (150 000 pages translated) and feeding material into the terminological database Eurodicautom, which is becoming more and more popular with outside users. It also initiated interinstitutional cooperation on terminology. The Service has also set up a computer management system for translation requests, which should gradually be made available to all requesting departments through the Poetry interface.

¹ Point 809 of this Report.

² Point 789 of this Report.

1263. In preparation for the forthcoming new accessions, the Service vetted the translation of existing Community legislation in the Nordic capitals, using the teams of revisers established in 1993. It also stepped up training in these languages for its staff and organized a number of competitions.

1264. On 28 November, in accordance with the European Council declaration of 29 October 1993 and with the joint statement made by the Council and the Commission in December 1993 agreeing to the Translation Centre becoming operational rapidly in Luxembourg, the Council adopted Regulation (EC) No 2965/94 setting up a Translation Centre for the bodies¹ of the European Union (Table II).

¹ The European Environment Agency, the European Training Foundation, the European Monitoring Centre for Drugs and Drug Addiction, the European Agency for the Evaluation of Medicinal Products, the Agency for Health and Safety at Work, the Office for Harmonization in the Internal Market (trade marks, designs and models), the European Police Office (Europol) and the Europol Drugs Unit.

Chapter VIII

Community law¹

Section 1

General matters

General principles of Community law

1265. Directive 85/577/EEC on contracts negotiated away from business premises² requires the Member States to enact rules governing the relationships between suppliers and consumers. In Case C-914/92³ the Court of Justice acknowledged that the provisions of the Directive applying to the consumer's right to withdraw from a contract were unconditional and sufficiently precise for individuals to rely on them in the national courts. The fundamental question remained whether these provisions could be relied on in actions between individuals (the instant case was between a supplier and a consumer). The Court had already held⁴ that in the absence of measures transposing a directive within the prescribed period the directive cannot on its own impose duties on an individual and cannot therefore be relied on in proceedings against him (absence of horizontal direct effect). It now confirmed this, declaring *Marshall* to be inspired by the fact that under Article 189 directives are binding solely on the Member States to which they are addressed. Extending the rule to relations between individuals when its function is really to prevent Member States from taking advantage of their own breach of Community law would have the effect of empowering the Community to legislate for obligations directly incumbent on individuals, whereas that power is available only in areas where regulations may be made. But the Court recalled the rule in *Marleasing*⁵ to the effect that the courts of the Member States, in the exercise of their duty to cooperate with

¹ See also the quarterly review of judgments in the *Bulletin of the European Union*: Bull. 3-1994, point 1.7.23; Bull. 6-1994, point 1.7.27; Bull. 10-1994, point 1.7.15; Bull. 12-1994.

² OJ L 372, 31.12.1985.

³ *Faccini Dori v Recreb*: judgment given on 14 July, not yet reported.

⁴ Case 152/84 *Marshall* [1986] ECR 723.

⁵ Case C-106/89 [1990] ECR I-4135; Twenty-fourth General Report, point 1038.

the Community institutions by virtue of Article 5 of the Treaty, must, when interpreting a provision of national law, 'do so, as far as possible, in the light of the wording and the purpose of the directive in order to achieve the result pursued by [it] and thereby comply with the third paragraph of Article 189 of the Treaty'. Where the result prescribed by the directive cannot be achieved through an interpretation technique, the Court held in *Francovich*¹ that in certain circumstances Community law requires the Member States to compensate for damage sustained by individuals by reason of their failure to transpose a directive where its purpose is to confer rights on them. Such was the case of Directive 85/577/EEC in the Court's view.

Judicial review and fulfilment by the Member States of their obligations

1266. In the exercise of its duty to monitor the application of Community law, the Commission commenced 974 infringement proceedings in 1994, as against 1 206 in 1993, and issued 546 reasoned opinions (352 in 1993). The Commission referred 89 cases to the Court of Justice (44 in 1993).² The breakdown by country of cases referred in 1994 is as follows: Belgium 10, Denmark 8, Germany 5, Greece 12, Spain 9, France 17, Ireland 0, Italy 1, Luxembourg 4, Netherlands 12, Portugal 5, United Kingdom 6.

1267. The Court of Justice gave judgment in 30 cases brought under Article 169 of the EC Treaty, giving judgment against Member States for failure to comply with their obligations under Community law on 29 occasions. In the course of the year 65 cases were removed from the Court's register where the Member State came into line with Community law while litigation was in progress.

1268. Fuller information on Commission monitoring of the application of Community law will be given in the 12th annual report on the subject, to be published early in 1995. The 11th report was adopted by the Commission on 30 March and was published in the *Official Journal of the European Communities* in June.³

¹ Joined Cases C-6/90 and C-9/90 [1991] I-5357; Twenty-fifth General Report, point 1286.

² The figures relate to infringements in the form of failure to notify national measures implementing directives.

³ COM(94) 500; OJ C 154, 6.6.1994; Bull. 6-1994, point 1.7.22.

Section 2

Interpretation and application of substantive rules of Community law

Free movement of goods and customs union

1269. In Case C-41/93¹ the Court of Justice annulled the Commission Decision based on Article 100a(4) of the EC Treaty, confirming German rules banning pentachlorophenol in derogation from Council Directive 91/173/EEC.² It held that the Commission ‘confined itself to describing in general terms the content and aim of the German rules and to stating that those rules were compatible with Article 100a(4), without explaining the reasons of fact and law on account of which the Commission considered that all the conditions contained in Article 100a(4) were to be regarded as fulfilled in the case in point’. The Commission decision was accordingly annulled for infringement of essential procedural requirements, as it did not ‘satisfy the obligation to state reasons laid down in Article 190 of the Treaty’. The Court did not answer the question whether the substantive conditions for application of Article 100a(4) were met, recalling simply that the facility it gives the Member States allows exceptions from common measures for the attainment of a fundamental Treaty objective — the removal of all barriers to the free movement of goods between Member States. It is accordingly for the Commission, subject to review by the Court, ‘to satisfy itself that all the conditions for a Member State to be able to rely on the exception ... are fulfilled’ and in particular to establish whether the relevant national provisions are justified. The Court makes clear that Member States wishing to act under the Article cannot apply their provisions after entry into force of a Community harmonization measure without obtaining confirmation from the Commission; if they do so, they infringe the Treaty.

1270. In Joined Cases C-303/93 and C-407/93 to 411/93³ the Court of Justice held that the dock dues charged when goods enter the French overseas departments from other regions of France, in other words when they cross a regional boundary, constitute a tax equivalent to a customs duty, prohibited by the Treaty. Such taxes undermine the unity of the Community customs territory and free movement of goods within it; intranational borders cannot be established within a Member State to take over from interstate borders as barriers to free

¹ *France v Commission* [1994] ECR I-1829 (judgment given on 17 May).

² OJ L 85, 9.4.1991; Twenty-first General Report, point 138.

³ *Lancry v Direction Générale des Douanes*: judgment given on 9 August, not yet reported.

movement of goods. The Court annulled Council Decision 89/688/EEC¹ authorizing France to maintain the dues until 31 December 1992. It excluded all possibilities of exceptions from the rules governing free movement of goods from and to the overseas departments (Article 227(2) of the EC Treaty).

Competition — State aids

1271. Case C-364/92² concerned the recovery of route charges that SAT, an airline, refused to pay Eurocontrol on grounds that Eurocontrol was acting contrary to Articles 86 and 90 of the EC Treaty. SAT's main argument was that Eurocontrol's practice of fixing charges at different rates for equivalent services depending on the Member State and the year constituted abuse of a dominant position. The Court of Justice accepted the argument put forward by the Commission and several Member States that, 'taken as a whole, Eurocontrol's activities, by their nature, their aim and the rules to which they were subject, were connected with the exercise of powers relating to the control and supervision of air space which were typically those of a public authority. They were not of an economic nature justifying the application of the Treaty rules of competition.' An international organization such as Eurocontrol accordingly does not constitute an undertaking within the meaning of Articles 86 and 90 of the EC Treaty.

1272. The judgment in Case T-3/93³ is interesting in two respects. The Court of First Instance acknowledged, in admissibility proceedings that a statement to the press by the spokesman for the Member of the Commission responsible for competition policy announcing a Commission decision declining jurisdiction over a merger for the purposes of the merger control Regulation (Council Regulation (EEC) No 4064/89⁴) could be attacked in annulment proceedings. On substantive matters, it asserted that the true value of a merger such as that in issue (takeover of part of Dan Air by British Airways) is to be assessed solely by reference to the business activities actually concerned by the takeover.

1273. The judgment in Case C-188/92⁵ settles an important issue concerning State aid, regarding the relationship between annulment proceedings and references for preliminary rulings raising the question of validity. The Court held that where a firm in receipt of State aid has not brought direct annulment proceedings under the second paragraph of Article 173 of the EC Treaty against

¹ OJ L 399, 30.12.1989; Twenty-third General Report, point 492.

² *SAT Fluggesellschaft v Eurocontrol* [1994] ECR I-43 (judgment given on 19 January).

³ *Air France v Commission* [1994] ECR II-121 (judgment given on 24 March).

⁴ OJ L 395, 3.12.1989; Twenty-third General Report, point 376.

⁵ *Textilwerke Deggendorf v Germany* [1994] ECR I-833 (judgment given on 9 March).

a Commission decision declaring the aid to be unlawful (even though it was fully informed of the decision) within the periods prescribed, that firm cannot plead that the Commission decision is unlawful in the course of proceedings in the national courts regarding national implementing measures.

1274. Case C-393/92¹ nicely illustrates the way the competition rules apply in the electricity industry. The action was between a regional electricity distributor and several local distributors and related to the equalization supplement charged by the regional to the local distributors to offset the extra costs incurred in bringing power supplies to rural areas. The questions for a preliminary ruling concerned the compatibility with Community law of exclusive purchasing and sales clauses in contracts between the two classes of distributor. The Court held in relation to Article 85 that the long-term exclusive purchasing obligation had a restrictive effect on competition (isolating the national market) and had a substantial adverse effect on trade between Member States under the combined impact of a whole series of such arrangements covering the entire country. Moreover, the imposition of exclusive purchasing and sales clauses would be caught by Article 86 if the effect was that firms in the group concerned were linked to each other in such a way that they fully aligned their market strategies and as a result enjoyed joint dominance. This was a point for review by the national courts. But the main interest of this case relates to the application of Article 90(2) of the Treaty and the possibility of exemption from some of the competition rules. In *Corbeau*,² the Court had held in relation to postal services that public enterprises responsible for providing services in the general public interest can escape the Treaty rules on competition if restrictions of competition or the complete exclusion of competition from other firms are necessary for the performance of their specific tasks; it now held that the public interests test was passed by electricity distribution companies, even if they operated regionally and had no exclusive rights, whose task was to 'ensure that throughout the territory in respect of which the concession is granted, all consumers, whether local distributors or end-users, receive uninterrupted supplies of electricity in sufficient quantities to meet demand at any given time, at uniform tariff rates and on terms which may not vary save in accordance with objective criteria applicable to all customers'. Account had to be taken for this purpose of 'the economic conditions in which the undertaking operates, in particular the costs which it has to bear and the legislation, particularly concerning the environment, to which it is subject', these being matters for the national courts.

1275. Pursuant to Article 90 of the EC Treaty, public undertakings and undertakings which have been granted special or exclusive rights must abide by

¹ *Almelo v Energiebedrijf IJsselmij* [1994] ECR 1477 (judgment given on 27 April).

² Case C-320/91 [1993] ECR I-2533; Twenty-seventh General Report, point 1136.

Community competition rules. Article 90(3) confers on the Commission the task of ensuring the application of these provisions and the power to address directives or decisions to Member States where necessary. In Case T-32/93¹ the Court of First Instance held that this power of surveillance enjoyed by the Commission *vis-à-vis* the Member States necessarily entails the application of broad discretion, all the more so as, in exercising its powers, the Commission is bound by the Treaty to take into account the demands inherent in the particular tasks assigned to the undertakings concerned. Furthermore, it is up to the Commission to decide whether to take action by way of individual decisions or by directives consisting of general rules applicable to all Member States, bearing in mind the various forms of public undertakings in the Member States and the diversity and complexity of their relations with the government authorities. The Commission is therefore under no obligation to act, and a private undertaking which files a complaint concerning anti-competitive conduct may not bring an action against the Commission for failure to act when the latter refrains from taking action under Article 90(3) of the EC Treaty.

Free movement of workers and social provisions

1276. Cases C-382/92 and C-383/92² both concerned worker representation in relation to the two Directives on workers' rights to be informed and consulted in the event of transfer of undertakings³ and collective dismissals.⁴ In the United Kingdom, worker representation traditionally depends on the employer's recognition of unions, so that an employer who recognizes no unions can escape his information and consultation duties. The Court of Justice upheld the Commission's view, asserting that a worker representation scheme not dependent on the employer's will is necessary for compliance with the Directives; otherwise, the Directives would be nugatory. UK legislation was found to be defective in that employers were not required to consult worker representatives with a view to reaching an agreement, as the Directives require. And there were no effective penalties in the event of failure to consult workers' representatives.

Freedom of establishment and freedom to provide services

1277. After recalling that the Member States were free to allow access to the profession of dentist on the basis of qualifications obtained in non-member countries, the Court held in Cases C-319/92 and C-154/93⁵ that recognition of

¹ *Ladbroke Racing Ltd v Commission* (judgment given on 27 October).

² *Commission v United Kingdom*: judgments given on 8 June, not yet reported.

³ Directive 77/178/EEC: OJ L 61, 5.3.1977.

⁴ Directive 75/129/EEC: OJ L 48, 22.2.1975.

⁵ *Haim v Kassenzahnärztliche Vereinigung Nordrhein* [1994] ECR I425 and *Tawil-Albertini v Ministre des Affaires Sociales* [1994] ECR I-451 (judgments given on 9 February).

a foreign qualification by one Member State did not commit the other Member States to recognizing it.

1278. On 24 March the Court of Justice gave judgment in Case C275/92,¹ holding that in view of their specific cultural and social features the individual Member States retained discretionary powers to take measures determining the organization of lotteries, the volume of the stakes and the allocation of their proceeds. While such measures might constitute restraints on interstate freedom of movement of services by imposing restraints on the activities of service providers in other Member States, it is for the Member States to decide whether the activities of a lottery should be restrained or even prohibited, provided only that they are not discriminatory.

1279. A demolition firm established in Belgium, which for several years had regularly employed Moroccan nationals who were lawfully resident in Belgium and held Belgian work permits, was prosecuted in France for putting some of its employees on a site in Reims without applying for French work permits for them. The Court of Justice held² that the freedom to provide services secured by Treaty Articles 59 and 60 precluded Member States from requiring firms based in another Member State and performing services in their territory, and lawfully and habitually employing non-member country nationals for the purpose, to obtain work permits from immigration authorities and pay the attendant costs.

1280. In Case C-23/93³ the Court confirmed previous judgments with respect to Community provisions on the freedom to provide services. In *van Binsbergen*⁴ it had held that a Member State cannot be denied the right to take measures to prevent the exercise by a person providing services whose activity is entirely or principally directed towards its territory of the freedoms guaranteed by the Treaty for the purpose of avoiding rules which would be applicable to him if he were established within that Member State. It followed that, in the field of television broadcasting, a Member State could regard as a domestic broadcaster a broadcasting body which established itself in another Member State in order to provide services there which were intended for the territory of the first Member State, since the aim of such a measure was to prevent organizations which established themselves in another Member State from being able, by exercising the freedoms guaranteed by the Treaty, wrongfully to avoid obligations under national law.

¹ *Her Majesty's Customs and Excise v Schindler* [1994] ECR I1039.

² Case C-43/93 *Vander Elst v OMI* (judgment given on 9 August).

³ *TV 10 v Commissariaat voor de Media*: judgment given on 5 October, not yet reported.

⁴ Case 33/74 *van Binsbergen* [1974] ECR 1299 (judgment given on 13 December 1974).

Equal treatment for men and women

1281. Article 119 of the EC Treaty imposes the principle of equal pay for men and women. In *Barber*¹ the Court of Justice held that pensions paid by private occupational schemes were within the definition of remuneration for the purposes of the Article; but it also decided that for the sake of certainty as to the law (risk of seriously disrupting the financial balance of occupational schemes) there should be limits on the periods to which the rule applied, and Article 119 could not be relied on for that purpose in respect of pensions relating to service prior to the judgment unless proceedings were already in hand by then. This case raised a whole series of questions. In *Ten Oever*² and *Moroni*³ the Court answered some of them, notably as regards the effects in time of the *Barber* judgment. On 28 September it gave judgment in a further six cases confirming and clarifying its earlier rulings and settling the issues that were still outstanding.⁴ Where entitlement to benefits is accumulated gradually throughout working life, as is the case with pensions, equal treatment applies solely in respect of benefits due by reason of employment after 17 May 1990 (the date of the *Barber* judgment). But where benefits are not related to the duration of employment, as is the case with lump-sum death benefits, what matters is the date of the event giving rise to the entitlement; if it is after 17 May 1990, the equal treatment principle applies without any distinction being made for periods of employment before and after the *Barber* judgment. Occupational social security schemes that applied discriminatory treatment must adjust their rules in line with the equal treatment principle. For all periods between *Barber* and the entry into operation of the new rules, persons in the category less well catered for must be given the benefits payable to the better-off category. After the new rules putting an end to the discrimination come into operation, it is legitimate under Article 119 for the measures establishing equal treatment to do so by levelling down rather than up.

Common agricultural policy

1282. On 5 October the Court dismissed an application by Germany⁵ for the annulment of the import arrangements laid down in Council Regulation (EEC) No 404/93 of 13 February 1993 on the common organization of the market in bananas,⁶ under which 30% of a tariff quota was allocated to traders who had

¹ Case C-262/88 [1990] ECR I-1889; Twenty-fourth General Report, point 1056.

² Case C-109/91 [1993] ECR I-4879; Twenty-seventh General Report, point 1145.

³ Case C-110/91 [1993] ECR 6591.

⁴ Case C-200/91 *Coloroll Pension Trustees v Russell* and Cases C-408/92, C-7/93, C-28/93, C-57/93 and C-128/93, not yet reported.

⁵ Case C-280/93 *Germany v Council*, not yet reported.

⁶ OJ L 47, 25.2.1993; Twenty-seventh General Report, point 929.

previously marketed Community and/or traditional ACP bananas and 70% to other traders. The Court held that this difference in treatment between importers did not constitute discrimination, bearing in mind the differing situations of the various categories of traders before the common organization of the market was introduced, which entailed the striking of a balance between the two categories. The Court also found that the Regulation did not affect the right to property, since no trader could claim a right to property in the market share which he happened to hold; nor did the Regulation infringe the freedom to pursue an occupation, since the restrictions it introduced did not impair the very substance of this right and corresponded to objectives of general Community interest (integration of national markets and observance of the Lomé Convention). As regards the proportionality of the measures in question, the Court pointed out that, in matters relating to the common agricultural policy, the Community legislature had broad discretionary powers and that the legality of a measure could be affected only if it were manifestly inappropriate for achieving the objective pursued. In the case in point, the Council had to reconcile the conflicting interests of Member States which produced bananas and others which did not and the Court could not substitute its assessment for that of the Council on the choice of measures, if those measures had not been proved to be manifestly inappropriate. The Court also held that it could not take into consideration provisions of GATT in assessing the lawfulness of a regulation in an action brought by a Member State, unless the Community intended to implement a particular obligation entered into within the framework of GATT or the Community act expressly referred to specific provisions of GATT.

Environment and consumers

1283. In Case C-435/92¹ the Court held that Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds² imposes an obligation as to the result to be achieved, namely full protection of species in decisions as to open and closed seasons; any decision which has the effect that a certain percentage of birds does not enjoy the benefit of that protection is incompatible with the Directive.

Common commercial policy and external relations

1284. The Commission applied to the Court of Justice for interim measures ordering Greece to suspend its trade embargo on the former Yugoslav Republic of Macedonia. On 29 June the Court declined to order such measures,³ chiefly

¹ *APAS v Préfets de Maine-et-Loire et de la Loire-Atlantique* [1994] ECR I-67 (judgment given on 19 January).

² OJ L 103, 25.4.1979; last amendment in OJ L 164, 30.6.1994; Bull. EC 6-1994, point 1.2.183.

³ Case C-120/94R *Commission v Greece*, not yet reported.

on the ground that the assessment of the facts required for the order would be of such a nature as to prejudge the main action. But the Court did state that the Commission's legal arguments were *prima facie* relevant and serious enough in the main action.

1285. On 15 April the agreement resulting from the Uruguay Round and establishing the World Trade Organization was signed in Marrakesh, together with its annexes, which include the Multilateral Agreements on Trade in Goods, the General Agreement on Trade in Services (GATS) and the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPs), including trade in counterfeit goods.¹ The Commission had previously submitted to the Court a request for an Opinion under Article 228(6) of the EC Treaty, which centred mainly on the question whether the Community had exclusive powers to conclude these agreements. In its Opinion of 15 November² the Court shed considerable light on this question, in particular as regards the interpretation of the concept of the common commercial policy (which falls within the exclusive jurisdiction of the Community).

The Court concluded that, under Article 113 of the EC Treaty (provisions on the common commercial policy), the Community had exclusive powers to conclude the Multilateral Agreements on Trade in Goods. These powers covered the Agreement on Technical Barriers and also extended to agricultural products, tariff aspects of Euratom products and ECSC products. The Court held that Member States had the power to conclude international agreements on these products only in so far as such agreements related specifically to ECSC products.

The Court then found that the power to conclude the GATS was shared between the Community and its Member States. It confirmed that the concept of the common commercial policy must be given a broad and non-restrictive interpretation and explicitly concluded that services may fall within the scope of Article 113. However, the Court pointed out that, of the four modes of supplying services defined in the GATS,³ only cross-border supplies were 'not unlike trade in goods, which is unquestionably covered by the common commercial policy within the meaning of the Treaty'. There was therefore no particular reason why such a supply of services should not fall within the concept of the common commercial policy. The other three modes of service are excluded from the scope of Article 113 as they involve the movement of legal and natural

¹ Point 989 of this Report.

² Opinion 1/94 of the Court of Justice of 15 November 1994 on the competence of the European Community to conclude the agreements resulting from the Uruguay Round.

³ The four modes are: cross-border supplies, which do not involve any movement of persons; consumption abroad, which entails movement of the consumer to the WTO member country where the service supplier is established; supply through commercial presence, i.e. the presence of a branch or subsidiary in the member country where the service is provided; and, lastly, the presence of natural persons from one member country in the territory of any other member country.

persons and are covered by a Treaty objective distinct from that of establishing a common commercial policy.

With respect to the other modes of supplying services defined in the GATS, the Court confirmed its *AETR* judgment to the effect that Member States lose their powers to the benefit of the Community as and when common rules come into being which could be affected by international obligations. The Court acknowledged that the Community may use the powers conferred on it under provisions on the right of establishment and the freedom to provide services in order to lay down internal rules on the treatment of nationals of non-member countries. It therefore concluded that the Community acquired exclusive external powers whenever it had included in internal legislative acts provisions relating to the treatment of nationals of non-member countries or expressly conferred on its institutions powers to negotiate with non-member countries, or again where the Community had achieved complete harmonization of the rules governing access to a self-employed activity. As harmonization was not yet complete in all these fields, the Court concluded that the power to conclude the GATS was shared between the Community and its Member States.

As regards the TRIPs, the Court followed the same reasoning — and arrived at the conclusion that powers are shared between the Community and its Member States as the harmonization of different intellectual property rights is still only partial or, in some fields, completely non-existent. The Court had previously held that intellectual property rights did not fall within the scope of Article 113 of the EC Treaty, except as regards Community measures prohibiting the release for free circulation of counterfeit goods. In other areas of intellectual property, the Community's external powers therefore depend on the extent of internal harmonization, although the Court also pointed out that the Community does have internal powers to harmonize national rules which may have a direct effect on the establishment and functioning of the common market; there is no domain reserved for the Member States in this respect.

Finally, the Court acknowledged as entirely legitimate the Commission's concern that if powers were shared between the Community and the Member States, it would undermine the Community's unity of action *vis-à-vis* the outside world and weaken its negotiating position in the WTO. The Court referred back to its Opinion in the *ILO* case (Opinion No 2/91), which required the Member States and the Community to cooperate closely and to present a united front in the international representation of the Community. The Court stressed that the obligation to cooperate was all the more imperative in the case of the WTO as the agreements were inextricably interlinked, as demonstrated by the 'cross-retaliation' mechanism.

Institutional and budgetary matters

1286. By decision of 21 December 1988¹ the Commission fined a number of PVC firms for violations of Article 85. The decision was contested in the Court of First Instance, which, on 27 January 1992, declared it non-existent on grounds of its procedural defects. The Commission appealed to the Court of Justice, which on 15 June gave judgment² partly upholding its claim: it declared that the irregularities in the adoption procedure were not so serious as to warrant a finding that the decision never existed and set aside the judgment of the Court of First Instance on that point. But it went on to annul the decision thus resurrected on grounds of serious formal defects, notably for failure to comply with Article 12 of the Commission's Rules of Procedure that were in force at the time (procedure for authenticating decisions). The problem was that the Commission had authenticated only the minutes of the meeting at which the decision was adopted. The Court reviewed the use made by the Commission of the delegation of powers procedure and confirmed that it may be used exclusively for routine management measures, which do not include decisions finding infringements of Article 85. It thus underlined the fundamental importance of the principle of collective responsibility in the exercise of the Commission's functions.

1287. The European Parliament disputed the Council's use of Article 130s of the Treaty as the legal basis for Regulation (EEC) No 259/93 on the supervision and control of shipments of waste within, into and out of the European Community.³ Given the impact on competition within the common market and on trading conditions, it felt the Regulation ought to have been based on Articles 100a and 113. On 28 June the Court of Justice declared the action⁴ inadmissible as regards Article 113, which makes no provision for involvement of Parliament in the legislative procedure. It was admissible as regards Article 100a, on the other hand, but there the Court dismissed the application on the substance as the disputed Regulation was an instrument of the Community's environment policy and could not be regarded as designed to secure the free movement of waste in the Community. Article 100a is not to be used as a legal basis where harmonization of market conditions within the Community is a purely secondary objective; Article 130s was the proper basis for the Regulation. The Court thus confirms the principle established by a line of cases beginning with Case C-155/91 *Commission v Council*.⁵

¹ OJ L 74, 17.3.1989; Twenty-second General Report, point 426.

² Case C-137/92P *Commission v BASF and Others*, not yet reported; point 166 of this Report.

³ OJ L 30, 6.2.1993; Twenty-seventh General Report, point 474.

⁴ Case C-187/93 *Parliament v Council*, not yet reported.

⁵ [1993] ECR I-939; Twenty-seventh General Report, point 1150.

1288. On 9 August the Court of Justice annulled¹ as *ultra vires* the Commission Decision concluding the agreement with the United States for the application of competition law, which entered into force on 23 September 1991.² The Court referred to Article 228 of the EC Treaty as an autonomous, general provision of constitutional status designed to preserve equilibrium as between the institutions. The Article confers on the Council the power to conclude international agreements. A specific treaty-making power vested in the Commission cannot be deduced from existing practice or from the Commission's executive powers in competition policy, for they are of a purely internal nature and are not such as to modify the distribution of powers between the Community institutions as regards the conclusion of international agreements determined by Article 228.

¹ Case C-327/91 *France v Commission*.

² Twenty-fifth General Report, point 246; point 185 of this Report.

Section 3

Computerization of Community law

1289. The Office for Official Publications of the European Communities has continued to implement the 1992-94 work programme adopted by the control structure of the interinstitutional computerized documentation system on Community law (CELEX).¹ The aims of this work programme were to speed up the input of outstanding texts (mainly in Greek, Portuguese and Spanish) and to improve existing computer techniques. The improvement in the input of outstanding documents witnessed in 1993 has continued; the number of documents accessible is now approximately 160 000, and the coverage of texts in Portuguese, Spanish and Greek is 75%, 82% and 76% respectively. As regards data processing, the automated retrieval of texts from the *Official Journal of the European Communities* began this year in the wake of studies in 1993. A user-friendly interface for interrogating CELEX was tested and installed for a pilot group of users at the end of the year. In addition, to provide a better service to users, the internal documentation has been updated and adapted and documentation produced for outside users.

1290. There were approximately 3 300 active CELEX users, including 1 250 external subscribers and 37 commercial hosts.

¹ Twenty-seventh General Report, point 1154.

The year in brief¹

1994

European nutrition year

January

1. January

Stage II of economic and monetary union begins and European Monetary Institute (EMI) is established.

Point 34
of this Report

Agreement establishing the European Economic Area (EEA) enters into force.

Point 778
of this Report

19 January

Commission adopts communication and two proposals for Decisions on Community guidelines on trans-European energy networks.

Point 323
of this Report

February

3 February

Commission adopts proposal for Decision establishing the 'Socrates' education programme (1995-99).

Point 292
of this Report

7 February

Council adopts negotiating directives for mid-term review of the fourth Lomé Convention.

Point 917
of this Report

¹ This chronological summary does not claim to be exhaustive. For further details, see the passages of this Report cited in the margin.

16 February

Commission adopts communication on future of Community initiatives under the Structural Funds, identifying nine priority fields of action for 1994-99. Point 466
of this Report

23 February

Commission adopts communication on immigration and asylum policies. Point 1075
of this Report

Commission adopts communication on the future of the European automobile industry. Point 213
of this Report

March*7 March*

Council adopts a set of regulations designed to rationalize the Community's commercial policy instruments. Point 1006
of this Report

9 March

Parliament adopts Decision on the regulations and general conditions governing performance of Ombudsman's duties. Point 6
of this Report

9 and 10 March

Following appointment of members by Council on 26 January, Committee of the Regions holds inaugural session. Mr Jacques Blanc, President of the Regional Council of Languedoc-Roussillon, elected Chairman. Point 1229
of this Report

14 March

Commission adopts first annual report on the operation of the internal market (1993). Point 98
of this Report

23 March

Parliament and Council adopt Directive on air pollution by emissions from motor vehicles. Point 530
of this Report

Commission adopts communication on measures to combat fraud. Point 1145
of this Report

Commission adopts annual economic report for 1994.

Point 43
of this Report

29 March

Informal meeting of Foreign Ministers in Ioannina adopts compromise decision on rules for qualified-majority decision-making in preparation for enlargement.

Point 1170
of this Report

30 March

Accession negotiations with Austria, Sweden, Finland and Norway concluded in Brussels.

Point 724
of this Report

31 March

Hungary applies for membership of European Union.

Point 729
of this Report

April

5 April

Poland applies for membership of European Union.

Point 729
of this Report

6 April

Commission adopts Green Paper on the Union's audiovisual policy.

Point 712
of this Report

7 April

Commission adopts proposal for Decision on Community guidelines for development of trans-European transport network.

Point 325
of this Report

15 April

Final Act of Uruguay Round is signed in Marrakesh.

Point 986
of this Report

Commission adopts proposal for Directive on the interoperability of European high-speed train network.

Point 326
of this Report

19 April

Council decides on joint action under common foreign and security policy in support of Middle East peace process. Point 743 of this Report

26 April

Parliament and Council adopt fourth framework programme on research, development and demonstration (1994-98); Council adopts framework programme for research and training for European Atomic Energy Community (1994-98). Point 236 of this Report

May*6 May*

Council adopts a number of resolutions and conclusions on coordination of development policies. Point 944 of this Report

11 May

Commission adopts proposal for a Regulation on reform of common organization of the wine market. Point 596 of this Report

16 May

Following Parliament's assent, Council adopts Regulation establishing Cohesion Fund. Point 434 of this Report

25 May

Commission adopts integrated programme of measures to support small businesses and recommendation on method of taxing them. Point 188 of this Report

Board of Governors of European Investment Bank establishes European Investment Fund. Point 79 of this Report

26 and 27 May

Inaugural conference for a stability pact in Europe held in Paris. Point 742 of this Report

30 May

Council adopts Regulation for earlier integration of Spain and Portugal into general scheme of common fisheries policy. Point 640 of this Report

Parliament and Council adopt Directive on deposit-guarantee schemes. Point 129 of this Report

June

1 June

Commission adopts communication on way forward for civil aviation in Europe. Point 363 of this Report

9 and 12 June

Fourth direct elections to European Parliament. Point 1180 of this Report

10 June

Commission publishes response to Germany's recommendations on implementation of subsidiarity principle. Point 13 of this Report

12 June

Referendum in Austria: majority in favour of accession to the European Union. Point 725 of this Report

14 June

Partnership and cooperation agreement between European Communities, Member States and Ukraine signed in Luxembourg by Mr Kravchuk, Mr Pangalos and Mr Delors. Point 807 of this Report

15 June

Commission adopts proposal for Directive on ecological quality of water. Point 516 of this Report

22 June

Council adopts Directive on the protection of young people at work. Point 576 of this Report

23 June

Commission adopts communication presenting main points of the European Union's action plan to combat drugs. Point 1081 of this Report

24 and 25 June

European Council meets in Corfu, chaired by Mr Papan-dreu. Main item is follow-up to White Paper on growth, competitiveness and employment. Point 1194 of this Report

Acts of Accession of Austria, Sweden, Finland and Norway and a new partnership and cooperation agreement between European Communities, Member States and Russia signed. Points 724 and 807 of this Report

*July**4 July*

Commission adopts proposal for framework Directive on air quality. Point 526 of this Report

8 to 10 July

Twentieth Western Economic Summit held in Naples. Point 818 of this Report

11 July

Council adopts recommendation on broad guidelines for economic policies of Member States and Community. Point 34 of this Report

13 July

Commission adopts proposal for Directive on export credit insurance. Point 1023 of this Report

Commission adopts communications on new strategy for Asia. Point 875 of this Report

15 July

Extraordinary meeting of European Council in Brussels: Mr Jacques Santer, Prime Minister of Grand Duchy of Luxembourg, chosen to succeed Mr Delors as President of Commission. Point 1195 of this Report

18 July

Free-trade agreements signed with Estonia, Latvia and Lithuania in Brussels. Point 787 of this Report

19 July

Commission adopts communication on action plan relating to information society. Point 327 of this Report

Commission adopts communication on crisis in fishing industry. Point 664 of this Report

19 to 26 July

New European Parliament holds first part-session in Strasbourg. Mr Klaus Hänsch elected President. Point 1182 of this Report

Parliament endorses Mr Santer's appointment as President of European Commission from January 1995; Mr Santer formally appointed as next President. Point 1185 of this Report

26 July

Judges and Advocates-General of Court of Justice appointed. Point 1207 of this Report

27 July

Commission adopts White Paper on European social policy. Point 554 of this Report

Council sets agricultural prices for 1994/95. Point 600 of this Report

Commission adopts communication on future of Community policy for fruit and vegetables. Point 596 of this Report

Commission adopts communication on cultural policy, accompanied by two proposals for Decisions in support of cultural activities (Kaleidoscope 2000) and books and reading (Ariane). Point 696 of this Report

August*19 August*

Council extends generalized system of preferences (GSP) to South Africa. Point 843 of this Report

September*7 September*

Commission adopts communication on trade in radioactive and nuclear materials. Point 543 of this Report

14 September

Commission adopts communication on competitiveness of European industry. Point 203 of this Report

20 September

Commission adopts communication on amendment of financial perspective to take account of enlargement. Point 1105 of this Report

22 September

Council adopts Directive on establishment of European Works Council or procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees. This is first instrument adopted by 11 Member States under Social Policy Protocol. Point 556 of this Report

October*5 October*

Commission adopts communication on implementation of Uruguay Round, together with list of legislative proposals. Point 991 of this Report

10 October

Cooperation agreement between Community and South Africa is signed. Point 843 of this Report

CSCE review conference opens in Budapest. Point 1068 of this Report

16 October

Finnish referendum approves accession to European Union. Point 725 of this Report

18-20 October

Following appointment of members by Council on 26 September, new Economic and Social Committee holds inaugural meeting. Mr Ferrer elected Chairman. Point 1224 of this Report

19 October

Commission adopts communication on reinforcing the European Union's Mediterranean policy to establish Euro-Mediterranean partnership. Point 845
of this Report

25 October

Commission adopts first part of Green Paper on liberalization of telecommunications infrastructure and cable television networks. Point 399
of this Report

Commission reviews restructuring in steel industry. Point 210
of this Report

31 October

Representatives of Member States' Governments designate future Commission Members. Point 1201
of this Report

Foreign Ministers of Member States, four prospective new members and Poland, the Czech Republic, Slovakia, Hungary, Romania and Bulgaria, meeting in Luxembourg, outline main themes in Union strategy for opening up to Central and Eastern Europe. Point 789
of this Report

Council adopts Decision on Community own resources and other instruments giving legal force to financial conclusions of Edinburgh European Council. Point 1107
of this Report

November*3 November*

Commission adopts communication on economic growth and the environment. Point 489
of this Report

7 November

Council adopts recommendations to end excessive public deficits in Member States. Point 36
of this Report

13 November

Swedish referendum approves accession to European Union. Point 725
of this Report

15 November

European Monetary Institute Council meets for first time in Frankfurt. Point 1236 of this Report

16 November

International Convention on the Law of the Sea enters into force. Point 1056 of this Report

Commission adopts proposals to amend agri-monetary arrangements and common organization of sugar market. Points 596 and 627 of this Report

17 November

Council approves resolution on liberalization of telecommunications infrastructure. Point 399 of this Report

21 November

Council adopts resolution on competitiveness of industry. Point 203 of this Report

23 November

Commission adopts communication on education and training in the face of technological, industrial and social challenges. Point 301 of this Report

28 November

Norwegian referendum rejects accession to European Union. Point 725 of this Report

29 November

Parliament, Council and Commission adopt financial perspective 1995-99 adjusted to take account of enlargement. Point 1108 of this Report

30 November

Council adopts first joint action under Article K.3 of Treaty on European Union in the area of cooperation in the fields of justice and home affairs. Point 1076 of this Report

December

6 December

Council adopts 'Leonardo da Vinci' Community action programme on vocational training and resolution on the prospects for social policy (first resolution adopted by 11 Member States under Social Policy Protocol).

Points 300 and 555
of this Report

9 and 10 December

Essen European Council lays down lines of action for continuing and strengthening strategy of White Paper on growth, competitiveness and employment, with special reference to measures to combat unemployment and to bring the trans-European networks into operation. It also agrees on an overall strategy to bring the associated countries of Central and Eastern Europe closer to the Community and reiterates its determination to establish a Euro-Mediterranean partnership. It approves principle of a multi-annual aid programme for Northern Ireland..

Point 1196
of this Report

13 December

Commission adopts annual economic report for 1995.

Point 43
of this Report

14 December

Parliament gives assent to Final Act of Uruguay Round.

Point 992
of this Report

15 December

Council adopts specific programmes of the fourth framework research programme.

Point 236
of this Report

15 and 16 December

Council adopts conclusions on Community strategy for reducing CO₂ emissions and on environment and transport. It also adopts Regulation on substances which deplete the ozone layer and a Directive on the incineration of hazardous waste.

Points 504 and 533
of this Report

17 December

Treaty on European Energy Charter signed in Lisbon.

Point 355
of this Report

19 and 20 December

Council adopts Directive on right of Union citizens to vote and to stand as candidate in municipal elections in whichever Member State they are resident. It also adopts Decisions concluding association agreements with Romania, Bulgaria, the Czech Republic and Slovakia, free-trade agreements with the three Baltic States and the generalized system of preferences 1995-96 for industrial products. It adopts Regulation and joint action concerning the control of exports of dual-use goods.

Points 4, 737, 786, 787
and 948
of this Report

20 December

Parliament and Council adopt Directive on packaging and packaging waste.

Point 508
of this Report

21 December

Commission adopts proposal for Directive on practice of the profession of lawyer. It also adopts communication on environmental indicators and green accounting.

Points 125 and 490
of this Report

22 December

Council adopts Decision on conclusion of results of Uruguay Round. It also adopts Regulation introducing rules for access to certain fishing areas and resources in connection with the integration of Spain and Portugal into the common fisheries policy and Regulation on counterfeit and pirated goods.

Points 645, 993 and 1004
of this Report

Annexes

Annex I — Table I: Legislation under the co-decision procedure

Annex II — Table II: Legislation under the consultation, cooperation and assent procedures

Annex III — Table III: Legislation regarding international agreements

Annex IV — Annex to Chapter VIII

Annex I

Table I: Legislation under the co-decision procedure

	Commission proposal	ESC opinion/ COR opinion ^o	EP first reading	Amended Commission proposal	Common position Council	EP second reading a, b, c, d, e, f ¹
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Citizens' rights

Protection of citizens

15	Prop. for a Dir.: protection of personal data and privacy in the context of public digital telecommunications networks	OJ C 277/5.11.90 COM(90) 314 Bull. 7/8-90/1.3.313 24th GR/186	OJ C 159/17.6.91 Bull. 4-91/1.2.140 25th GR/240	OJ C 94/13.4.92 Bull. 3-92/1.2.215	OJ C 200/22.7.94 COM(94) 128 Bull. 6-94/1.1.3	
15	Prop. for a Dir.: protection of individuals in relation to the processing of personal data	OJ C 277/5.11.90 COM(90) 314 Bull. 7/8-90/1.3.310 24th GR/186	OJ C 159/17.6.91 Bull. 4-91/1.2.140 25th GR/240	OJ C 94/13.4.92 Bull. 3-92/1.2.214	OJ C 311/27.11.92 COM(92) 422 Bull. 10-92/1.3.177	

The single market and the Community economic and social area

Internal market

Free movement of goods

105	Dir. 94/9/EC: equipment intended for use in potentially explosive atmospheres	OJ C 46/20.2.92 COM(91) 516 Bull. 12-91/1.2.14 25th GR/143	OJ C 106/27.4.92 Bull. 3-92/1.2.14	OJ C 125/18.5.92 Bull. 4-92/1.3.14	Bull. 11-93/1.2.3	OJ C 61/28.2.94 Bull. 1/2-94/1.2.11 (a)
105	Dir. 94/11/EC: footwear	OJ C 74/25.3.92 COM(92) 529 Bull. 3-92/1.2.15 26th GR/116	OJ C 287/4.11.92 Bull. 7/8-92/1.3.23	OJ C 150/15.6.92 Bull. 5-92/1.1.13	Bull. 11-93/1.2.4	OJ C 91/28.3.94 Bull. 3-94/1.2.14 (b)
105	Prop. for a Dir.: lifts	OJ C 62/11.3.92 COM(92) 35 Bull. 1/2-92/1.3.19	OJ C 287/4.11.92 Bull. 7/8-92/1.3.22	OJ C 305/23.11.92 Bull. 10-92/1.3.29	OJ C 180/2.7.93 COM(93) 240 Bull. 6-93/1.2.9	OJ C 232/20.8.94 Bull. 6-94/1.2.18
	Prop. for a Dir.: pressure equipment	OJ C 246/9.9.93 COM(93) 319 Bull. 7/8-93/1.2.2	OJ C 52/19.2.94 Bull. 12-93/1.2.8	OJ C 128/9.5.94 Bull. 4-94/1.2.16	OJ C 207/27.7.94 COM(94) 278 Bull. 6-94/1.2.19	OJ C 305/31.10.94 Bull. 9-94/1.2.16 (b)

^o Opinion of the Committee of Regions.

¹ a = Adoption [Article 189b(2)(a)]; b = amendments [Article 189b(2)(c) and (d)]; c = declaration of rejection [Article 189b(2)(c)]; d = rejection [Article 189b(2)(c)]; e = EP failure to take a decision within 3 months [Article 189b(2)(b)]; f = amendments following a declaration of rejection; g = agreement on a common draft; h = failure to agree on a common draft.

Commission opinion (Art. 189b(2)(d))	Conciliation Committee g, h ¹ (Art. 189b(4))	Confirmed common position Council (Art. 189b(6))	EP rejection of confirmed common position	EP adoption of common draft (Art. 189b(5))	Adoption by Council	EP signature Council (Art. 191)	Comments
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							Council Agreement on a common position: Bull. 12-1994	15

						Bull. 3-94/1.2.12	OJ L 100/19.4.94 Bull. 3-94/1.2.12	105
						Bull. 3-94/1.2.14	OJ L 100/19.4.94 Bull. 3-94/1.2.14	105
COM(94) 540 Bull. 12-94								105

	Commission proposal	ESC opinion/ COR opinion ^o	EP first reading	Amended Commission proposal	Common position Council	EP second reading a, b, c, d, e, f ¹
Prop. for a Dir.: precious metals	OJ C 318/25.11.93 COM(93) 322 Bull. 9-93/1.2.2 Bull. 10-93/1.2.7 27th GR/82	OJ C 148/30.5.94 Bull. 3-94/1.2.15	OJ C 128/9.5.94 Bull. 4-94/1.2.20	OJ C 209/29.7.94 COM(94) 267 Bull. 6-94/1.2.21		
106 Dir. 94/36/EC: colours	OJ C 12/18.1.92 COM(91) 444 Bull. 12-91/1.2.29 25th GR/134	OJ C 313/30.11.92 Bull. 9-92/1.2.25	OJ C 115/26.4.93 Bull. 3-93/1.2.5	OJ C 134/13.5.93 COM(93) 153 Bull. 4-93/1.2.9	Bull. 9-93/1.2.7 Bull. 11-93/1.2.7 27th GR/76	OJ C 91/28.3.94 Bull. 3-94/1.2.20 (b)
106 Dir. 94/35/EC: sweeteners	OJ C 206/13.8.92 COM(92) 255 Bull. 6-92/1.3.22 26th GR/109	OJ C 332/16.12.92 Bull. 10-92/1.3.35	OJ C 305/23.11.92 Bull. 10-92/1.3.35		Bull. 9-93/1.2.6 Bull. 11-93/1.2.6	OJ C 91/28.3.94 Bull. 3-94/1.2.19 (b)
106 Prop. for a Dir.: additives other than colours and sweeteners	OJ C 206/13.8.92 COM(92) 255 Bull. 6-92/1.3.22 26th GR/109	OJ C 108/19.4.93 Bull. 1/2-93/1.2.12	OJ C 176/28.6.93 Bull. 5-93/1.2.8	OJ C 189/13.7.93 COM(93) 290 Bull. 6-93/1.2.16	Bull. 12-93/1.2.13 OJ C 172/24.6.94 Bull. 3-94/1.2.21	OJ C 341/5.12.94 Bull. 11-94/1.2.15
106 Dir. 94/34/EC: additives	OJ C 206/13.8.92 COM(92) 255 Bull. 6-92/1.3.22 26th GR/109	OJ C 73/15.3.93 Bull. 1/2-93/1.2.11	OJ C 176/28.6.93 Bull. 5-93/1.2.7	OJ C 191/15.7.93 COM(93) 289 Bull. 6-93/1.2.15	Bull. 9-93/1.2.5 Bull. 11-93/1.2.5 27th GR/76	OJ C 91/28.3.94 Bull. 3-94/1.2.18 (a)
106 Dir. 94/52/EC: extraction solvents	OJ C 15/18.1.94 COM(93) 659 Bull. 12-93/1.2.12	OJ C 133/16.5.94 Bull. 1/2-94/1.2.17	OJ C 61/28.2.94 Bull. 1/2-94/1.2.17		OJ C 172/24.6.94 Bull. 3-94/1.2.22	OJ C 276/3.10.94 Bull. 9-94/1.2.18 (a)
106 Prop. for a Reg.: Community procedure regarding flavourings	OJ C 1/4.1.94 COM(93) 609 Bull. 12-93/1.2.11	OJ C 195/18.7.94 Bull. 4-94/1.2.27	OJ C 205/25.7.94 Bull. 5-94/1.2.15			
106 Prop. for a Dir. amending Dir. 89/398/EEC relating to foodstuffs intended for particular nutritional uses	OJ C 108/16.4.94 COM(94) 97 Bull. 3-94/1.2.23	Bull. 7/8-94/1.2.6				
106 Prop. for a Dir. amending Dir. 80/777/EEC relating to the exploitation and commercialization of mineral waters	OJ C 314/11.11.94 COM(94) 423 Bull. 10-94/1.2.10					
106 Prop. for a Dir.: labelling and presentation of foodstuffs	OJ C 122/14.5.92 COM(91) 536 Bull. 4-92/1.3.8 26th GR/109	OJ C 332/16.12.92 Bull. 10-92/1.3.34	OJ C 315/22.11.93 Bull. 10-93/1.2.14	OJ C 118/29.4.94 COM(94) 24 Bull. 4-94/1.2.24		
107 Dir. 94/27/EC: amending for the 12th time Dir. 76/769/EEC (dangerous substances)	OJ C 116/27.4.93 COM(93) 134 Bull. 4-93/1.2.6	OJ C 304/10.11.93 Bull. 9-93/1.2.4	OJ C 315/22.11.93 Bull. 10-93/1.2.8	OJ C 23/27.1.94 COM(93) 633 Bull. 12-93/1.2.6	Bull. 12-93/1.2.6 OJ C 137/19.5.94 Bull. 3-94/1.2.17	OJ C 205/25.7.94 Bull. 5-94/1.2.13 (a)
107 Dir.: amending for the 13th time Dir. 76/769/EEC (dangerous substances)	OJ C 306/12.11.93 COM(93) 499 Bull. 10-93/1.2.9	OJ C 133/16.5.94 Bull. 1/2-94/1.2.15	OJ C 20/24.1.94 Bull. 12-93/1.2.7		OJ C 244/31.8.94 Bull. 6-94/1.2.24	OJ C 276/3.10.94 Bull. 9-94/1.2.17 (a)
107 Dir. 94/60/EC: amending for the 14th time Dir. 76/769/EEC (dangerous substances)	OJ C 157/24.6.92 COM(92) 195 Bull. 5-92/1.1.16	OJ C 332/16.12.92 Bull. 10-92/1.3.31	OJ C 44/14.2.94 Bull. 1/2-94/1.2.14		OJ C 244/31.8.94 Bull. 6-94/1.2.23	OJ C 323/21.11.94 Bull. 10-94/1.2.9 (a)
107 Prop. for a Dir.: amending for the 16th time Dir. 76/769/EEC (dangerous substances)	COM(94) 570 Bull. 12-94					

^o Opinion of the Committee of Regions.

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Commission opinion (Art. 189b(2)(d))	Conciliation Committee g, h ¹ (Art. 189b(4))	Confirmed common position Council (Art. 189b(6))	EP rejection of confirmed common position	EP adoption of common draft (Art. 189b(5))	Adoption by Council	EP signature Council (Art. 191)	Comments
COM(94) 120 Bull. 4-94/1.2.25					Bull. 6-94/1.2.27	OJ L 237/10.9.94 Bull. 6-94/1.2.27	106
COM(94) 121 Bull. 4-94/1.2.26					Bull. 6-94/1.2.28	OJ L 237/10.9.94 Bull. 6-94/1.2.28	106
COM(94) 563 Bull. 12-94							106
					Bull. 6-94/1.2.26	OJ L 237/10.9.94 Bull. 6-94/1.2.26	106
					Bull. 11-94/1.2.14	OJ L 331/21.12.94 Bull. 12-94	106
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							106
					Bull. 6-94/1.2.22	OJ L 188/22.7.94 Bull. 6-94/1.2.22	107
					Bull. 10-94/1.2.8	OJ L 331/21.12.94 Bull. 12-94	107
					Bull. 12-94	OJ L 365/20.12.94 Bull. 12-94	107
							Prop. subject to the co-decision procedure since 1.11.93
							107

	Commission proposal	ESC opinion/ COR opinion ^o	EP first reading	Amended Commission proposal	Common position Council	EP second reading a, b, c, d, e, f ¹
109 Dir. 94/20/EC: mechanical coupling devices of motor vehicles and their trailers	OJ C 134/25.5.92 COM(92) 108 Bull. 3-92/1.2.18 26th GR/113	OJ C 313/30.11.92 Bull. 9-92/1.2.18	OJ C 305/23.11.92 Bull. 10-92/1.3.24		Bull. 9-93/1.2.3	OJ C 91/28.3.94 Bull. 3-94/1.2.11 (b)
109 Prop. for a Dir.: maximum speed of two or three-wheel motor vehicles	OJ C 93/13.4.92 COM(91) 497 Bull. 1/2-92/1.3.30 25th GR/113	OJ C 313/30.11.92 Bull. 9-92/1.2.17	OJ C 72/15.3.93 Bull. 1/2-93/1.2.2		Bull. 6-93/1.2.7	OJ C 315/22.11.93 Bull. 10-93/1.2.5 (c) OJ C 61/28.2.94 Bull. 1/2-94/1.2.9 (c) OJ C 205/25.7.94 Bull. 5-94/1.2.10 (f)
109 Prop. for a Dir.: burning behaviour of materials used in the interior construction of motor vehicles	OJ C 154/19.6.92 COM(92) 201 Bull. 5-92/1.1.15 26th GR/113	OJ C 305/16.12.92 Bull. 10-92/1.3.27	OJ C 305/23.11.92 Bull. 10-92/1.3.27		Bull. 12-94	
109 Prop. for a Dir.: characteristics of two or three-wheel motor vehicles	COM(93) 449 Bull. 11-93/1.2.2	OJ C 195/18.7.94 Bull. 4-94/1.2.14				
109 Prop. for a Dir.: resistance of vehicles to side impacts	COM(94) 519 Bull. 12-94					
109 Prop. for a Dir.: resistance of vehicles to head-on collisions	COM(94) 520 Bull. 12-94					
109 Prop. for a Dir.: air pollution by motor vehicle emissions	COM(94) 558 Bull. 12-94					
109 Prop. for a Dir.: air pollution by diesel engine emissions	COM(94) 559 Bull. 12-94					
110 Dir. 94/25/EC: recreational craft	OJ C 123/15.5.92 COM(92) 141 Bull. 4-92/1.3.15 26th GR/116	OJ C 313/30.11.92 Bull. 9-92/1.2.20	OJ C 337/21.12.92 Bull. 11-92/1.3.30	OJ C 59/2.3.93 COM(93) 23 Bull. 1/2-93/1.2.6	OJ C 137/19.5.94 Bull. 12-93/1.2.9	OJ C 91/28.3.94 Bull. 3-94/1.2.13 (b)
111 Prop. for a Dir.: cable-operated installations for the carriage of passengers	OJ C 70/8.3.94 COM(93) 646 Bull. 1/2-94/1.2.10	Bull. 7/8-94/1.2.4				
112 Prop. for a Dir.: textile names	OJ C 96/6.4.94 COM(93) 712 Bull. 1/2-94/1.2.13	OJ C 195/18.7.94 Bull. 4-94/1.2.18				
112 Prop. for a Dir.: quantitative analysis methods for binary textile fibre mixtures	OJ C 96/6.4.94 COM(93) 713 Bull. 1/2-94/1.2.12	OJ C 195/18.7.94 Bull. 4-94/1.2.19				
Prop. for a Dec.: information procedure concerning national arrangements which derogate from the principle of free movement of goods	OJ C 18/21.1.94 COM(93) 670 Bull. 12-93/1.2.5	OJ C 195/18.7.94 Bull. 4-94/1.2.13	OJ C 128/9.5.94 Bull. 4-94/1.2.13			

Free movement of persons

125 Prop. for a Dir.: exercising the profession of lawyer	COM(94) 572 Bull. 12-94					
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^o Opinion of the Committee of Regions.

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	Commission proposal	ESC opinion/ COR opinion ^o	EP first reading	Amended Commission proposal	Common position Council	EP second reading a, b, c, d, e, f ¹
126 Prop. for a Dir.: free movement of doctors	COM(94) 626 Bull. 12-94					

Freedom to provide services

129 Dir. 94/19/EC: deposit-guarantee schemes	OJ C 163/30.6.92 COM(92) 188 Bull. 5-92/1.1.11 26th GR/128	OJ C 332/16.12.92 Bull. 10-92/1.3.41	OJ C 115/26.4.93 Bull. 3-93/1.2.16	OJ C 178/30.6.93 COM(93) 253 Bull. 6-93/1.2.28	Bull. 9-93/1.2.16 Bull. 10-93/1.2.23	OJ C 91/28.3.94 Bull. 3-94/1.2.27 (b)
130 Prop. for a Dir.: reinforcement of prudential supervision (financial services)	OJ C 229/25.8.93 COM(93) 363 Bull. 7-93/1.2.19 27th GR/106	OJ C 52/19.2.94 Bull. 12-93/1.2.36	OJ C 91/28.3.94 Bull. 3-94/1.2.29	COM(94) 170 Bull. 5-94/1.2.18	OJ C 213/3.8.94 Bull. 6-94/1.2.36	OJ C 323/21.11.94 Bull. 10-94/1.2.12 (b)
130 Prop. for a Dir.: undertakings for collective investment in transferable securities (UCITS)	OJ C 59/2.3.93 COM(93) 37 Bull. 1/2-93/1.2.33 27th GR/107	OJ C 249/13.9.93 Bull. 6-93/1.2.29	OJ C 315/22.11.93 Bull. 10-93/1.2.24	OJ C 242/30.8.94 COM(94) 329 Bull. 7/8-94/1.2.16		
131 Prop. for a Dir.: investor compensation	OJ C 321/27.11.93 COM(93) 381 Bull. 9-93/1.2.27 27th GR/107	OJ C 127/9.5.94 Bull. 1/2-94/1.2.17	OJ C 128/9.5.94 Bull. 4-94/1.2.36	COM(94) 585 Bull. 12-94		
131 Prop. for a Dir. amending Dir. 89/647/EEC: protection of animals during transport	OJ C 142/25.5.94 OJ C 231/20.8.94 COM(94) 105 Bull. 4-94/1.2.38	Bull. 9-94/1.2.28				
134 Prop. for a Dir.: cross-border money transfers	OJ C 360/17.12.94 COM(94) 436 Bull. 11-94/1.2.21					
136 Dir. 94/18/EC: partial or total exemption from the obligation to publish listing particulars	OJ C 23/27.1.93 COM(92) 566 Bull. 12-92/1.3.46 26th GR/135	OJ C 161/14.6.93 Bull. 4-93/1.2.22	OJ C 20/24.1.94 Bull. 12-93/1.2.35	OJ C 88/25.3.94 COM(94) 33 Bull. 1/2-94/1.2.29	OJ C 137/19.5.94 Bull. 3-94/1.2.28	OJ C 128/9.5.94 Bull. 4-94/1.2.37 (a)

Intellectual and industrial property

152 Prop. for a Dir.: legal protection of biotechnological inventions	OJ C 10/13.1.89 COM(88) 496 Bull. 10-88/2.1.17 22nd GR/266	OJ C 159/26.6.89 Bull. 4-89/2.1.44	OJ C 305/23.11.92 Bull. 10-92/1.3.44	OJ C 44/16.2.93 COM(92) 589 Bull. 12-92/1.3.50	Bull. 12-93/1.2.40 27th GR/117 OJ C 101/9.4.94 Bull. 1/2-94/1.2.36	OJ C 205/25.7.94 Bull. 5-94/1.2.20 (b)
154 Prop. for a Reg.: additional protection regarding plant protection products	COM(94) 579					
Prop. for a Reg.: Community designs	OJ C 342/23.12.93 COM(93) 342 Bull. 12-93/1.2.39	Bull. 7/8-94/1.2.18				

^o Opinion of the Committee of Regions.

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Commission opinion (Art. 189b(2)(d))	Conciliation Committee g, h ¹ (Art. 189b(4))	Confirmed common position Council (Art. 189b(6))	EP rejection of confirmed common position	EP adoption of common draft (Art. 189b(5))	Adoption by Council	EP signature Council (Art. 191)	Comments
							126

COM(94) 99 Bull. 3-94/1.2.27	Bull. 4-94/1.2.35			OJ C 205/25.7.94 Bull. 5-94/1.2.16	Bull. 5-94/1.2.16	OJ L 135/31.5.94 Bull. 5-94/1.2.16	129
COM(94) 549							130
							Prop. subject to the co-decision procedure since 1.11.93 130
							Prop. subject to the co-decision procedure since 1.11.93 131
							131
							134
					Bull. 5-94/1.2.17	OJ L 135/31.5.94 Bull. 5-94/1.2.17	136

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							154

	Commission proposal	ESC opinion/ COR opinion ^a	EP first reading	Amended Commission proposal	Common position Council	EP second reading a, b, c, d, e, f ¹
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Enterprise and services policy

Cooperatives, mutual societies, associations and foundations

199	Prop. for a Reg.: Statutes for the European association	OJ C 99/21.4.92 COM(91) 273 Bull. 12-91/1.2.73 25th GR/301	OJ C 223/31.8.92 Bull. 5-92/1.1.59	OJ C 42/15.2.93 Bull. 1/2-93/1.2.89	OJ C 236/31.8.93 COM(93) 252 Bull. 7/8-93/1.2.82	
199	Prop. for a Dir.: Statutes for the European association (involvement of employees)	OJ C 99/21.4.92 COM(91) 273 Bull. 12-91/1.2.73 25th GR/301	OJ C 223/31.8.92 Bull. 5-92/1.1.59	OJ C 42/15.2.93 Bull. 1/2-93/1.2.89	OJ C 236/31.8.93 COM(93) 252 Bull. 7/8-93/1.2.82	
199	Prop. for a Reg.: Statutes for the European cooperative society	OJ C 99/21.4.92 COM(91) 273 Bull. 12-91/1.2.73 25th GR/301	OJ C 223/31.8.92 Bull. 5-92/1.1.59	OJ C 42/15.2.93 Bull. 1/2-93/1.2.89	OJ C 236/31.8.93 COM(93) 252 Bull. 7/8-93/1.2.82	
199	Prop. for a Dir.: Statutes for the European cooperative society (involvement of employees)	OJ C 99/21.4.92 COM(91) 273 Bull. 12-91/1.2.73 25th GR/301	OJ C 223/31.8.92 Bull. 5-92/1.1.59	OJ C 42/15.2.93 Bull. 1/2-93/1.2.89	OJ C 236/31.8.93 COM(93) 252 Bull. 7/8-93/1.2.82	
199	Prop. for a Reg.: Statutes for the European mutual society	OJ C 99/21.4.92 COM(91) 273 Bull. 12-91/1.2.73 25th GR/301	OJ C 223/31.8.92 Bull. 5-92/1.1.59	OJ C 42/15.2.93 Bull. 1/2-93/1.2.89	OJ C 236/31.8.93 COM(93) 252 Bull. 7/8-93/1.2.82	
199	Prop. for a Dir.: Statutes for the European mutual society (involvement of employees)	OJ C 99/21.4.92 COM(91) 273 Bull. 12-91/1.2.73 25th GR/301	OJ C 223/31.8.92 Bull. 5-92/1.1.59	OJ C 42/15.2.93 Bull. 1/2-93/1.2.89	OJ C 236/31.8.93 COM(93) 252 Bull. 7/8-93/1.2.82	

Industrial policy

Industrial competitiveness

206	Dir. 94/10/EC: second amendment to Dir. 83/189/EEC (information on standards)	OJ C 340/23.12.92 COM(92) 491 Bull. 11-92/1.3.27	OJ C 201/26.7.93 Bull. 5-93/1.2.2	OJ C 176/28.6.93 Bull. 5-93/1.2.2	OJ C 290/27.10.93 COM(93) 444 Bull. 10-93/1.2.2	Bull. 11-93/1.2.1	OJ C 61/28.2.94 Bull. 1/2-94/1.2.8 (b)
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Research and technology

Community R&TD policy

236	Dec. 94/1110/EC: fourth framework programme for research, technological development and demonstration (1994-98)	OJ C 230/26.8.93 COM(93) 276 Bull. 6-93/1.2.86	OJ C 34/2.2.94 Bull. 11-93/1.2.75	OJ C 329/6.12.93 Bull. 11-93/1.2.75		Bull. 12-93/1.2.103 OJ C 101/9.4.94 Bull. 1/2-94/1.2.79	OJ C 61/28.2.94 Bull. 1/2-94/1.2.79 (b)
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^a Opinion of the Committee of Regions.

¹ a = Adoption [Article 189b(2)(a)]; b = amendments [Article 189b(2)(c) and (d)]; c = declaration of rejection [Article 189b(2)(c)]; d = rejection [Article 189b(2)(c)]; e = EP failure to take a decision within 3 months [Article 189b(2)(b)]; f = amendments following a declaration of rejection; g = agreement on a common draft; h = failure to agree on a common draft.

Commission opinion (Art. 189b(2)(d))	Conciliation Committee g, h ¹ (Art. 189b(4))	Confirmed common position Council (Art. 189b(6))	EP rejection of confirmed common position	EP adoption of common draft (Art. 189b(5))	Adoption by Council	EP signature Council (Art. 191)	Comments
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199

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COM(94) 85
Bull. 3-94/1.2.9

Bull. 3-94/1.2.9

OJ L 100/19.4.94
Bull. 3-94/1.2.9Prop. subject
to the
co-decision
procedure since
1.11.93

206

COM(94) 52
Bull. 1/2-94/1.2.79

Bull. 3-94/1.2.68

OJ C 128/9.5.94
Bull. 4-94/1.2.69

Bull. 4-94/1.2.69

OJ L 126/18.5.94
Bull. 4-94/1.2.69

236

	Commission proposal	ESC opinion/ COR opinion ^o	EP first reading	Amended Commission proposal	Common position Council	EP second reading a, b, c, d, e, f ¹
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Education, vocational training and youth

Cooperation in the field of education

293	Prop. for a Dec.: Socrates programme	OJ C 66/3.3.94 COM(93) 708 Bull. 1/2-94/1.2.184	OJ C 195/18.7.94 Bull. 4-94/1.2.165 OJ C 217/6.8.94 Bull. 5-94/1.2.137 ^o	OJ C 128/9.5.94 Bull. 4-94/1.2.165	OJ C 164/16.6.94 COM(94) 180 Bull. 5-94/1.2.137	OJ C 244/31.8.94 Bull. 7/8-94/1.2.167	OJ C 323/21.11.94 Bull. 10-94/1.2.113 (b)
296	Prop. for a Dec.: European Year of Continuing Education	OJ C 287/15.10.94 COM(94) 264 Bull. 9-94/1.2.186	Bull. 11-94/1.2.202 Bull. 11-94/1.2.202 ^o				

Youth

308	Prop. for a Dec.: Youth for Europe programme III	OJ C 160/11.6.94 COM(93) 523 Bull. 11-93/1.2.81	OJ C 148/30.5.94 Bull. 3-94/1.2.170 OJ C 217/6.8.94 Bull. 5-94/1.2.141 ^o	OJ C 128/9.5.94 Bull. 4-94/1.2.167	OJ C 170/23.6.94 COM(94) 186 Bull. 5-94/1.2.141	OJ C 232/20.8.94 Bull. 7/8-94/1.2.171	OJ C 323/21.11.94 Bull. 10-94/1.2.116 (b)
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Trans-European networks

Energy networks

323	Prop. for a Dec.: guidelines for the trans-European energy network	OJ C 72/10.3.94 COM(93) 685 Bull. 1/2-94/1.2.88	OJ C 195/18.7.94 Bull. 4-94/1.2.74 OJ C 217/6.8.94 Bull. 5-94/1.2.70 ^o				
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Transport networks

325	Prop. for a Dec.: guidelines for the development of the trans-European transport network	OJ C 220/8.8.94 COM(94) 106 Bull. 4-94/1.2.76	Bull. 9-94/1.2.101 ^o				
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^o Opinion of the Committee of Regions.

¹ a = Adoption [Article 189b(2)(a)]; b = amendments [Article 189b(2)(c) and (d)]; c = declaration of rejection [Article 189b(2)(c)]; d = rejection [Article 189b(2)(c)]; e = EP failure to take a decision within 3 months [Article 189b(2)(b)]; f = amendments following a declaration of rejection; g = agreement on a common draft; h = failure to agree on a common draft.

	Commission opinion (Art. 189b(2)(d))	Conciliation Committee g, h ¹ (Art. 189b(4))	Confirmed common position Council (Art. 189b(6))	EP rejection of confirmed common position	EP adoption of common draft (Art. 189b(5))	Adoption by Council	EP signature Council (Art. 191)	Comments
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COM(94) 502
Bull. 11-94/1.2.204

Bull. 12-94

Political
Agreement on a
common
position:
Bull. 6-94/1.2.197293
296COM(94) 490
Bull. 11-94/1.2.208

Bull. 12-94

Political
Agreement on a
common
position:
Bull. 6-94/1.2.199

308

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	Commission proposal	ESC opinion/ COR opinion ^o	EP first reading	Amended Commission proposal	Common position Council	EP second reading a, b, c, d, e, f ¹
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Information society and telematic communications networks

331 Prop. for a Dec.: guidelines concerning the development of ISDN as a trans-European network	OJ C 259/23.9.93 COM(93) 347 Bull. 9-93/1.2.66 27th GR/346	OJ C 52/19.2.94 Bull. 12-93/1.2.118 OJ C 217/6.8.94 Bull. 5-94/1.2.74 ^o	OJ C 128/9.5.94 Bull. 4-94/1.2.77	OJ C 353/13.12.94 COM(94) 483 Bull. 11-94/1.2.87	Bull. 12-94	
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Energy

Internal energy market

343 Prop. for a Dir.: common rules for the internal market in electricity and natural gas	OJ C 65/14.3.92 COM(91) 548 Bull. 1/2-92/1.3.117 26th GR/694	OJ C 73/15.3.93 Bull. 1/2-93/1.2.98	OJ C 329/6.12.93 Bull. 11-93/1.2.82	OJ C 123/4.5.94 COM(93) 643 Bull. 12-93/1.2.121		
344 Dir. 94/22/EC: conditions for granting and using authorizations for the prospection, exploration and extraction of hydrocarbons	OJ C 139/2.6.92 COM(94) 110 Bull. 5-92/1.1.84 26th GR/696	OJ C 19/25.1.93 Bull. 11-92/1.3.113	OJ C 337/21.12.92 Bull. 11-92/1.3.113	OJ C 23/27.1.93 COM(92) 587 Bull. 12-92/1.3.140	OJ C 101/9.4.94 Bull. 12-93/1.2.122	OJ C 91/28.3.94 Bull. 3-94/1.2.81 (b)

Individual sectors

350 Prop. for a Dir.: energy efficiency of refrigerators and electrical household equipment	COM(94) 521 Bull. 12-94					
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Transport

Summer time

390 Dir. 94/21/EC: summer time	OJ C 278/16.10.93 COM(93) 439 Bull. 9-93/1.2.72	OJ C 34/2.2.94 Bull. 11-93/1.2.88	OJ C 20/24.1.94 Bull. 12-93/1.2.128	OJ C 88/25.3.94 COM(94) 54 Bull. 1/2-94/1.2.92	OJ C 137/19.5.94 Bull. 3-94/1.2.84	OJ C 128/9.5.94 Bull. 4-94/1.2.86 (a)
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^o Opinion of the Committee of Regions.

¹ a = Adoption [Article 189b(2)(a)]; b = amendments [Article 189b(2)(c) and (d)]; c = declaration of rejection [Article 189b(2)(c)]; d = rejection [Article 189b(2)(c)]; e = EP failure to take a decision within 3 months [Article 189b(2)(b)]; f = amendments following a declaration of rejection; g = agreement on a common draft; h = failure to agree on a common draft.

Commission opinion (Art. 189b(2)(d))	Conciliation Committee g, h ¹ (Art. 189b(4))	Confirmed common position Council (Art. 189b(6))	EP rejection of confirmed common position	EP adoption of common draft (Art. 189b(5))	Adoption by Council	EP signature Council (Art. 191)	Comments
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							Prop. subject to the co-decision procedure since 1.11.93; Council Agreement: Bull. 11-94/1.2.87
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331

COM(94) 132 Bull. 4-94/1.2.82						Bull. 5-94/1.2.77	OJ L 164/30.6.94 Bull. 5-94/1.2.77	

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						Bull. 5-94/1.2.80	OJ L 164/30.6.94 Bull. 5-94/1.2.80	
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390

	Commission proposal	ESC opinion/ COR opinion ^o	EP first reading	Amended Commission proposal	Common position Council	EP second reading a, b, c, d, e, f ¹	
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Telecommunications, information services and the information industry

Telecommunications policy

401	Prop. for a Dir.: mutual recognition of licences to operate telecommunications services	OJ C 248/25.9.92 COM(92) 254 Bull. 7/8-92/1.3.87 26th GR/343	OJ C 42/15.2.93 Bull. 1/2-93/1.2.114		OJ C 108/16.4.94 COM(94) 41 Bull. 3-94/1.2.101		
401	Prop. for a Dir.: mutual recognition of licences to operate satellite communications services	OJ C 36/4.2.94 COM(93) 652 Bull. 1/2-94/1.2.99	OJ C 295/22.10.94 Bull. 6-94/1.2.121	OJ C 128/9.5.94 Bull. 4-94/1.2.99			
403	Prop. for a Dir.: application of open network provision (ONP) to voice telephony	OJ C 263/12.10.92 COM(92) 247 Bull. 7/8-92/1.3.86 26th GR/343	OJ C 19/25.1.93 Bull. 11-92/1.3.92	OJ C 115/26.4.93 Bull. 3-93/1.2.75	OJ C 147/27.5.93 COM(93) 182 Bull. 5-93/1.2.77	Bull. 5-93/1.2.77 Bull. 6-93/1.2.124	OJ C 44/14.2.94 Bull. 1/2-94/1.2.102 (b)
405	Prop. for a Dir.: television standards	OJ C 341/18.2.93 COM(93) 556 Bull. 11-93/1.2.200	OJ C 148/30.5.94 Bull. 3-94/1.2.180	OJ C 128/9.5.94 Bull. 4-94/1.2.180	OJ C 321/18.1.94 COM(94) 455 Bull. 10-94/1.2.134	Bull. 12-94	

Environment

General

492	Prop. for a Dir. amending Dir. 85/337/EEC: evaluation of the environmental effects of certain products	COM(93) 575 Bull. 3-94/1.2.144	Bull. 9-94/1.2.165 Bull. 11-94/1.2.181				
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Industry and environment

500	Prop. for a Dir.: elimination of PCBs and PCTs	OJ C 319/12.12.88 COM(88) 559 Bull. 10-88/2.1.111	OJ C 139/5.6.89 Bull. 3-89/2.1.112	OJ C 19/28.1.91 Bull. 12-90/1.3.150	OJ C 299/20.11.89 COM(91) 373 Bull. 10-91/1.2.186		
508	Dir.: packaging and packaging waste	OJ C 263/12.10.92 COM(92) 278 Bull. 7/8-92/1.3.144 26th GR/609	OJ C 129/10.5.93 Bull. 3-93/1.2.98	OJ C 194/19.7.93 Bull. 6-93/1.2.159	OJ C 285/21.10.93 COM(93) 416 Bull. 9-93/1.2.106	Bull. 12-93/1.2.178 OJ C 137/19.5.94 Bull. 3-94/1.2.149	OJ C 205/25.7.94 Bull. 5-94/1.2.124 (b)
	Prop. for a Dir.: classification, packaging and labelling of dangerous substances	COM(93) 638 Bull. 12-93/1.2.179	OJ C 133/15.6.94 Bull. 1/2-94/1.2.162	OJ C 61/28.2.94 Bull. 1/2-94/1.2.162			
	Prop. for a Dir.: biocid products	OJ C 239/3.9.93 COM(93) 351 Bull. 7/8-93/1.2.5 27th GR/472	OJ C 195/18.7.94 Bull. 4-94/1.2.22				

^o Opinion of the Committee of Regions.

¹ a = Adoption [Article 189b(2)(a)]; b = amendments [Article 189b(2)(c) and (d)]; c = declaration of rejection [Article 189b(2)(c)]; d = rejection [Article 189b(2)(c)]; e = EP failure to take a decision within 3 months [Article 189b(2)(b)]; f = amendments following a declaration of rejection; g = agreement on a common draft; h = failure to agree on a common draft.

Commission opinion (Art. 189b(2)(d))	Conciliation Committee g, h ¹ (Art. 189b(4))	Confirmed common position Council (Art. 189b(6))	EP rejection of confirmed common position	EP adoption of common draft (Art. 189b(5))	Adoption by Council	EP signature Council (Art. 191)	Comments
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							401
COM(94) 48 Bull. 3-94/1.2.102	Bull. 3-94/1.2.102	Bull. 5-94/1.2.88 Bull. 6-94/1.2.122	OJ C 261/19.9.94 Bull. 7/8-94/1.2.101				403
						Council Agreement: Bull. 11-94/1.2.228	405

							492
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							Council Agreement: Bull. 12-94	500
COM(94) 204 Bull. 5-94/1.2.124	Bull. 9-94/1.2.167 (h) Bull. 10-94/1.2.105(g)			Bull. 12-94	Bull. 12-94	Bull. 12-94		508

	Commission proposal	ESC opinion/ COR opinion ^a	EP first reading	Amended Commission proposal	Common position Council	EP second reading a, b, c, d, e, f ¹	
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Quality of the environment and natural resources

528	Prop. for a Dir. amending Dir. 86/662/EEC: limitation of noise emitted by earthmoving machinery	OJ C 157/9.6.93 COM(93) 154 Bull. 5-93/1.2.104	OJ C 304/10.11.93 Bull. 9-93/1.2.108	OJ C 255/20.9.93 Bull. 7/8-93/1.2.145		Bull. 6-94/1.2.186	OJ C 341/5.12.94 Bull. 11-94/1.2.192 (b)
529	Prop. for a Dir.: control of volatile organic compound (VOC) emissions (Stage II)	COM(94) 1					
529	Dir.: control of volatile organic compound (VOC) emissions (Stage I)	OJ C 227/3.9.92 COM(92) 277 Bull. 7/8-92/1.3.157 26th GR/620	OJ C 73/15.3.93 Bull. 1/2-93/1.2.160	OJ C 194/19.7.93 Bull. 6-93/1.2.170	OJ C 270/6.10.93 COM(93) 422 Bull. 9-93/1.2.109	Bull. 6-93/1.2.170 Bull. 10-93/1.2.129	OJ C 91/28.3.94 Bull. 3-94/1.2.154 (b)
530	Dir. 94/12/EC: air pollution by emissions from motor vehicles	OJ C 56/26.2.93 COM(92) 572 Bull. 12-92/1.3.181 26th GR/619	OJ C 201/26.7.93 Bull. 5-93/1.2.107	OJ C 315/22.11.93 Bull. 10-93/1.2.130	OJ C 345/23.12.93 COM(93) 626 Bull. 12-93/1.2.180	OJ C 101/9.4.94 Bull. 12-93/1.2.180	OJ C 91/28.3.94 Bull. 3-94/1.2.153 (a)

Consumer policy

Protection of consumer health and safety

674	Dec. 3092/94/EC: information system on home and leisure accidents (Ehlass)	OJ C 104/12.4.94 COM(94) 17 Bull. 1/2-94/1.2.195	OJ C 195/18.7.94 Bull. 4-94/1.2.174	OJ C 205/25.7.94 Bull. 5-94/1.2.147	OJ C 157/8.6.94 COM(94) 192 Bull. 5-94/1.2.147	Bull. 5-94/1.2.147 OJ C 244/31.8.94 Bull. 7/8-94/1.2.177	OJ C 323/21.11.94 Bull. 10-94/1.2.125 (a)
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Protection of consumers' economic and legal interests

673	Prop. for a Dir.: amending Dir. 79/581/EEC and 88/314/EEC: price labelling	OJ C 377/31.12.94 COM(94) 431 Bull. 12-94					
	Prop. for a Dir.: protection of consumers in respect of contracts negotiated at a distance (distance selling)	OJ C 156/23.6.92 COM(92) 11 Bull. 4-92/1.3.179 26th GR/641	OJ C 19/25.1.93 Bull. 11-92/1.3.234	OJ C 176/28.6.93 Bull. 5-93/1.2.81	OJ C 308/15.11.93 COM(93) 396 Bull. 10-93/1.2.94		
676	Prop. for a Dir.: contracts relating to the purchase of a right to utilize one or several immovable properties on a time-share basis	OJ C 222/29.8.92 COM(92) 220 Bull. 5-92/1.1.189 27th GR/640	OJ C 108/19.4.93 Bull. 1/2-93/1.2.119	OJ C 255/20.9.93 Bull. 7/8-93/1.2.113	OJ C 299/5.11.93 COM(93) 487 Bull. 10-93/1.2.95	Bull. 11-93/1.2.106 OJ C 137/19.5.94 Bull. 3-94/1.2.173	OJ C 205/25.7.94 Bull. 5-94/1.2.149 (b)

^a Opinion of the Committee of Regions.

¹ a = Adoption [Article 189b(2)(a)]; b = amendments [Article 189b(2)(c) and (d)]; c = declaration of rejection [Article 189b(2)(c)]; d = rejection [Article 189b(2)(c)]; e = EP failure to take a decision within 3 months [Article 189b(2)(b)]; f = amendments following a declaration of rejection; g = agreement on a common draft; h = failure to agree on a common draft.

Commission opinion (Art. 189b(2)(d))	Conciliation Committee § 1 (Art. 189b(4))	Confirmed common position Council (Art. 189b(6))	EP rejection of confirmed common position	EP adoption of common draft (Art. 189b(5))	Adoption by Council	EP signature Council (Art. 191)	Comments
							Council Agreement: Bull. 3-94/1.2.155 528
							529
				Bull. 12-94	Bull. 12-94	Bull. 12-94	Prop. subject to the co-decision procedure since 1.11.93; Conciliation Committee meeting: Bull. 9-94/1.2.176 529
						OJ L 100/19.4.94 Bull. 3-94/1.2.153	530
					Bull. 10-94/1.2.125	OJ L 331/21.12.94 Bull. 12-94	674
COM(94) 363 Bull. 9-94/1.2.193	Bull. 9-94/1.2.193 (g)			OJ C 305/31.10.94 Bull. 9-94/1.2.193	Bull. 10-94/1.2.126	Bull. 10-94/1.2.126	Commission Approval: Bull. 11-94/1.2.222 673
							676

	Commission proposal	ESC opinion/ COR opinion ^o	EP first reading	Amended Commission proposal	Common position Council	EP second reading a, b, c, d, e, f ¹
679 Prop. for a Dir.: comparative advertising amending Dir. 84/450/EEC (misleading advertising)	OJ C 180/11.7.91 COM(91) 147 Bull. 5-91/1.2.64	OJ C 49/24.2.92 Bull. 12-91/1.2.317	OJ C 337/21.12.92 Bull. 11-92/1.3.232			

Public health and solidarity

Public health

682 Prop. for a Dec.: action programme for the benefit of public health	OJ C 252/9.9.94 COM(94) 202 Bull. 6-94/1.2.201					
684 Prop. for a Dec.: action plan against cancer (1995-99)	OJ C 139/21.5.94 COM(94) 83 Bull. 3-94/1.2.171	Bull. 9-94/1.2.189 Bull. 9-94/1.2.189 ^o				
685 Dec.: extension in 1994 of the plan of action 'Europe against AIDS'	COM(93)453 Bull. 9-93/1.2.140 27th GR/595	OJ C 133/16.5.94 Bull. 1/2-94/1.2.188 OJ C 217/6.8.94 Bull. 5-94/1.2.143 ^o	OJ C 20/24.1.94 Bull. 12-93/1.2.258		OJ C 213/3.8.94 Bull. 6-94/1.2.203	OJ C 341/5.12.94 Bull. 11-94/1.2.214
686 Prop. for a Dec.: programme for the prevention of Aids and other transmissible diseases	OJ C 333/29.11.94 COM(94) 413 Bull. 11-94/1.2.213					
687 Prop. for a Dec.: programme for the prevention of drug addiction	COM(94) 223					

Information, communication, audiovisual media and culture

Audiovisual policy

714 Prop. for a Dir.: standards for the transmission of television signals	OJ C 341/18.12.93 COM(93) 556 Bull. 11-93/1.2.200	OJ C 148/30.5.94 Bull. 3-94/1.2.180	OJ C 128/9.5.94 Bull. 4-94/1.2.180	OJ C 321/18.11.94 COM(94) 455 Bull. 10-94/1.2.134		
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Culture

718 Prop. for a Dec.: EC project to assist culture (Ariane)	COM(94) 356 Bull. 7/8-94/1.2.178					
719 Prop. for a Dec.: EC project to assist culture (Kaleidoscope 2000)	COM(94) 356 Bull. 7/8-94/1.2.178					

^o Opinion of the Committee of Regions.

¹ a = Adoption [Article 189b(2)(a)]; b = amendments [Article 189b(2)(c) and (d)]; c = declaration of rejection [Article 189b(2)(c)]; d = rejection [Article 189b(2)(c)]; e = EP failure to take a decision within 3 months [Article 189b(2)(b)]; f = amendments following a declaration of rejection; g = agreement on a common draft; h = failure to agree on a common draft.

	Commission proposal	ESC opinion/ COR opinion ^o	EP first reading	Amended Commission proposal	Common position Council	EP second reading a, b, c, d, e, f ¹
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Role of the European Union in the world

Multilateral trade negotiations (Uruguay Round)

991	Prop. for a Reg. amending Reg. (EEC) No 1576/89 and Reg. (EEC) No 1601/91	COM(94) 414 Bull. 10-94/1.3.70	Bull. 11-94/1.2.144	OJ C 18/23.1.95 Bull. 12-94	OJ C 369/24.12.94 Bull. 12-94	OJ C 18/23.1.95 Bull. 12-94 (a)
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Financing Community activities

Action to combat fraud

1148	Prop. for a Reg.: mutual assistance between Member State administrations and between these administrations and the Commission	OJ C 56/26.2.93 COM(92) 544 Bull. 12-92/1.3.24	OJ C 161/14.6.93 Bull. 4-93/1.3.61	OJ C 20/24.1.94 Bull. 12-93/1.3.68	OJ C 262/28.9.93 COM(93) 350 Bull. 9-93/1.3.55 OJ C 80/17.3.94 COM(94) 34 Bull. 1/2-94/1.3.101		
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^o Opinion of the Committee of Regions.

¹ a = Adoption [Article 189b(2)(a)]; b = amendments [Article 189b(2)(c) and (d)]; c = declaration of rejection [Article 189b(2)(c)]; d = rejection [Article 189b(2)(c)]; e = EP failure to take a decision within 3 months [Article 189b(2)(b)]; f = amendments following a declaration of rejection; g = agreement on a common draft; h = failure to agree on a common draft.

TABLE I

Commission opinion (Art. 189b(2)(d))	Conciliation Committee g, h ¹ (Art. 189b(4))	Confirmed common position Council (Art. 189b(6))	EP rejection of confirmed common position	EP adoption of common draft (Art. 189b(5))	Adoption by Council	EP signature Council (Art. 191)	Comments
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						Bull. 12-94		991
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								Council Agreement: Bull. 12-94	1148
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Table II: Legislation under the consultation, cooperation and assent procedures

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Citizens' rights									
Union citizenship									
<i>Freedom of movement and right of residence</i>									
2	Prop. for a Reg.: visas for the citizens of third countries	OJ C 11/15, 1.94 COM(93) 684 Bull. 12-93/1.2, 30 27th GR/100		OJ C 128/9, 5.94 Bull. 4-94/1.1, 6					
2	Prop. for a Reg.: uniform format for visas	OJ C 238/26, 8.94 COM(94) 287 Bull. 7/8-94/1.1, 1							
<i>Right to vote and to stand in elections</i>									
4	Dir.: the right to vote and to stand as a candidate in municipal elections	OJ C 105/13, 4.94 COM(94) 38 Bull. 12-94/1.1, 1	Bull. 9-94/1.1, 1 Bull. 9-94/1.1, 1 ^a	OJ C 323/21, 11.94 Bull. 10-94/1.1, 1				Bull. 12-94	

^a Opinion of the Committee of the Regions.^{*} Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^o	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Protection of citizens									
Prop. for a Reg.: information technology security evaluation	COM(92) 298 Bull. 9-92/1.2.150 26th GR/191	OJ C 73/15.3.93 Bull. 1/2-93/1.2.206	OJ C 176/28.6.93 Bull. 5-93/1.2.144	COM(94) 37 Bull. 1/2-94/1.1.5					

The single market and the Community economic and social area

Economic and monetary policy

Economic and monetary union

52	Reg. (EC) No 3320/94: definition of the ecu	COM(94) 140 Bull. 4-94/1.2.5	OJ C 305/31.10.94 Bull. 9-94/1.2.14					OJ L 350/31.12.94 Bull. 12-94	
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Community initiatives and financial activities

66	Dec. 94/217/EC: interest subsidies on EIB loans to SMEs	OJ C 10/14.1.94 COM(93) 577 Bull. 11-93/1.2.29	OJ C 77/14.3.94 Bull. 1/2-94/1.2.6					Bull. 12-93/1.2.48 OJ L 107/28.4.1994 Bull. 4-94/1.2.9	
66	Dec. 94/369/EC: further macro-financial assistance for Romania	OJ C 134/17.5.94 COM(94) 118 Bull. 4-94/1.3.25	OJ C 205/25.7.94 Bull. 5-94/1.3.33					OJ L 168/2.7.94 Bull. 6-94/1.3.26	Political Agreement: Bull. 5-94/1.3.33
66	Prop. for a Dec.: macro-financial assistance for Albania	OJ C 112/22.4.94 COM(94) 112 Bull. 3-94/1.3.35	OJ C 205/25.7.94 Bull. 5-94/1.3.29						
66	Prop. for a Dec.: macro-financial assistance for Slovakia	OJ C 302/28.10.94 COM(94) 410 Bull. 10-94/1.3.26							

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
66	Prop. for a Dec. amending Dec. 92/511/EEC: medium-term financial assistance for Bulgaria	OJ C 134/17:594 COM(94) 118 Bull. 4-94/1.3.22	OJ C 205/25:794 Bull. 5-94/1.3.30					OJ L 28/2:294 Bull. 1/2-94/1.3.46	Political Agreement: Bull. 5-94/1.3.30
66	Dec. 94/61/EC: separate liability of the Czech Republic and the Slovak Republic with regard to the loan facility granted to Czechoslovakia (Dec. 91/106/EEC)	OJ C 257/22:993 COM(93) 399 Bull. 9-93/1.3.12 27th GR/50	OJ C 20/24:194 Bull. 12-93/1.3.24						
67	Dec. 94/346/EC: macro-financial assistance for Moldova	OJ C 111/21:494 COM(94) 110 Bull. 3-94/1.3.48	OJ C 205/25:794 Bull. 5-94/1.3.37					OJ L 155/22:694 Bull. 6-94/1.3.32	Political Agreement: Bull. 5-94/1.3.37
67	Prop. for a Dec.: macro-financial assistance for Ukraine	COM(94) 487						Bull. 12-94	
68	Dec.: further macro-financial assistance for Algeria	OJ C 299/27:1094 COM(94) 409 Bull. 10-94/1.3.39							

European Investment Fund (EIF)

79	Dec. 94/375/EC: Community membership of the European Investment Fund	OJ C 37/11:293 COM(93) 3 Bull. 1/2-93/1.2.40	OJ C 115/26:493 Bull. 3-93/1.2.21					OJ L 173/7:794 Bull. 6-94/1.2.13	Council Agreement: Bull. 11-93/1.2.30
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Statistical area

Priority activities and objectives

81	Prop. for a Reg.: community action in the field of statistics	OJ C 106/14:494 COM(94) 78 Bull. 3-94/1.6.1	OJ C 195/18:794 Bull. 4-94/1.6.1						
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^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

		Commission * proposal	ESC opinion/ COR opinion ^e	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
81	Prop. for a Dec. amending Dec. 91/115/EEC setting up a statistics committee	OJ C 359/16.12.94 COM(94) 432 Bull. 11-94/1.6.1	Bull. 12-94							
81	Prop. for a Reg.: European system of national and regional accounts	COM(94) 593 Bull. 12-94								

Statistical information linked to the support of other Community policies

86	Prop. for a Dir.: statistical returns in respect of carriage of goods and passengers by sea	OJ C 214/4.8.94 COM(94) 275 Bull. 7-8-94/1.5.1		OJ C 115/26.4.93 Bull. 3-93/1.2.25					OJ L 38/9.2.94 Bull. 1/2-94/1.6.2	
87	Dec. 94/78/EC, Euratom: statistics on research	OJ C 122/14.5.92 COM(92) 91 Bull. 4-92/1.3.3 26th GR/64	OJ C 332/16.12.92 Bull. 10-92/1.3.4	OJ C 67/16.3.92 Bull. 1/2-92/1.3.5	OJ C 328/12.12.92 COM(92) 483 Bull. 11-92/1.3.10	OJ C 213/3.8.94 Bull. 6-94/1.6.2	OJ C 323/21.11.94 Bull. 10-94/1.6.1			Political Agreement on a common position: Bull. 3-94/1.6.2
88	Dec. 94/808/EC: statistics on the environment	OJ C 209/22.8.90 COM(90) 319 Bull. 7-8-90/1.7.1 24th GR/976	OJ C 332/31.12.90 Bull. 9-90/1.6.2	OJ C 67/16.3.92 Bull. 1/2-92/1.3.5						
90	Prop. for a Dec.: application of remote sensing to agricultural statistics	OJ C 173/25.6.94 COM(94) 227 Bull. 6-94/1.6.1								
91	Prop. for a Reg.: submission of nominal catch statistics for areas other than the North Atlantic	OJ C 329/25.11.94 COM(94) 376 Bull. 9-94/1.6.2								

Internal market

Free movement of goods

106	Prop. for a Dir.: compulsory indication on the labelling of certain foodstuffs of particulars other than those provided for in Directive 79/112/EEC	COM(94) 160								
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	Commission proposal	ESC opinion/ COR opinion ^o	EP first* / sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
108 Prop. for a Reg.: fees payable to the European Medicines Evaluation Agency	COM(94) 167 Bull. 5-94/1.2.14								
108 Dec. 94/358/EC: acceptance of the convention on the compilation of a European Pharmacopoeia	COM(93) 68 Bull. 1/2-93/1.2.7	OJ C 352/30.12.93 Bull. 10-93/1.2.10	OJ C 128/9.5.94 Bull. 4-94/1.2.21					OJ L 158/25.6.94 Bull. 6-94/1.2.25	
109 Prop. for a Dir.: burning behaviour of materials used in the interior construction of motor vehicles*	OJ C 154/19.6.92 COM(92) 201 Bull. 5-92/1.1.15 26th GR/113	OJ C 332/16.12.92 Bull. 10-92/1.3.27	OJ C 305/23.11.92 Bull. 10-92/1.3.27*		Bull. 12-94				
113 Dir. 94/28/EC: imports of animals from third countries	OJ C 306/02.11.93 COM(93) 497 Bull. 10-93/1.2.17	OJ C 127/7.5.94 Bull. 1/2-94/1.2.20	OJ C 20/24.1.94 Bull. 12-93/1.2.21					OJ L 178/12.7.94 Bull. 6-94/1.2.32	
113 Dir. 94/42/EC: amending Dir. 64/432/EEC: intra-Community trade in bovine animals and swine	OJ C 33/2.2.94 COM(93) 698 Bull. 1/2-94/1.2.21	OJ C 133/16.5.94 Bull. 1/2-94/1.2.21	OJ C 128/9.5.94 Bull. 4-94/1.2.28					OJ L 201/4.8.94 Bull. 7/8-94/1.2.7	
113 Dec. 94/370/EC: expenditure in the veterinary sector	OJ C 4/6.1.94 COM(93) 470 Bull. 12-93/1.2.17	OJ C 148/30.5.94 Bull. 3-94/1.2.24	OJ C 91/28.3.94 Bull. 3-94/1.2.24					OJ L 168/2.7.94 Bull. 6-94/1.2.30	
115 Prop. for a Dir. amending Dir. 90/428/EEC: trade in equidae	OJ C 51/19.2.94 COM(94) 11 Bull. 1/2-94/1.2.22	OJ C 195/18.7.94 Bull. 4-94/1.2.29	OJ C 128/9.5.94 Bull. 4-94/1.2.29						
115 Prop. for a Dec.: provisional lists of third country establishments (certain products of animal origin, fishery products or live bivalve molluscs)	OJ C 208/28.7.94 COM(94) 241 Bull. 6-94/1.2.33		OJ C 276/3.10.94 Bull. 9-94/1.2.22						
115 Prop. for a Dir.: Community measures for the control of diseases affecting bivalve molluscs	OJ C 285/13.10.94 COM(94) 401 Bull. 9-94/1.2.24								
115 Dir.: production and placing on the market of milk-based products	COM(93) 715 Bull. 1/2-94/1.2.24							Bull. 12-94	

^o Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
115	Prop. for a Dir.: protection of animals during transport OJ C 250/14.9.93 COM(93) 330 Bull. 7/8-93/1.2.9 27th GR/89	OJ C 127/7.5.94 Bull. 1/2-94/1.2.19	OJ C 28/24.1.94 Bull. 12-93/1.2.20	COM(94) 252 Bull. 6-94/1.2.31					
117	Dir. 94/13/EC: harmful organisms OJ C 97/6.4.93 COM(93) 99 Bull. 3-93/1.2.11	OJ C 201/26.7.93 Bull. 5-93/1.2.12	OJ C 255/20.9.93 Bull. 7/8-93/1.2.11					OJ L 92/9.4.94 Bull. 3-94/1.2.26	
119	Reg. (EC) No 1468/94: biological production method OJ C 326/3.12.93 COM(93) 558 Bull. 11-93/1.2.141 27th GR/93	OJ C 148/30.5.94 Bull. 3-94/1.2.121	OJ C 128/9.5.94 Bull. 4-94/1.2.112	OJ C 222/10.8.94 COM(94) 292 Bull. 7/8-94/1.2.133				OJ L 159/28.6.94 Bull. 6-94/1.2.143	
121	Prop. for a Dec.: group of additives used in feedingsuffs OJ C 211/5.8.93 COM(93) 250 Bull. 7/8-93/1.2.13	OJ C 34/2.2.94 Bull. 11-93/1.2.17	OJ C 128/9.5.94 Bull. 4-94/1.2.32						
121	Prop. for a Dir. amending Dir. 70/524/EEC: additives in feeding-suffs OJ C 218/12.8.93 COM(93) 251 Bull. 7/8-93/1.2.14 27th GR/94		OJ C 128/9.5.94 Bull. 4-94/1.2.33	OJ C 242/30.8.94 COM(94) 372 Bull. 7/8-94/1.2.12					
121	Prop. for a Dir.: inspections in the field of animal nutrition OJ C 313/19.11.93 COM(93) 510 Bull. 10-93/1.2.20	OJ C 127/7.5.94 Bull. 1/2-94/1.2.25	OJ C 128/9.5.94 Bull. 4-94/1.2.34	OJ C 242/30.8.94 COM(94) 371 Bull. 7/8-94/1.2.13					
121	Prop. for a Reg.: animal nutrition (authorizations and approvals regarding certain establishments) OJ C 348/28.12.93 COM(93) 387 Bull. 11-93/1.2.18	OJ C 148/30.5.94 Bull. 3-94/1.2.25	OJ C 91/28.3.94 Bull. 3-94/1.2.25						
121	Prop. for a Dir.: ingredients for feeding-suffs OJ C 236/24.8.94 COM(94) 313 Bull. 7/8-94/1.2.10		OJ C 305/31.10.94 Bull. 9-94/1.2.26						
121	Prop. for a Dir. amending Dir. 79/373/EEC: compound feeding-suffs OJ C 238/26.8.94 COM(94) 279 Bull. 7/8-94/1.2.11		OJ C 305/31.10.94 Bull. 9-94/1.2.27						
121	Prop for a Reg.: prohibition of the use of substances having a hormonal action OJ C 302/9.11.93 COM(93) 441 Bull. 9-93/1.2.10 27th GR/90	OJ C 52/19.2.94 Bull. 12-93/1.2.26	OJ C 128/9.5.94 Bull. 4-94/1.2.30	OJ C 222/10.8.94 COM(94) 293 Bull. 7/8-94/1.2.8					

	Commission proposal	ESC opinion/ COR opinion ^o	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Reg.: control of residues of substances having a hormonal action	OJ C 302/9.11.93 COM(93) 441 Bull. 9-93/1.2.10 27th GR/90	OJ C 52/19.2.94 Bull. 12-93/1.2.26	OJ C 128/9.5.94 Bull. 4-94/1.2.30	OJ C 222/10.8.94 COM(94) 294 Bull. 7/8-94/1.2.8					
Prop. for a Reg.: amendment of Reg. (EEC) 805/68 (abolition of the premium in cases of a breach of the law governing substances having a hormonal action)	OJ C 302/9.11.93 COM(93) 441 Bull. 9-93/1.2.10 27th GR/90	OJ C 52/19.2.94 Bull. 12-93/1.2.26	OJ C 128/9.5.94 Bull. 4-94/1.2.30						
Prop. for a Reg.: animal certification	OJ C 373/29.12.94 COM(94) 561 Bull. 12-94								

Taxation

143 Dir. 94/5/EC: VAT on second-hand goods and works of art	OJ C 76/28.3.89 COM(88) 846 Bull. 12-88/2.1.95	OJ C 201/7.8.89 Bull. 6-89/2.1.41	OJ C 323/27.12.89 Bull. 11-89/2.1.28	OJ C 78/26.3.85 COM(85) 82 Bull. 3-85/2.1.45				Bull. 12-93/1.2.14 OJ L 60/3.3.94 Bull. 1/2-94/1.2.31	2nd Opinion of the EP
144 Dir. 94/4/EC: tax exemptions and tax-free purchases	OJ C 102/14.4.84 COM(84) 182 Bull. 3-84/2.1.59	OJ C 248/17.9.84 Bull. 7/8-84/2.1.88	OJ C 46/18.2.85 Bull. 1-85/2.1.16 OJ C 44/14.2.94 Bull. 1/2-94/1.2.32	OJ C 13/18.1.88 Bull. 12-87/2.1.77				Bull. 10-93/1.2.15 OJ L 60/3.3.94 Bull. 1/2-94/1.2.32	OJ L 46/18.2.94 Bull. 1/2-94/1.2.33
144 Reg. (EC) No 355/94: duty-free allowances	OJ C 254/11.10.86 COM(86) 466 Bull. 9-86/2.1.45	OJ C 105/24.4.87 Bull. 2-87/2.4.25	OJ C 13/18.1.88 Bull. 12-87/2.1.77						
Prop. for a Dir.: VAT scheme for gold	OJ C 302/19.11.92 COM(92) 441 Bull. 10-92/1.3.47 26th GR/152	OJ C 161/14.6.93 Bull. 4-93/1.2.23	OJ C 91/28.3.94 Bull. 3-94/1.2.31						
Prop. for a Dir. amending Dir. 90/434/EEC (mergers) and 90/435/EEC (parent companies and subsidiaries)	OJ C 225/20.8.93 COM(93) 293 Bull. 7/8-93/1.2.20	OJ C 34/2.2.94 Bull. 11-93/1.2.23	OJ C 128/9.5.94 Bull. 4-94/1.2.40						

^o Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^o	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
146 Prop. for a Dir.: VAT arrangements applicable to passenger transport	COM(92) 416 Bull. 9-92/12.11 26th GR/151	OJ C 19/25.1.93 Bull. 11-92/1.3.43	OJ C 42/15.2.93 Bull. 1-92/1.2.17	COM(94) 378 Bull. 9-94/12.31					
146 Prop. for a Dir. amending Dir. 77/388/EEC: simplification measures with regard to VAT — areas covered	OJ C 107/15.4.94 COM(94) 38 Bull. 3-94/12.30	OJ C 195/18.7.94 Bull. 4-94/1.2.41	OJ C 205/25.7.94 Bull. 5-94/1.2.19						
148 Prop. for a Dir. amending Dir. 77/388/EEC: exemption from VAT on importation	OJ C 282/8.10.94 COM(94) 370 Bull. 9-94/12.30	Bull. 12-94							
149 Prop. for a Dir.: VAT on agricultural products	COM(94) 584 Bull. 12-94								
150 Dir. amending Dir. 92/12/EEC (products subject to excise duty), 92/81/EEC (structures of excise duties on mineral oils), and 92/82/EEC (approximation of the rates of excise duties on mineral oils)	OJ C 215/5.8.94 COM(94) 179 Bull. 6-94/12.37	Bull. 10-94/12.17	Bull. 12-94					Bull. 12-94	
150 Prop. for a Dir.: excise duties on motor fuels from agricultural sources	OJ C 73/24.3.92 COM(92) 36 Bull. 1-92/1.3.10 26th GR/155	OJ C 223/31.8.92 Bull. 5-92/1.1.32	OJ C 61/28.2.94 Bull. 1-92/94/1.2.34	OJ C 209/29.7.94 COM(94) 147 Bull. 7/8-94/1.2.17					
150 Prop. for a Dir.: fiscal marking of gas oils	OJ C 15/18.1.94 COM(93) 352 Bull. 12-93/1.2.15 27th GR/125	OJ C 133/16.5.94 Bull. 1-92/94/1.2.35	OJ C 128/9.5.94 Bull. 4-94/1.2.42						
150 Prop. for a Dir.: other taxes affecting tobacco consumption	COM(94) 355 Bull. 10-94/12.16								
150 Prop. for a Dec.: reductions in or exemptions from excise duties on certain mineral oils used for specific purposes	COM(94) 493								

	Commission proposal	ESC opinion/ COR opinion ^o	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
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Intellectual and industrial property

154	Prop. for a Reg.: additional protection regarding plant protection products	COM(94) 579 Bull. 12-94							
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Competition

State aid

179	Dir. 94/73/EC amending Dir. 90/684/EEC: aid to the shipbuilding industry	OJ C 334/30 11.94 COM(94) 444 Bull. 10-94/1.2.37	Bull. 12-94					OJ L 351/31.12.94 Bull. 12-94	
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Enterprise and services policy

Cooperatives, mutual societies, associations and foundations

199	Prop. for a Dec.: programme to assist cooperatives, mutual societies, associations and foundations	OJ C 87/24.3.94 COM(93) 650 Bull. 1/2-94/1.2.76	Bull. 7/8-94/1.2.76						
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^o Opinion of the Committee of the Regions.

* Cooperation procedure used.

Industrial policy

Information technologies

227	Prop. for a Dec.: specific research programme (information technologies)	OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 9-94/1.2.77	OJ C 205/25.7.94 Bull. 5-94/1.2.56	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.91			Re-examined Commission proposal	Adoption by Council	Comments
									Bull. 12-94	Council Agreement: Bull. 9-94/1.2.77

Computerized communication of data, information and administrative documents

229	Prop. for a Dec.: guidelines and a multiannual programme for IDA	OJ C 105/16.4.93 COM(93) 69 Bull. 3-93/12.61	OJ C 249/13.9.93 Bull. 6-93/1.2.101 OJ C 217/6.8.94 Bull. 5-94/1.2.72*	OJ C 341/19.12.94 Bull. 11-94/1.2.86						
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Research and technology

Community R&TD policy

233	Prop. for a Dec.: dissemination of the research results from the specific programmes	OJ C 81/18.3.94 COM(94) 12 Bull. 1/2-94/1.2.80	OJ C 295/22.10.94 Bull. 6-94/1.2.83	OJ C 205/25.7.94 Bull. 5-94/1.2.68*	OJ C 175/28.6.94 COM(94) 242 Bull. 6-94/1.2.83	OJ C 244/31.8.94 Bull. 7/8-94/1.2.77	OJ C 323/21.11.94 Bull. 10-94/1.2.58			Political Agreement on a common position: Bull. 6-94/1.2.83
233	Prop. for a Dec.: participation of undertakings, research centres and universities in the specific programmes of the EC	OJ C 81/18.3.94 COM(94) 12 Bull. 1/2-94/1.2.80	OJ C 295/22.10.94 Bull. 6-94/1.2.84	OJ C 205/25.7.94 Bull. 5-94/1.2.67*	OJ C 175/28.6.94 COM(94) 242 Bull. 6-94/1.2.84	OJ C 244/31.8.94 Bull. 7/8-94/1.2.78	OJ C 323/21.11.94 Bull. 10-94/1.2.59			Political Agreement on a common position: Bull. 6-94/1.2.84
233	Prop. for a Dec.: participation of undertakings, research centres and universities in the specific programmes of the EAEC	OJ C 81/18.3.94 COM(94) 12 Bull. 1/2-94/1.2.80	OJ C 295/22.10.94 Bull. 6-94/1.2.85	OJ C 205/25.7.94 Bull. 5-94/1.2.66	OJ C 175/28.6.94 COM(94) 242 Bull. 6-94/1.2.85					Political Agreement: Bull. 6-94/1.2.85

	Commission proposal	ESC opinion/ COR opinion ^a	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
236	Dec. 94/268/Euratom: ESC framework programme (1994-98)	OJ C 230/26.8.93 COM(93) 276 Bull. 6-93/1.2.86	OJ C 14/2.2.94 Bull. 11-93/1.2.76					OJ L 115/6.5.94 Bull. 4-94/1.2.70	Political Agreement: Bull. 12-93/1.2.104
242	Prop. for a Dec.: specific research programme to be carried out by the JRC for the EAEC	COM(94) 68 Bull. 3-94/1.2.69	OJ C 205/25.7.94 Bull. 5-94/1.2.65	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.98					
242	Prop. for a Dec.: specific research programme to be carried out by the JRC for the EAEC	OJ C 113/23.4.94 COM(94) 70 Bull. 3-94/1.2.70	Bull. 9-94/1.2.92						

Implementation of the third framework programme

246	Dec. 94/571/EC: specific research programme (industrial and materials technologies)	OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	OJ C 205/25.7.94 Bull. 5-94/1.2.57	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.88				Bull. 6-94/1.2.88 OJ L 222/26.8.94 Bull. 7/8-94/1.2.80	Council Agreement: Bull. 9-94/1.2.79
249	Dec.: specific research programme (standardization, measurement and testing)	OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	OJ C 205/25.7.94 Bull. 5-94/1.2.58	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.92				Bull. 12-94	
252	Dec.: specific research programme (environment and climate (1994-98))	OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 11-94/1.2.72					Bull. 12-94	
257	Dec.: specific research programme (marine science and technology)	OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 9-94/1.2.81	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.93				Bull. 12-94	Council Agreement: Bull. 9-94/1.2.81
259	Dec.: specific research programme (biotechnology (1994-98))	OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 9-94/1.2.82					Bull. 12-94	
261	Dec.: specific research programme (agriculture and fisheries)	OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 9-94/1.2.84	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.94				Bull. 12-94	Council Agreement: Bull. 9-94/1.2.84

^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^a	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
265	Dec.: specific research programme (biomedicine and health (1994-98)) OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 9-94/1.2.83	Bull. 11-94/1.2.73					Bull. 12-94	
267	Dec.: specific research programme (non-nuclear energy) OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69		OJ C 205/25.7.94 Bull. 5-94/1.2.61	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.89				Bull. 12-94	Council Agreement: Bull. 9-94/1.2.85
269	Dec.: specific research programme (nuclear safety and security) OJ C 113/23.4.94 COM(94) 70 Bull. 3-94/1.2.70	Bull. 9-94/1.2.93						Bull. 12-94	
272	Dec. 94/799/Euratom: specific research programme (controlled thermonuclear fusion) OJ C 113/23.4.94 COM(94) 70 Bull. 3-94/1.2.70	Bull. 9-94/1.2.94						OJ L 331/21.12.94 Bull. 12-94	
276	Dec.: specific research programme (transport) OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 9-94/1.2.86						Bull. 12-94	
277	Dec.: specific socio-economic research programme OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 9-94/1.2.87	OJ C 205/25.7.94 Bull. 5-94/1.2.62	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.95				Bull. 12-94	
285	Dec.: specific research programme (cooperation with third countries and international organizations) OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 9-94/1.2.88	OJ C 205/25.7.94 Bull. 5-94/1.2.63	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.96				Bull. 12-94	Council Agreement: Bull. 9-94/1.2.88
288	Dec.: specific research programme (training and mobility of researchers) OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 9-94/1.2.90	OJ C 205/25.7.94 Bull. 5-94/1.2.64	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.97				Bull. 12-94	
Education, vocational training and youth									
Vocational training									
300	Dec. 94/819/EC: Leonardo da Vinci programme OJ C 67/4.3.94 COM(93) 686 Bull. 12-93/1.2.113	OJ C 148/30.5.94 Bull. 3-94/1.2.169	OJ C 205/25.7.94 Bull. 5-94/1.2.138	OJ C 176/29.6.94 COM(94) 215 Bull. 5-94/1.2.138	OJ C 244/31.8.94 Bull. 7/8-94/1.2.169	OJ C 323/21.11.94 Bull. 10-94/1.2.114	COM(94) 497 Bull. 11-94/1.2.205	OJ L 340/29.12.94 Bull. 12-94	Political Agreement on a common position: Bull. 6-94/1.2.198

	Commission proposal	ESC opinion/ COR opinion ^e	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
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Cooperation with non-member countries

311	Reg. (EC) No 2063/94 amending Reg. (EEC) No 1360/90 establishing a European Training Foundation	OJ C 82/19:3.94 COM(94) 21 Bull. 1/2-94/1.2.187	OJ C 195/18:7.94 Bull. 4-94/1.2.169	OJ C 205/25:7.94 Bull. 5-94/1.2.142				OJ L 216/20:8.94 Bull. 7/8-94/1.2.172	
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European Centre for the Development of Vocational Training (Cedefop)

317	Reg. (EC) No 1131/94 amending Reg. (EEC) No 337/75 establishing Cedefop	OJ C 74/12:3.94 COM(94) 20 Bull. 1/2-94/1.2.186	OJ C 195/18:7.94 Bull. 4-94/1.2.166	OJ C 128/9:5.94 Bull. 4-94/1.2.166				OJ L 127/19:5.94 Bull. 5-94/1.2.140	
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Trans-European networks

Priority activities and objectives

321	Prop. for a Reg.: general rules for financial aid in the field of trans- European networks	OJ C 89/26:3.94 COM(94) 62 Bull. 3-94/1.2.79	OJ C 195/18:7.94 Bull. 4-94/1.2.73 OJ C 217/6:8.94 Bull. 5-94/1.2.69 ^e						
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^e Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
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Energy networks

323	Prop. for a Dec.: measures to create a favourable context for the trans-European energy network	OJ C 72/10:3.94 COM(93) 685 Bull. 1/2-94/1.2.88	OJ C 195/18:7.94 Bull. 4-94/1.2.74 OJ C 217/6:8.94 Bull. 5-94/1.2.70 ^a						
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Transport networks

326	Prop. for a Dir.: interoperability of the high-speed train network	OJ C 134/17:5.94 COM(94) 107 Bull. 4-94/1.2.75	Bull. 9-94/1.2.100 ^a						
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Information society and telematic communications networks

331	Prop. for a Dec.: Community action on the development of ISDN (TEN-ISDN)	OJ C 259/23:9.93 COM(93) 347 Bull. 9-93/1.2.66 27th GR/346	OJ C 52/19:2.94 Bull. 12-93/1.2.118 OJ C 217/6:8.94 Bull. 5-94/1.2.74 ^a		Bull. 12-94				
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Energy

Community energy strategy

336	Prop. for a Reg.: promotion of energy technology (Thermie-II)	OJ C 158/9:6.94 COM(94) 59 Bull. 4-94/1.2.79	Bull. 9-94/1.2.104						
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Transport

Inland transport

	Commission proposal	ESC opinion/ COR opinion ^o	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
369	Prop. for a Dir.: distribution of railway infrastructure capacity COM(93) 678 Bull. 12-93/1.2.130	Bull. 9-94/1.2.110	OJ C 205/25.7.94 Bull. 5-94/1.2.81	OJ C 225/13.8.94 COM(94) 316 Bull. 7/8-94/1.2.88				OJ L 350/31.12.94 Bull. 12-94	Political Agreement on a common position: Bull. 9-94/1.2.110
369	Prop. for a Dir.: carriage of hazardous goods by rail COM(94) 573 Bull. 12-94								
371	Reg. (EC) No 3315/94 amending Reg. (EEC) No 3118/93: admission of non-resident transport operators COM(94) 495 Bull. 12-94								
	Prop. for a Dir.: admission to the occupation of road haulage operator and road passenger transport operator OJ C 286/14.11.90 Bull. 11-90/1.3.189	OJ C 295/22.10.94 Bull. 6-94/1.2.111	OJ C 128/9.5.94 Bull. 4-94/1.2.88	COM(93) 586 Bull. 12-93/1.2.133					
373	Dir. 94/55/EC: approximation of the laws relating to the carriage of dangerous goods by road OJ C 17/20.1.94 COM(93) 548 Bull. 11-93/1.2.92	OJ C 195/18.7.94 Bull. 4-94/1.2.90	OJ C 205/25.7.94 Bull. 5-94/1.2.83	OJ C 192/15.7.94 COM(94) 238 Bull. 6-94/1.2.110	OJ C 301/27.10.94 Bull. 5-94/1.2.114	OJ C 341/5.12.94 Bull. 11-94/1.2.99		OJ L 319/12.12.94 Bull. 11-94/1.2.99	Political Agreement on a common position: Bull. 6-94/1.2.110
373	Prop. for a Dir.: uniform procedures for monitoring the carriage of dangerous goods by road OJ C 26/29.1.94 COM(93) 665 Bull. 12-93/1.2.131	OJ C 195/18.7.94 Bull. 4-94/1.2.89	OJ C 205/25.7.94 Bull. 5-94/1.2.82	OJ C 238/26.8.94 COM(94) 340 Bull. 7/8-94/1.2.90	Bull. 11-94/1.2.100				Political Agreement on a common position: Bull. 9-94/1.2.113
375	Prop. for a Reg. amending Reg. (EEC) No 3821/85 [*] and Dir. 88/599/EEC (tachygraph) OJ C 243/31.8.94 COM(94) 323 Bull. 7/8-94/1.2.89								
377	Dir. 94/72/EC amending Dir. 91/439/EEC: driving licence COM(94) 429 Bull. 10-94/1.2.63							OJ L 337/24.12.94 Bull. 12-94	

^o Opinion of the Committee of the Regions.^{*} Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^o	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
	OJ C 38/8.2.94 COM(93) 679 Bull. 12-93/1.2.132	OJ C 295/22.10.94 Bull. 6-94/1.2.109	OJ C 354/13.12.94 Bull. 11-94/1.2.101	OJ C 74/12.3.94 COM(94) 51 Bull. 1/2-94/1.2.93	OJ C 101/9.4.94 Bull. 1/2-94/1.2.93	OJ C 91/28.3.94 Bull. 3-94/1.2.88		OJ L 98/16.4.94 Bull. 4-94/1.2.91	
378 Reg. (EC) No 844/94: Report from the Commission on the effect of the structural improvement measures in inland waterway transport, as introduced by Council Regulation (EEC) No 1101/89 of 27 April 1989	OJ C 341/18.12.93 COM(93) 553 Bull. 11-93/1.2.93	OJ C 127/7.5.94 Bull. 1/2-94/1.2.93	OJ C 44/14.2.94 Bull. 1/2-94/1.2.93					OJ L 350/31.12.94 Bull. 12-94	
378 Reg. (EC) No 3314/94 amending Reg. (EEC) No 1101/89: structural improvements in inland waterway transport	COM(94) 610 Bull. 12-94								
380 Prop. for a Dir.: national boatmasters' certificates for inland waterway transport	OJ C 280/6.10.94 COM(94) 359 Bull. 9-94/1.2.117								

Sea transport

381 Prop. for a Dir.: the enforcement, concerning shipping using Community ports, of international standards	OJ C 107/15.4.94 COM(94) 73 Bull. 3-94/1.2.91	Bull. 9-94/1.2.118	OJ C 323/21.11.94 Bull. 10-94/1.2.66*	OJ C 124/5.5.94 COM(94) 111 Bull. 4-94/1.2.94	OJ C 301/27.10.94 Bull. 9-94/1.2.120			Council Agreement: Bull. 11-94/1.2.106	
382 Reg. 94/57/EC: common rules and standards for ship inspection organizations	OJ C 167/18.6.93 COM(93) 218 Bull. 5-93/1.2.74	OJ C 34/2.2.94 Bull. 11-93/1.2.96	OJ C 91/28.3.94 Bull. 3-94/1.2.93*		OJ C 301/27.10.94 Bull. 9-94/1.2.119			Bull. 11-94/1.2.104	Political Agreement on a common position: Bull. 6-94/1.2.115
382 Reg. (EC) No 2978/94: tonnage measurement of ballast spaces in segregated ballast oil tankers	OJ C 5/7.1.94 COM(93) 468 Bull. 12-93/1.2.138	OJ C 295/22.10.94 Bull. 6-94/1.2.113	OJ C 205/25.7.94 Bull. 5-94/1.2.84*	OJ C 192/15.7.94 COM(94) 239 Bull. 6-94/1.2.113	OJ C 301/27.10.94 Bull. 9-94/1.2.119			Bull. 11-94/1.2.103	Political Agreement on a common position: Bull. 6-94/1.2.113
383 Prop. for a Dir.: minimum level of training for maritime occupations	OJ C 212/5.8.93 COM(93) 217 Bull. 5-93/1.2.73	OJ C 34/2.2.94 Bull. 11-93/1.2.95	OJ C 91/28.3.94 Bull. 3-94/1.2.92*	OJ C 144/27.5.94 COM(94) 124 Bull. 4-94/1.2.93	OJ C 301/27.10.94 Bull. 9-94/1.2.121				Political Agreement on a common position: Bull. 6-94/1.2.116

	Commission proposal	ESC opinion/ COR opinion ^a	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Prop. for a Dir.: European vessel reporting system	OJ C 22/26.1.94 COM(93) 647 Bull. 12-93/1.2.137	OJ C 295/22.10.94 Bull. 6-94/1.2.114	OJ C 128/9.5.94 Bull. 4-94/1.2.92*	OJ C 193/16.7.94 COM(94) 220 Bull. 6-94/1.2.114					

Air transport

387 Prop. for a Dir.: assistance at ports of call	COM(94) 590 Bull. 12-94								
388 Dir. 94/56/EC: investigation of civil aviation accidents and incidents	OJ C 257/22.9.93 COM(93) 406 Bull. 9-93/1.2.78	OJ C 34/2.2.94 Bull. 11-93/1.2.97	OJ C 91/28.3.94 Bull. 3-94/1.2.94*	OJ C 109/19.4.94 COM(94) 102 Bull. 3-94/1.2.94	OJ C 172/24.6.94 Bull. 5-94/1.2.85	OJ C 323/21.11.94 Bull. 10-94/1.2.70		Bull. 11-94/1.2.108	

Telecommunications, information services and the information industry

Telecommunications policy

409 Dec. 94/572/EC: specific research programme (ACTS)	OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	OJ C 295/22.10.94 Bull. 6-94/1.2.87	OJ C 205/25.7.94 Bull. 5-94/1.2.55	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.87				Bull. 6-94/1.2.87 OJ L 222/26.8.94 Bull. 7/8-94/1.2.79	
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Telematics applications

411 Dec.: specific research programme (telematics applications of common interest)	OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 7/8-94/1.2.81	OJ C 205/25.7.94 Bull. 5-94/1.2.54	OJ C 262/20.9.94 COM(94) 243 Bull. 6-94/1.2.90				Bull. 12-94	Council Agreement: Bull. 9-94/1.2.78
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^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
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Dissemination and exploitation of the results of R&TD programmes

426	Dec.: specific programme (dissemination and exploitation of the results of R&TD and demonstration programmes)	OJ C 228/17.8.94 COM(94) 68 Bull. 3-94/1.2.69	Bull. 9-94/1.2.89	Bull. 11-94/1.2.76				Bull. 12-94	
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Economic and social cohesion

Cohesion Fund

434	Reg. (EC) No 1164/94 setting up the Cohesion Fund	OJ C 39/9.2.94 COM(93) 699 Bull. 12-93/1.2.145	OJ C 133/16.5.94 Bull. 1/2-94/1.2.103 OJ C 217/6.8.94 Bull. 4-94/1.2.100 ^p	OJ C 205/25.7.94 Bull. 5-94/1.2.89				OJ L 130/25.5.94 Bull. 5-94/1.2.89	Political Agreement: Bull. 4-94/1.2.100
434	Prop. for a Reg. laying down rules for application	OJ C 39/9.2.94 COM(93) 699 Bull. 12-93/1.2.145	OJ C 133/16.5.94 Bull. 1/2-94/1.2.103 OJ C 217/6.8.94 Bull. 4-94/1.2.100 ^p						

Structural measures, regional policy

442	Reg. (EC) No 3193/94 amending Regs. (EEC) Nos 2052/88 and 4253/88: aims of the structural funds	COM(94) 629 Bull. 12-94						OJ L 337/24.12.94 Bull. 12-94	
443	Prop. for a Reg.: structural interventions in the fishing sector	COM(94) 568 Bull. 12-94							
454	Reg. (EC) No 2843/94: adaptation of structures in the framework of the CAP	OJ C 152/3.6.94 COM(94) 166 Bull. 4-94/1.2.102		OJ C 205/25.7.94 Bull. 5-94/1.2.96					Political Agreement: Bull. 10-94/1.2.79

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
466	Prop. for a Reg.: modernization of the textile industry in Portugal	COM(94) 562 Bull. 11-94/1.2.130							

Other measures for the regions

474	Reg. (EC) No 2687/94: Community contributions to the International Fund for Ireland	OJ C 89/26:3.94 COM(94) 60 Bull. 3-94/1.2.114	OJ C 305/31.10.94 Bull. 9-94/1.2.132	OJ C 321/18.11.94 COM(94) 456 Bull. 10-94/1.2.80				OJ L 286/5.11.94 Bull. 10-94/1.2.80	Political Agreement: Bull. 10-94/1.2.80
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Measures for the most remote regions

Agriculture

477	Prop. for a Reg. amending Reg. (EEC) No 1763/93, specific measures for the benefit of the French overseas departments	OJ C 290/18.10.94 COM(94) 344 Bull. 9-94/1.2.137							
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Fisheries

478	Reg. (EC) No 1503/94: system of compensation for the additional costs caused by very remote locations	OJ C 4/6.1.94 COM(93) 630 Bull. 12-93/1.2.252	OJ C 133/16.5.94 Bull. 1/2-94/1.2.153	OJ C 128/9.5.94 Bull. 4-94/1.2.139	OJ C 199/21.7.94 COM(94) 237 Bull. 6-94/1.2.167			OJ L 162/30.6.94 Bull. 6-94/1.2.167	
	Prop. for a Reg.: system of compensation for additional costs (fishery products from the Azores, Madeira, the Canary Islands and French Guiana)	COM(94) 473							

^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^o	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Environment									
<i>General</i>									
492 Prop. for a Dir. amending Dir. 85/337/EEC: effects of public and private projects	COM(93) 575 Bull. 3-94/12.144	Bull. 9-94/1.2.165							
<i>Industry and environment</i>									
499 Prop. for a Dir.: control of major accident hazards	OJ C 106/14.4.94 COM(94) 4 Bull. 1/2-94/1.2.161	Bull. 6-94/1.2.172		COM(94) 645 Bull. 12-94	OJ C 213/3.8.94 Bull. 6-94/1.2.173	OJ C 341/5.12.94 Bull. 11-94/1.2.183		OJ L 332/22.12.94 Bull. 12-94	
500 Reg. (EC) No 3135/94 amending Reg. (EEC) No 2455/92: import of certain dangerous chemicals*	OJ C 112/22.4.93 COM(93) 120 Bull. 3-93/1.2.96 27th GR/472	OJ C 249/13.9.93 Bull. 6-93/1.2.158	OJ C 91/28.3.94 Bull. 3-94/1.2.147						
Prop. for a Dir.: integrated pollution prevention and control	OJ C 311/17.11.93 COM(93) 423 Bull. 9-93/1.2.103 27th GR/473	OJ C 195/18.7.94 Bull. 4-94/1.2.146	Bull. 12-94						
504 Dir.: incineration of hazardous waste	OJ C 130/21.5.92 COM(92) 9 Bull. 1/2-92/1.3.149 Bull. 3-92/1.2.128 26th GR/610	OJ C 332/16.12.92 Bull. 10-92/1.3.101	OJ C 115/26.4.93 OJ C 91/2.9.93 Bull. 6-93/1.2.160 Bull. 3-94/1.2.151*	OJ C 190/14.7.93 COM(93) 296 Bull. 6-93/1.2.160	OJ C 232/20.8.94 Bull. 7/8-94/1.2.157	OJ C 341/5.12.94 Bull. 11-94/1.2.188		Bull. 12-94	Council Agreement: Bull. 6-93/1.2.160 EP Consultation on the legal basis: OJ C 91/28.3.94 Bull. 3-94/1.2.151
505 Dir. 94/66/EC amending Dir. 88/609/EEC: limitation of emissions of certain pollutants from large combustion plants	OJ C 17/22.1.93 COM(92) 563 Bull. 12-92/1.3.190 26th GR/621	OJ C 201/26.7.93 Bull. 5-93/1.2.100	OJ C 268/4.10.93 Bull. 9-93/1.2.104*		OJ C 213/3.8.94 Bull. 6-94/1.2.174	OJ C 341/5.12.94 Bull. 11-94/1.2.186		OJ L 337/24.12.94 Bull. 12-94	Political Agreement on a common position: Bull. 3-94/1.2.148
506 Dir. 94/51/EC amending Dir. 91/689/EEC: hazardous waste*	OJ C 271/7.10.93 COM(93) 425 Bull. 9-93/1.2.105 27th GR/475	OJ C 34/2.2.94 Bull. 11-93/1.2.133	OJ C 329/6.12.93 Bull. 11-93/1.2.133*	OJ C 51/19.2.94 COM(93) 696 Bull. 12-93/1.2.177	OJ C 137/19.5.94 Bull. 1/2-94/1.2.163	OJ C 128/9.5.94 Bull. 4-94/1.2.149		OJ L 168/2.7.94 Bull. 6-94/1.2.178	Political Agreement: Bull. 12-93/1.2.177

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Cancel common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
506 Dec.: list of hazardous waste (application of Dir. 91/689/EEC)	COM(94) 156 Bull. 9-94/1.2.168								
Prop. for a Dir.: landfill of waste	OJ C 190/22.7.91 COM(91) 102 Bull. 4-91/1.2.134 25th GR/645	OJ C 40/17.2.92 Bull. 11-91/1.2.182	OJ C 305/23.11.92 Bull. 10-92/1.3.103*	OJ C 212/5.8.93 COM(93) 275 Bull. 6-93/1.2.161				Bull. 12-94	Political Agreement: Bull. 6-94/1.2.176

Quality of the environment and natural resources

516 Prop. for a Dir.: ecological quality of water	OJ C 222/10.8.94 COM(93) 680 Bull. 6-94/1.2.179	Bull. 12-94							
516 Prop. for a Dir.: bathing waters	OJ C 112/22.4.94 COM(94) 36 Bull. 1/2-94/1.2.164	Bull. 9-94/1.2.169 Bull. 9-94/1.2.169*							
519 Prop. for a Reg.: tropical forests	OJ C 78/19.3.93 COM(93) 53 Bull. 1/2-93/1.2.157 27th GR/825	OJ C 249/13.9.93 Bull. 6-93/1.2.166	OJ C 315/22.11.93 Bull. 10-93/1.2.128	OJ C 201/23.7.94 COM(94) 153 Bull. 6-94/1.2.182					
521 Dir. 94/24/EC amending Dir. 79/409/EEC: conservation of wild birds	OJ C 255/2.10.92 COM(91) 42 Bull. 3-91/1.2.168 25th GR/655	OJ C 191/22.7.91 Bull. 5-91/1.2.154 25th GR/655	OJ C 150/15.6.92 Bull. 5-92/1.1.133*	OJ C 260/9.10.92 COM(92) 398 Bull. 9-92/1.2.104	OJ C 137/19.5.94 Bull. 1/2-94/1.2.169	OJ C 205/25.7.94 Bull. 5-94/1.2.128		OJ L 164/30.6.94 Bull. 6-94/1.2.183	
521 Prop. for a Dir. amending Dir. 79/409/EEC: wild birds	OJ C 100/9.4.94 COM(94) 39 Bull. 1/2-94/1.2.170	Bull. 9-94/1.2.172							
526 Prop. for a Dir.: ambient air quality	OJ C 216/6.8.94 COM(94) 109 Bull. 7/8-94/1.2.158								
527 Prop. for a Dec.: exchange of information on ambient air pollution	OJ C 281/7.10.94 COM(94) 345 Bull. 9-94/1.2.175								

^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^o	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
528 Prop. for a Dir. amending Dir. 86/462/EEC: Limitation of noise emitted by earthmoving machinery ^a 27th GR 486	OJ C 157/9:6.93 COM(93) 134 Bull. 5-93/1.2.104 27th GR 486	OJ C 304/10.11.93 Bull. 9-93/1.2.108	OJ C 255/20.9.93 Bull. 7/8-93/1.2.145*		OJ C 213/3.8.94 Bull. 6-94/1.2.186				Political Agreement on a common position: Bull. 3-94/1.2.155
533 Reg. (EC) No. 3093/94: substances which deplete the ozone layer	OJ C 232/28.8.93 COM(93) 202 Bull. 6-93/1.2.173 27th GR 490	OJ C 52/19.2.94 Bull. 12-93/1.2.182	OJ C 61/28.2.94 Bull. 1/2-94/1.2.173	OJ C 109/19.4.94 COM(94) 75 Bull. 3-94/1.2.156	OJ C 301/27.10.94 Bull. 7/8-94/1.2.159	OJ C 341/5.12.94 Bull. 11-94/1.2.194		OJ L 333/22.12.94 Bull. 12-94	Political Agreement on a common position: Bull. 6-94/1.2.187

Nuclear safety

Radiation protection

539 Prop. for a Dir.: health protection against the dangers of ionising radiation	Bull. 7/8-92/1.3.159 26th GR 727	OJ C 108/19.4.93 Bull. 1/2-93/1.2.163	OJ C 128/9.5.94 Bull. 4-94/1.2.153	OJ C 245/9.9.93 COM(93) 349 Bull. 7/8-93/1.2.146 OJ C 224/12.8.94 COM(94) 298 Bull. 7/8-94/1.2.160					
541 Prop. for a Reg. extending the validity of Reg. (EEC) 737/90: importation of agricultural products originating in third countries following the Chernobyl accident	COM(94) 597 Bull. 12-94								

Social policy

Implementation of the Protocol on social policy

556 Dir. 94/45/EC: European Works Council	OJ C 135/18.5.94 COM(94) 134 Bull. 4-94/1.2.154	OJ C 295/22.10.94 Bull. 6-94/1.2.190	OJ C 205/25.7.94 Bull. 5-94/1.2.133*		OJ C 244/31.8.94 Bull. 7/8-94/1.2.164	OJ C 276/3.10.94 Bull. 9-94/1.2.179	COM(94) 406 Bull. 9-94/1.2.179	OJ L 254/30.9.94 Bull. 9-94/1.2.179	Political Agreement on a common position: Bull. 6-94/1.2.190
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	Commission proposal	ESC opinion/ COR opinion ^a	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
<i>Employment</i>									
566	Prop. for a Dir.: safeguarding of employees' rights in the event of transfers of undertakings OJ C 274/1.10.94 COM(94) 300 Bull. 9-94/1.2.182	OJ C 52/19.2.94 Bull. 12-93/1.2.171	OJ C 77/14.3.94 Bull. 1/2-94/1.2.179						
571	Prop. for a Dec.: programme to combat exclusion (1994-99) COM(93) 435 Bull. 9-93/1.2.99 27th GR 436								
<i>Social security</i>									
575	Prop. for a Reg.: application of social security schemes to employed persons, self-employed persons and members of their families OJ C 143/26.5.94 COM(94) 133 Bull. 4-94/1.2.157	Bull. 9-94/1.2.184							
<i>Living and working conditions</i>									
576	Dir. 94/33/EEC: protection of young people at work OJ C 84/4.4.92 COM(91) 543 Bull. 1/2-92/1.3.121	OJ C 313/30.11.92 Bull. 9-92/1.2.79	OJ C 21/25.1.93 Bull. 12-92/1.3.160*	OJ C 77/18.3.93 COM(93) 35 Bull. 1/2-93/1.2.142	Bull. 10-93/1.2.111 Bull. 11-93/1.2.126	OJ C 91/28.3.94 Bull. 3-94/1.2.165	COM(94) 88 Bull. 3-94/1.2.165	OJ L 216/20.8.94 Bull. 6-94/1.2.192	
<i>Health and safety</i>									
583	Prop. for a Dir. amending Dir. 89/655/EEC: OJ C 104/12.4.94 COM(94) 56 Bull. 3-94/1.2.166								

^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
584 Prop. for a Dir.: protection of workers from exposure to chemical agents ^a	OJ C 165/16,6,93 COM(93) 155 Bull. 4-93/1,2,94	OJ C 34/2,2,94 Bull. 11-93/1,2,128	OJ C 128/9,5,94 Bull. 4-94/1,2,161	OJ C 191/14,7,94 COM(94) 230 Bull. 6-94/1,2,193					
584 Prop. for a Dir.: protection of workers from exposure to physical agents ^a	OJ C 77/18,3,93 COM(92) 560 Bull. 12-92/1,3,158	OJ C 249/13,9,93 Bull. 6-93/1,2,149	OJ C 128/9,5,94 Bull. 4-94/1,2,160	OJ C 230/19,8,94 COM(94) 284 Bull. 7/8-94/1,2,166					
585 Reg. (EC) No 2062/94: European Agency for Safety and Health at Work	OJ C 271/16,10,91 COM(90) 364 Bull. 9-91/1,2,61 25th GR/460	OJ C 169/6,7,92 Bull. 4-92/1,3,191	OJ C 128/9,5,94 Bull. 4-94/1,2,158	OJ C 176/29,6,94 COM(94) 233 Bull. 6-94/1,2,191				OJ L 216/20,8,94 Bull. 7/8-94/1,2,165	Political Agreement: Bull. 6-94/1,2,191

International cooperation

593 Prop. for a Dec.: exercise of the Community's external competence at international labour conferences	COM(94) 2 Bull. 1/2-94/1,7,6								
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Agricultural policy

Content of the common agricultural policy

598 Reg. (EC) No 2100/94: plant variety rights	OJ C 244/28,9,90 COM(90) 347 Bull. 7/8-90/1,3,166 24th GR/436	OJ C 60/8,3,91 Bull. 12-90/1,3,183	OJ C 305/23,11,92 Bull. 10-92/1,3,111	OJ C 113/23,4,93 COM(93) 104 Bull. 3-93/1,2,114				OJ L 227/19,94 Bull. 7/8-94/1,2,132	Political Agreement: Bull. 6-94/1,2,140
600 Reg. (EC) Nos 1866/94 to 1882/94 and 1884/94 to 1895/94: fixing of farm prices	OJ C 83/19,3,94 COM(94) 10 Bull. 1/2-94/1,2,121	OJ C 148/30,5,94 Bull. 3-94/1,2,122	OJ C 128/9,5,94 Bull. 4-94/1,2,113					OJ L 197/30,7,94 Bull. 7/8-94/1,2,134	Political Agreement: Bull. 7/8-94/1,2,134
600 Reg. (EC) No 1883/94 amending Reg. (EEC) No 3950/92: additional levy in the milk sector	OJ C 108/16,4,94 COM(94) 64 Bull. 3-94/1,2,128		OJ C 128/9,5,94 Bull. 4-94/1,2,120	OJ C 125/6,5,94 COM(94) 130 Bull. 4-94/1,2,120				OJ L 197/30,7,94 Bull. 7/8-94/1,2,137	Political Agreement: Bull. 7/8-94/1,2,137

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
601 Reg. (EC) No 370/94 amending Reg. (EEC) No 4007/87: extension of the transitional period (Spain and Portugal)	OJ C 40/10:2.94 COM(94) 3 Bull. 1/2-94/1.2.122		OJ C 61/28:2.94 Bull. 1/2-94/1.2.122					OJ L 48/19:2.94 Bull. 1/2-94/1.2.122	
601 Prop. for a Reg. amending Reg. (EC) No 370/94: extension of the transitional period (Spain and Portugal)	COM(94) 635 Bull. 12-94								
607 Reg. (EC) No 1467/94: genetic resources in agriculture	OJ C 266/1:10.93 COM(93) 337 Bull. 9-93/1.2.114 27th GR/522	OJ C 52/19:2.94 Bull. 12-93/1.2.190	OJ C 128/9:5.94 Bull. 4-94/1.2.110					OJ L 359/28:6.94 Bull. 6-94/1.2.141	

Management of the common agricultural policy

612 Reg. (EC) No 231/94 amending Reg. (EEC) No 1765/92: support for producers of certain arable crops	OJ C 265/40:9.93 COM(93) 417 Bull. 9-93/1.2.113 27th GR/524	OJ C 332/30:12.93 Bull. 10-93/1.2.134	OJ C 315/22:11.93 Bull. 10-93/1.2.134						Political Agreement: Bull. 12-93/1.2.188
612 Reg. (EC) No 2990/94: derogation from Reg. (EEC) No 1765/92 establishing a support system for producers of certain arable crops	OJ C 302/28:10.94 COM(94) 417 Bull. 10-94/1.2.85		OJ C 363/19:12.94 Bull. 10-94/1.2.85					OJ L 316/9:12.94 Bull. 12-94	Political position: Bull. 10-94/1.2.85
612 Reg. (EC) No 232/94 amending Reg. (EEC) No 1765/92: support for producers of certain arable crops	OJ C 266/1:10.93 COM(93) 389 Bull. 7/8-93/1.2.152 27th GR/524		OJ C 329/6:12.93 Bull. 11-93/1.2.145					OJ L 30/3:2.94 Bull. 1/2-94/1.2.125	Political Agreement: Bull. 12-93/1.2.196
612 Prop. for a Reg.: common organization of the market in dried fodder	COM(94) 508								
613 Prop. for a Reg. amending Reg. (EEC) No 2261/84: general rules on the granting of aid for olive oil production	COM(94) 536								

^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
614	Reg. (EC) No 133/94: changes in the common organization of the market in sugar	OJ C 312/18.11.93 COM(93) 42 Bull. 9-93/1.2.115	OJ C 20/24.1.94 Bull. 12-93/1.2.195	OJ C 34/2.2.94 Bull. 11-93/1.2.144				OJ L 22/27.1.94 Bull. 1/2-94/1.2.124	Political Agreement: Bull. 12-93/1.2.195 27th GR/525
614	Prop. for a Reg. amending Reg. (EEC) No 1785/81: common organization of the market in sugar	COM(94) 439							
615	Prop. for a Reg.: reform of the common organization of the market in wine	OJ C 194/16.7.94 COM(94) 117 Bull. 5-94/1.2.103							
	Prop. for a Reg. amending Reg. (EEC) No 1200/90: improvement of the Community production of apples	OJ C 206/26.7.94 COM(94) 239 Bull. 6-94/1.2.146							
	Reg. (EC) No 1016/94 amending Reg. (EEC) No 3438/92:	OJ C 105/13.4.94 COM(94) 89 Bull. 3-94/1.2.124	OJ C 128/9.5.94 Bull. 4-94/1.2.115					OJ L 112/3.5.94 Bull. 4-94/1.2.115	
	Reg. (EC) No 399/94: specific measures for dried grapes	OJ C 211/5.8.93 COM(93) 315 Bull. 7/8-93/1.2.154 27th GR/530	OJ C 61/28.2.94 Bull. 1/2-94/1.2.127	OJ C 352/30.12.93 Bull. 10-93/1.2.142				OJ L 54/25.2.94 Bull. 1/2-94/1.2.127	
618	Prop. for a Dir.: marketing of seed	OJ C 29/31.1.94 COM(93) 598 Bull. 11-93/1.2.153		OJ C 195/18.7.94 Bull. 4-94/1.2.119					
619	Prop. for a Reg.: aid to hop producers	OJ C 171/24.6.94 COM(94) 201 Bull. 5-94/1.2.105	OJ C 305/31.10.94 Bull. 9-94/1.2.142	OJ C 271/29.9.94 COM(94) 379 Bull. 9-94/1.2.142				OJ L 265/15.10.94 Bull. 10-94/1.2.87	
620	Reg. (EC) No 1641/94: premiums and guarantee thresholds for tobacco	OJ C 313/19.11.93 COM(93) 507 Bull. 10-93/1.2.143	OJ C 20/24.1.94 Bull. 12-93/1.2.202					OJ L 24/29.1.94 Bull. 1/2-94/1.2.133	Political Agreement: Bull. 12-93/1.2.202
621	Prop. for a Reg.: fourth adjustment to the aid system for cotton (Greece)	OJ C 269/27.9.94 COM(94) 377 Bull. 9-94/1.2.141	OJ C 323/21.11.94 Bull. 10-94/1.2.86						
622	Reg. (EC) No 230/94 amending Reg. (EEC) No 804/68: common organization of the market in milk	OJ C 210/4.8.93 COM(93) 323 Bull. 7/8-93/1.2.163 27th GR/534	OJ C 20/24.1.94 Bull. 12-93/1.2.204	OJ C 375/2.94 COM(94) 9 Bull. 1/2-94/1.2.134				OJ L 30/3.2.94 Bull. 1/2-94/1.2.134	

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EC) No 777/94: abandonment premiums for milk production	OJ C 23/27.1.94 COM(93) 675 Bull. 12-93/1.2.203 27th GR/534		OJ C 91/28.3.94 Bull. 3-94/1.2.129					OJ L 91/8.4.94 Bull. 3-94/1.2.129	
622 Prop. for a Reg.: compensation in the milk sector	OJ C 108/16.4.94 COM(94) 64 Bull. 3-94/1.2.128		OJ C 128/9.5.94 Bull. 4-94/1.2.120						
Prop. for a Reg.: common organization of the market in beef (consolidated text)	COM(94) 467								
Reg. (EC) No 233/94: premium for sheepmeat and goatmeat producers	OJ C 26/30.9.93 COM(93) 419 Bull. 9-93/1.2.124	OJ C 34/2.2.94 Bull. 11-93/1.2.157	OJ C 20/24.1.94 Bull. 12-93/1.2.208	COM(93) 614 Bull. 11-93/1.2.157				OJ L 30/3.2.94 Bull. 1/2-94/1.2.136	Political Agreement: Bull. 12-93/1.2.208
627 Prop. for a Reg. amending Reg. (EEC) No 3813/92: unit of account and conversion rate	COM(94) 498								
Reg. (EC) No 3116/94: amending Reg. (EEC) No 1765/92: support system for producers of certain arable crops	OJ C 297/25.10.94 COM(94) 404 Bull. 30-94/1.2.84		OJ C 362/19.12.94 Bull. 11-94/1.2.137					OJ L 330/21.12.94 Bull. 12-94	
Reg. (EC) No 1017/94: conversion of land under arable crops to livestock farming in Portugal	OJ C 117/28.4.94 COM(94) 114 Bull. 4-94/1.2.123		OJ C 128/9.5.94 Bull. 4-94/1.2.123					OJ L 112/3.5.94 Bull. 4-94/1.2.123	

Financing the common agricultural policy: the EAGGF

635 Reg. (EC) No 3094/94: amending Reg. (EEC) No 4045/89: monitoring of transactions (EAGGF-Guarantee Section)	OJ C 175/28.6.94 COM(94) 159 Bull. 6-94/1.2.148		OJ C 341/5.12.94 Bull. 11-94/1.2.153					Bull. 12-94 OJ L 328/20.12.94	
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^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^o	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
635 Reg. (EC) No 163/94: monitoring of refunds	OJ C 218/12.8.93 COM(93) 339 Bull. 7/8-93/1.2.167 27th GR/553		OJ C 44/14.2.94 Bull. 1/2-94/1.2.138					OJ L 24/29.1.94 Bull. 1/2-94/1.2.138	
635 Reg. (EC) No 165/94: remote-sensing monitoring	OJ C 282/20.10.93 COM(93) 455 Bull. 9-93/1.2.128		OJ C 20/24.1.94 Bull. 12-93/1.2.213					OJ L 24/29.1.94 Bull. 1/2-94/1.2.137	Political Agreement: Bull. 12-93/1.2.213
Prop. for a Reg.: measures to be taken with certain beneficiaries of the EAGGF-Guarantee-Section	OJ C 151/2.6.94 COM(94) 122 Bull. 4-94/1.2.124	Bull. 9-94/1.2.143							
635 Reg. amending Reg. (EEC) No 3508/92: integrated system	OJ C 294/22.10.94 COM(94) 286 Bull. 7/8-94/1.2.139							Bull. 12-94	
635 Prop. for a Reg.: securities, sureties and guarantees in connection with the CAP	COM(94) 480								
636 Prop. for a Reg. amending Reg. (EEC) No 729/70: Financial Regulation relating to the CAP	OJ C 284/12.10.94 COM(94) 240 Bull. 7/8-94/1.2.138			COM(94) 288					
636 Prop. for a Reg. amending the Financial Regulation of 21/12/77	OJ C 377/31.12.94 COM(94) 240 Bull. 7/8-94/1.2.138								

Fisheries

Priority activities and objectives

640 Reg. (EC) No 1624/94: technical measures in the Mediterranean	OJ C 5/9.1.93 COM(92) 533 Bull. 12-92/1.3.272 26th GR/571	OJ C 201/26.7.93 Bull. 5-93/1.2.134	OJ C 255/20.9.93 Bull. 7/8-93/1.2.181	OJ C 306/12.11.93 COM(93) 500 Bull. 10-93/1.2.157				OJ L 171/6.7.94 Bull. 6-94/1.2.157	Political Agreement: Bull. 6-94/1.2.157
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	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
<i>Fisheries policy</i>									
641	Prop. for a Reg.: further conditions for the inter-annual management of ACRs and quotas	COM(94) 583 Bull. 12-94							
	Prop. for a Reg.: objectives and strategies for certain fisheries (1994-97)	OJ C 17/20:194 COM(93) 663 Bull. 12-93/1.2.231	OJ C 205/25:794 Bull. 5-94/1.2.110						
642	Reg. (EC) No 1627/94: special fishing licences	OJ C 310/16:1193 COM(93) 496 Bull. 10-93/1.2.154	OJ C 20/24:194 Bull. 12-93/1.2.233	OJ C 152/3:694 COM(94) 146 Bull. 4-94/1.2.130				OJ L 171/6:794 Bull. 6-94/1.2.158	Political Agreement: Bull. 6-94/1.2.158
643	Reg. (EC) No 3317/94: licences for fishing the waters of third countries in connection with a fisheries agreement	OJ C 34/2:294 Bull. 11-93/1.2.169	OJ C 20/24:194 Bull. 12-93/1.2.233	OJ C 152/3:694 COM(94) 146 Bull. 4-94/1.2.130				OJ L 350/31:1294 Bull. 12-94	Council Agreement: Bull. 6-94/1.2.158
643	Dec. 94/207/EC: contribution by Member States to monitoring expenses	OJ C 334/9:1293 COM(93) 546 Bull. 11-93/1.2.168 27th GR/562	OJ C 133/16:594 Bull. 1/2-94/1.2.144					OJ L 101/20:494 Bull. 4-94/1.2.127	
	Prop. for a Reg. amending Reg. (EEC) No 2847/93: control system for fisheries	OJ C 247/3:994 COM(94) 309 Bull. 7/8-94/1.2.152							

Adjustment of Spanish and Portuguese accession arrangements

644	Reg. (EC) No 1275/94: adjustment arrangements in connection with the accession of Spain and Portugal	OJ C 321/27:1193 COM(93) 493 Bull. 10-93/1.2.152 27th GR/565	OJ C 34/2:294 Bull. 11-93/1.2.170	OJ C 20/24:194 Bull. 12-93/1.2.234	OJ C 92/29:394 COM(94) 35 Bull. 3-94/1.2.140			OJ L 140/3:694 Bull. 5-94/1.2.109	Political Agreement: Bull. 4-94/1.2.126
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^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
644 Prop. for a Reg.: rules for access to certain fishing areas and resources	OJ C 247/3:9:94 (COM/94) 308 Bull. 7/8:94/1.2.152	Bull. 11:94/1.2.163	Bull. 12:94						Council Agreement: Bull. 12:94

Internal resources and policy on conservation and monitoring

648 Reg. (EC) No 1796/94: 15th amendment to Reg. (EEC) No 3094/86 (technical conservation measures)	OJ C 346/24:12:93 COM(93) 615 Bull. 11:93/1.2.174		OJ C 128/9:5:94 Bull. 4:94/1.2.128					OJ L 187/22:7:94 Bull. 7/8:94/1.2.153	
649 Prop. for a Reg. amending for the 16th time Reg. (EEC) No 3094/86: technical measures for conservation	OJ C 118/29:4:94 COM(94) 131 Bull. 4:94/1.2.129	Bull. 9:94/1.2.152	OJ C 305/31:10:94 Bull. 9:94/1.2.152						
649 Prop. for a Reg. amending for the 17th time Reg. (EEC) No 3094/86: technical measures for conservation	COM(94) 481								
650 Reg. (EC) No 3239/94 amending Reg. (EEC) No 2930/86: characteristics of fishing vessels	OJ C 160/11:6:94 COM(94) 182 Bull. 5:94/1.2.114	Bull. 9:94/1.2.153	OJ C 323/21:11:94 Bull. 10:94/1.2:94					OJ L 339/29:12:94 Bull. 12:94	

External resources

656 Reg. (EC) No 858/94: trade in blue-fin tuna	OJ C 174/25:6:93 COM(93) 242 Bull. 6:93/1.2.217		OJ C 268/4:10:93 Bull. 9:93/1.2.137					OJ L 99/19:4:94 Bull. 4:94/1.2.136	
657 Reg. (EC) No 2762/94: amending Reg. (EEC) No 3928/92: NAFO Pilot Observer Scheme	OJ C 193/16:7:94 COM(94) 203 Bull. 6:94/1.2.166		OJ C 323/21:11:94 Bull. 10:94/1.2:98					OJ L 294/15:11:94 Bull. 11:94/1.2.160	

Market organization

661 Reg. (EC) No 1093/94: landing of catches by vessels from third countries	OJ C 219/13:8:93 COM(93) 343 Bull. 7/8:93/1.2.190 27th GR/583	OJ C 352/30:12:93 Bull. 10:93/1.2.164	OJ C 329/6:12:93 Bull. 11:93/1.2.187	OJ C 63/1:3:94 COM(94) 19 Bull. 1/2:94/1.2.150				Bull. 5:94/1.2.118	Political Agreement: Bull. 4:94/1.2.138
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	Commission proposal	ESC opinion/ COR opinion ^a	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
665 Reg. (EC) No 3318/94 amending Reg. (EEC) No 3759/92: common organization of the market in fishery and aquaculture products	OJ C 298/26: 10/94 OJ C 322/19: 11/94 COM(94) 403 Bull. 9/94/1.2.164	Bull. 11-94/1.2.177	Bull. 12-94					OJ L 350/31: 12/94 Bull. 12-94	

Consumer policy

Consumer information and education

673 Prop. for a Dir.: consumer protection regarding price labelling	COM(94) 431								
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Public health and solidarity

Public health

688 Reg. (EC) No 3294/94 amending Reg. (EEC) No 302/93: European Drugs Monitoring Centre	OJ C 225/20: 8/93 COM(93) 219 Bull. 7/8-93/1.2.191		OJ C 61/28: 2/94 Bull. 1/2-94/1.2.189					OJ L 341/30: 12/94 Bull. 12-94	
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Solidarity

692 Dec. 94/782/EC: development of the Handynet system	OJ C 222/10: 8/94 COM(94) 303 Bull. 7/8-94/1.2.175	Bull. 11-94/1.2.218	OJ C 362/19: 12/94 Bull. 11-94/1.2.218					OJ L 316/9: 12/94 Bull. 12-94	
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^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^e	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
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Information, communication, audiovisual media and culture

Audiovisual policy

Prop. for a Dec. amending Dec. 90/685/EEC (MEDIA)	OJ C 322/30.11.93 COM(93) 462 Bull. 10-93/12.75	OJ C 148/30.5.94 Bull. 3-94/12.179	OJ C 205/25.7.94 Bull. 5-94/12.157						
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Role of the European Union in the world

Relations with Mediterranean and Middle East countries

Mediterranean countries

Reg. (EC) No 1733/94: contracts and transactions affected by Security Council Resolution 757/92	OJ C 187/9.7.1993 COM(93) 283 Bull. 6-93/13.31		OJ C 20/24.1.94 Bull. 12-93/13.40					OJ L 182/16.7.94 Bull. 7-94/13.48	
851 Prop. for a Reg. amending Reg. (EEC) No 396/89: extension of economic aid to Croatia	COM(94) 526								
858 Prop. for a Reg.: creation of posts and support to the SME (Maghreb)	OJ C 314/4.8.94 COM(94) 289 Bull. 7-94/13.49		OJ C 323/21.11.94 Bull. 10-94/13.38						
859 Prop. for a Reg.: embargo on Libya for certain goods and services	COM(94) 91 Bull. 3-94/13.60				OJ C 137/19.5.94 Bull. 3-94/13.61	OJ C 205/25.7.94 Bull. 5-94/13.45		OJ L 182/16.7.94 Bull. 7-94/13.50	Commission Opinion on amendments by the EP during the 2nd reading: COM(94) 270
863 Reg. (EC) No 1734/94: cooperation with the Occupied Territories	OJ C 24/28.1.94 COM(93) 719 Bull. 1/2-94/13.63		OJ C 61/28.2.94 Bull. 1/2-94/13.63*						

	Commission proposal	ESC opinion/ COR opinion ^a	EP first/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
Reg. (EC) No 1755/94 amending Reg. (EEC) No 1763/92: financial cooperation with third countries in the Mediterranean	OJ C 24/28.1.94 COM(95) 719 Bull. 172-94/1.3.63		OJ C 61/28.2.94 Bull. 112-94/1.3.63*		OJ C 137/19.5.94 Bull. 3-94/1.3.61	OJ C 205/25.7.94 Bull. 5-94/1.3.45		OJ L 182/16.7.94 Bull. 7/8-94/1.3.50	

Relations with the African, Caribbean and Pacific countries and the overseas countries and territories

Trade cooperation

914	Reg. (EC) No 2686/94: special system of assistance for traditional ACP suppliers of bananas	OJ C 344/29.12.92 COM(92) 465 Bull. 11-92/1.4.44 26th GR/900	OJ C 108/19.4.93 Bull. 172-93/1.3.44	OJ C 115/26.4.93 Bull. 3-93/1.3.42*	OJ C 206/26.7.94 COM(94) 249 Bull. 6-94/1.3.39	OJ C 232/20.8.94 Bull. 7/8-94/1.3.69	OJ C 305/31.10.94 Bull. 9-94/1.3.27	OJ L 286/5.11.94 Bull. 10-94/1.3.55	Political Agreement on a common position: Bull. 6-94/1.3.59
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Overseas countries and territories

942	Prop. for a Reg.: definition of the concept of 'originating product' in the context of the preference system for overseas countries and territories	COM(94) 448 Bull. 10-94/1.3.68							
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Development policy

Generalized system of preferences

948	Reg. (EC) No 3281/94: new GSP scheme (1995-97)	OJ C 333/29.11.94 COM(94) 337 Bull. 9-94/1.3.59	Bull. 10-94/1.3.97	OJ C 341/5.12.94 Bull. 11-94/1.3.100				OJ L 348/31.12.94 Bull. 12-94	
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^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion ^a	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
991 Reg.: protection against imports which are the subject of dumping	COM(94) 414 Bull. 10-94/1.3.70							Bull. 12-94	

Commercial policy

General matters

1004 Reg. No 3295/94: counterfeit and pirated goods	OJ C 238/2.9.93 COM(93) 329 Bull. 7/8-93/1.3.64 27th GR/849	OJ C 52/19.2.94 Bull. 12-93/1.3.71	OJ C 61/28.2.94 Bull. 1/2-94/1.3.102	OJ C 86/23.3.94 COM(94) 43 Bull. 1/2-94/1.3.102				OJ L 341/30.12.94 Bull. 12-94	Substantive Agreement: Bull. 3-94/1.3.82; Political Agreement on a common position: Bull. 6-94/1.3.70; EP Re-consultation on the legal basis: Bull. 12-94
1004 Reg. (EC) No 3381/94: setting up a Community system for the control of exports of certain dual-use goods	OJ C 253/30.9.92 COM(92) 317 Bull. 7/8-92/1.3.13 26th GR/77		OJ C 268/4.10.93 Bull. 9-93/1.3.58	Bull. 1/2-94/1.3.107				OJ L 367/31.12.94 Bull. 12-94	Council Agreement: Bull. 12-93/1.3.73 Bull. 1/2-94/1.3.107
Reg. (EC) No 521/94: deadlines for investigations concerning commercial defence	OJ C 328/4.12.93 COM(93) 541 Bull. 11-93/1.3.60 27th GR/862		OJ C 44/14.2.94 Bull. 1/2-94/1.3.107					OJ L 66/10.3.94 Bull. 3-94/1.3.86	
1023 Prop. for a Dir.: export credit insurance	OJ C 272/30.9.94 COM(94) 297 Bull. 7/8-94/1.3.107								

Individual sectors

1034 Reg. No 3036/94: outward processing for textiles	COM(93) 259 Bull. 7/8-93/1.3.100			COM(94) 328 Bull. 7/8-94/1.3.108				OJ L 322/15.12.94 Bull. 12-94	
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^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

Financing Community activities

Budgets

General budget

	Commission proposal	ESC opinion/ COR opinion ^a	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
1119 Dec. 94/728/EC replacing Dec. 88/576/EEC/Euratom relating to own resources	OJ C 300/6,11,93 COM(93) 438 Bull. 9-93/1,5,3 27th GR/1081	OJ C 52/19,2,94 Bull. 12-93/1,6,5	OJ C 61/28,2,94 Bull. 1/2-94/1,5,6	OJ C 88/25,3,94 COM(94) 71 Bull. 3-94/1,5,10				OJ L 293/12,11,94 Bull. 10-94/1,5,6	Political Agreement on a common position: Bull. 3-94/1,5,10; Common position: Bull. 10-94/1,5,6

Financial control

1133 Reg. (ECSC, EC, Euratom) No 1923/94 amending the Financial Regulation of 21.12.1977	OJ C 254/1,10,92 COM(92) 358 Bull. 9-92/1,5,3 26th GR/1190		OJ C 329/6,12,93 Bull. 11-93/1,6,8	OJ C 56/24,2,94 COM(94) 14 Bull. 1/2-94/1,5,5				OJ L 198/30,7,94 Bull. 7/8-94/1,4,7	Compilation: OJ C 323/21,11,94 Bull. 10-94/1,5,9
1133 Reg. (EC) No 2730/94 amending the Financial Regulation of 21.12.1977	OJ C 68/11,3,93 COM(93) 20 Bull. 1/2-93/1,5,4 27th GR/1081		OJ C 329/6,12,93 Bull. 11-93/1,6,9	OJ C 68/5,3,94 COM(93) 706 Bull. 1/2-94/1,5,3				OJ L 293/12,11,94 Bull. 10-94/1,5,10	
1134 Prop. for a Reg. amending the Financial Regulation of 21/12/1977 (general budget)	OJ C 237/25,8,94 COM(94) 338 Bull. 7/8-94/1,4,6								
1134 Prop. for a Reg. amending the Financial Regulation of 21.12.1977	OJ C 221/17,8,93 COM(93) 328 Bull. 7/8-93/1,5,2 27th GR/1081		OJ C 205/25,7,94 Bull. 5-94/1,4,2	OJ C 225/13,8,94 COM(94) 288 Bull. 7/8-94/1,4,8					
1135 Reg. (EC) No 2728/94: Guarantee Fund to cover risks incurred as a result of guarantees under the general budget	OJ C 68/11,3,93 COM(93) 20 Bull. 1/2-93/1,5,3 27th GR/1081		OJ C 315/22,11,93 Bull. 10-93/1,5,5	OJ C 68/5,3,94 COM(93) 706 Bull. 1/2-94/1,5,2				OJ L 293/12,11,94 Bull. 10-94/1,5,8	Common Position: Bull. 6-94/1,5,4 Conciliation: OJ C 323/21,11,94 Bull. 10-94/1,5,8

	Commission proposal	ESC opinion/ COR opinion ^a	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
1135 Prop. for a Reg. amending Reg. (EEC) No 1552/89: system of own resources	OJ C 26/29 1.93 COM(92) 519 Bull. 12-92/1.6.2		OJ C 329/6.12.93 Bull. 11-93/1.6.12	COM(94) 458 Bull. 10-94/1.5.11					
1135 Prop. for a Reg. amending Reg. (EEC, Euratom) No 1552/89: system of own resources	OJ C 89/26.3.94 COM(93) 683 Bull. 12-93/1.6.4 27th GR/1081		OJ C 128/9.5.94 Bull. 4-94/1.5.14	OJ C 171/24.6.94 COM(94) 190 Bull. 6-94/1.5.3					
1135 Dec. 94/729/EC: budgetary discipline	OJ C 68/11.3.93 COM(93) 20 Bull. 1-2-93/1.5.2 27th GR/1081		OJ C 329/6.12.93 Bull. 11-93/1.6.7	OJ C 68/5.3.94 COM(93) 706 Bull. 1-2-94/1.5.1				OJ L 293/12.11.94 Bull. 10-94/1.5.7	Common Position: Bull. 3-94/1.5.9 Conclusion: OJ C 323/21.11.94 Bull. 10-94/1.5.7
1135 Reg. (EC) No 2729/94 amending Reg. (EEC) No 1552/89: system of own resources	OJ C 68/11.3.93 COM(93) 20 Bull. 1-2-93/1.5.5 27th GR/1081		OJ C 329/6.12.93 Bull. 11-93/1.6.10	OJ C 68/5.3.94 COM(93) 706 Bull. 1-2-94/1.5.4				OJ L 293/12.11.94 Bull. 10-94/1.5.9	Conclusion: OJ C 323/21.11.94 Bull. 10-94/1.5.9
Prop. for a Reg. amending Reg. (EEC, Euratom) No 1553/89: uniform arrangements for the collection of VAT	OJ C 35/9.2.92 COM(92) 580		OJ C 329/6.12.93 Bull. 11-93/1.6.13	OJ C 222/10.8.94 COM(94) 283 Bull. 7/8-94/1.4.5					

Action to combat fraud

1146 Prop. for a Reg.: protection of the Communities' financial interests	OJ C 216/6.8.94 COM(94) 214 Bull. 5-94/1.5.11								
1148 Prop. for a Reg.: mutual assistance between Member State administrations and between these administrations and the Commission	OJ C 56/26.2.93 COM(92) 544 Bull. 12-92/1.3.24 26th GR/73	OJ C 161/14.6.93 Bull. 4-93/1.3.61	OJ C 20/24.1.94 Bull. 12-93/1.3.68*	OJ C 262/28.9.93 COM(93) 350 Bull. 9-93/1.5.55 OJ C 80/17.3.94 COM(94) 34 Bull. 1-2-94/1.3.101					

^a Opinion of the Committee of the Regions.

* Cooperation procedure used.

	Commission proposal	ESC opinion/ COR opinion*	EP first*/ sole reading	Amended Commission proposal	Council common position	EP second reading	Re-examined Commission proposal	Adoption by Council	Comments
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Borrowing and lending operations
Financing Euratom activities

1162 Dec. 94/179/Euratom amending Dec. 77/270/Euratom: Euratom borrowings for improving the safety of nuclear power stations in certain third countries	OJ C 22/26, 1.93 COM(92) 467 Bull. 12-92/1.6.7 26th GR/1207		OJ C 20/24, 1.94 Bull. 12-93/1.6.12 OJ C 44/14, 2.94 Bull. 1/2-94/1.5.9					OJ L 84/29, 3.94 Bull. 3-94/1.5.12	Political Agreement: Bull. 6-93/1.5.6
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Institutions
Administration and management
Language services

1264 Prop. for a Reg. setting up a Translation Centre for bodies of the European Union	OJ C 99/8, 4.94 COM(94) 22								
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Annex III

Table III: Legislation regarding international agreements

	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ COR opinion ^o	EP opinion*/ EP assent**	Council Regulation (or Decision) Conclusion	Comments
The single market and the Community economic and social area									
Internal market									
<i>Free movement of goods</i>									
106	Negotiations on the Community's accession to the <i>Codex Alimentarius</i>	Bull. 9-93/1.2.9 27th GR/76	Bull. 1/2-94/1.2.16						
116	Draft Agreement with New Zealand on health protection measures (public and animal health)	Bull. 4-94/1.2.31							
<i>Intellectual and industrial property</i>									
153	Draft Treaty on trademark law	Bull. 6-94/1.2.40	Bull. 9-94/1.2.33						
<i>Public procurement</i>									
158	Draft Agreement with the United States on government procurement				COM(94) 251 Bull. 6-94/1.2.42				

NB: Agreements that do not require consultation of Parliament are not followed by an asterisk.

^o Opinion of the Committee of the Regions.

* Agreements requiring Parliament's opinion.

** Agreements requiring Parliament's assent.

	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ CDR opinion ^e	EP opinion ^f / EP assent ^g	Council Regulation (or Decision) Conclusion	Comments
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Competition

International aspects

185	Agreement with the United States on the application of the rules of competition	Bull. 12-94			COM(94) 430 Bull. 10-94/1.2.47				
186	Draft Agreement with Canada on rules of competition	Bull. 10-94/1.2.48							

Industrial policy

Individual sectors

215	Agreement on competition in the shipbuilding industry			Bull. 12-94	COM(94) 460 Bull. 11-94/1.2.57			Dec.: Bull. 12-94	
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Research and technology

Implementation of the third framework programme

273	Second Protocol to the Agreement with Japan, the United States and Russia (EDA activities for the ITER reactor)	Bull. 12-93/1.2.110 27th GR/245		Bull. 3-94/1.2.77	COM(94) 53 Bull. 1/2-94/1.2.84			Dec. 92/267/ Euratom OJ L 114/5.5.94 Bull. 3-94/1.2.77	
280	Draft Agreement with Switzerland on participation in the Community's technological research and development programmes	Bull. 6-94/1.2.102							

	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ COR opinion ^o	EP opinion*/ EP assent**	Council Regulation (or Decision) Conclusion	Comments
280	Protocol on the provisional implementation of the Agreement setting up the CIST	Bull. 11-93/1.2.79		Bull. 12-93/1.2.109	COM(93) 644 Bull. 12-93/1.2.109		OJ C 61/28.2.94 Bull. 1/2-94/1.2.83	Reg. (EC) No 500/94 OJ L 64/8.3.94 Bull. 1/2-94/1.2.83	Commission Reg. implementing a conclusion; Bull. 3-94/1.2.75
282	Agreement on scientific and technical cooperation with Australia	Bull. 5-92/1.1.64			OJ C 181/3.7.93 COM(93) 269 Bull. 6-93/1.2.93	OJ C 304/10.11.93 Bull. 9-93/1.2.63	OJ C 315/22.11.93 Bull. 10-93/1.2.69	Dec.: Bull. 1/2-94/1.2.85	
282	Draft Memorandum of Understanding between the EAEC and Canada (nuclear fusion)	Bull. 11-91/1.2.41			COM(94) 343 Bull. 9-94/1.2.97				Commission Recommendation for a signature; COM(94) 551 Bull. 12-94
282	Draft Agreement on scientific and technical cooperation with Canada	Bull. 4-93/1.2.69							
282	Draft scientific and technical Agreement with Israel	Bull. 9-94/1.2.99							
	Draft Agreement on cooperation between the EAEC and the Russian Federation (nuclear fusion)	Bull. 6-91/1.2.99						Dec.: Bull. 12-94	
	Cooperation Agreements with Norway, Sweden and Switzerland on radioprotection				Bull. 9-92/1.2.74				Commission Dec. concerning the conclusion; Bull. 3-94/1.2.78

Education, vocational training and youth Cooperation with non-member countries

313	Draft Cooperation Agreements with the United States and Canada on training and higher education	Bull. 9-94/1.2.188	Bull. 11-94/1.2.211						
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NB: Agreements that do not require consultation of Parliament are not followed by an asterisk.

^o Opinion of the Committee of the Regions.

* Agreements requiring Parliament's opinion.

** Agreements requiring Parliament's assent.

	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ COR opinion ^o	EP opinion*/ EP assent**	Council Regulation (or Decision) Conclusion	Comments
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Energy

Individual sectors

353	Draft: Bilateral Agreements on Nuclear Cooperation with Kazakhstan, Kyrgyzstan, Tadjikistan, Ukraine and Uzbekistan					Bull. 7/8-94/1.2.85			
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Relations with third countries

355	Protocol on energy efficiency	COM(94) 531 Bull. 11-94/1.2.94			Bull. 12-94	COM(94) 531		Dec.: Bull. 11-94/1.2.94	ECSC Consultative Committee Bull. 10-94/1.2.61
355	Treaty on the European Energy Charter				Bull. 12-94	OJ C 344/6.12.94 COM(94) 405 Bull. 9-94/1.2.108; COM(94) 557 Bull. 11-94/1.2.93	Bull. 12-94		

Transport

International cooperation

395	Draft: Agreement with Switzerland on road and air transport	Bull. 1/2-94/1.2.97							
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	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ COR opinion ^o	EP opinion*/ EP assent**	Council Regulation (or Decision) Conclusion	Comments
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Environment

General

495	Convention on desertification			Bull. 10-94/1.2.100	COM(94) 373 Bull. 9-94/1.2.166				
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Industry and environment

503	Second Protocol to the Convention on long-range air pollution (control of sulphur emissions and their trans-boundary fluxes)	Bull. 12-92/1.3.196 26th GR/620		Bull. 11-93/1.2.132		Bull. 6-94/1.2.175		Bull. 6-94/1.2.175	
506	Draft amendment to the Basel Convention	Bull. 3-94/1.2.150		Bull. 3-94/1.2.150					
506	Draft Agreements and Arrangements with third countries (transport of waste)	Bull. 6-94/1.2.177		Bull. 10-94/1.2.106					

Quality of the environment and natural resources

514	Convention on the protection of the marine environment of the Baltic sea area (Helsinki Convention, 1974) ^o				OJ C 222/18.8.93 COM(93) 284 Bull. 7/8-93/1.2.143 27th GR/479	OJ C 34/2.2.94 Bull. 11-93/1.2.136	OJ C 315/22.11.93 Bull. 10-93/1.2.125*	Dec. 94/156/EC OJ L 73/16.3.94 Bull. 1/2-94/1.2.165	Subject: Accession of the Community
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NB: Agreements that do not require consultation of Parliament are not followed by an asterisk.

^o Opinion of the Committee of the Regions.

* Agreements requiring Parliament's opinion.

** Agreements requiring Parliament's assent.

	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ COR opinion*	EP opinion*/ EP assent**	Council Regulation (or Decision) Conclusion	Comments
514	Convention on the protection of the marine environment of the Baltic sea area (revised Helsinki Convention, 1992)*				OJ C 226/18.8.93 COM(93) 285 Bull. 7/8-93/1.2.144 27th GR/479	OJ C 34/2.2.94 Bull. 11-93/1.2.137	OJ C 315/22.11.93 Bull. 10-93/1.2.126*	Dec. 94/157/EC OJ L 73/16.3.94 Bull. 1/2-94/1.2.166	Subject: Accession of the Community
520	Alpine Convention	Bull. 5-91/1.2.156		Bull. 11-91/1.2.185	OJ C 278/5.10.94 COM(94) 336 Bull. 9-94/1.2.171		Bull. 12-94		Council Agreement on the conclusion: Bull. 12-94
520	Protocols to the Alpine Convention	COM(94) 504 Bull. 11-94/1.2.191		Bull. 12-94					
	Protocol concerning the protection of the Mediterranean (Barcelona Convention)	Bull. 1/2-91/1.2.221			COM(92) 169 Bull. 5-92/1.1.129; COM(94) 397 Bull. 9-94/1.2.170				
	Draft Convention on the protection and use of transboundary watercourses and international lakes*	Bull. 1/2-92/1.3.155 26th GR/613		Bull. 3-92/1.2.131	COM(93) 271 Bull. 6-93/1.2.163 27th GR/478	OJ C 34/2.2.94 Bull. 11-93/1.2.135	OJ C 128/9.4.94 Bull. 4-94/1.2.151	Dec. concerning the signature: Bull. 3-92/1.2.131	
	Convention on the protection and long-term use of the Danube			Bull. 6-94/1.2.81	COM(94) 199 Bull. 5-94/1.2.127			Dec.: Bull. 6-94/1.2.181	

Nuclear safety

International action

545	Convention on nuclear safety	Bull. 9-93/1.2.112		Bull. 9-94/1.2.177	COM(94) 362 Bull. 9-94/1.2.177				
546	Agreement on the contribution to the nuclear safety account of the EBRD*	Bull. 3-93/1.2.107 27th GR/511		Bull. 4-93/1.2.114	COM(93) 515 Bull. 10-93/1.2.131		OJ C 91/28.3.94 Bull. 3-94/1.2.158*	Dec. 94/479/EC OJ L 200/3.8.94 Bull. 3-94/1.2.158	

	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ CORK opinion ^a	EP opinion [*] / EP assent ^{**}	Council Regulation (or Decision) Conclusion	Comments
Social policy									
<i>International cooperation</i>									
593	Draft ILO Convention on part-time work	Bull. 6-94/1.2.196							
593	Draft ILO Recommendation on health and safety in mines	Bull. 4-94/1.2.163. Bull. 6-94/1.2.196							
Agricultural policy									
<i>Priority activities and objectives</i>									
595	Draft Bilateral Agreement with Switzerland on agriculture	Bull. 7/8-94/1.2.150 Bull. 10-94/1.3.17							
<i>Management of the common agricultural policy</i>									
615	Agreement with Australia on trade in wine	Bull. 12-92/1.3.232 Bull. 12-92/1.3.232			COM(93) 304 Bull. 7/8-93/1.2.158 27th GR/528			Dec. 94/184/EC OJL 86/31.3.94 Bull. 1/2-94/1.2.131	
615	Draft Agreement with the United States on spirits	Bull. 1/2-93/1.2.178 Bull. 12-93 COM(93) 6 COM(93) 714 27th GR/528						Dec. 94/357/EC OJL 157/24.6.94 Bull. 1/2-94/1.2.132	

NB: Agreements that do not require consultation of Parliament are not followed by an asterisk.

^a Opinion of the Committee of the Regions.^{*} Agreements requiring Parliament's opinion.^{**} Agreements requiring Parliament's assent.

	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ COR opinion*	EP opinion* / EP assent**	Council Regulation (or Decision) Conclusion	Comments
	Agreement with Chile on the importation of apples and pears			Bull. 5-94/1.2.101	Bull. 5-94/1.2.101			Dec. 94/294/EC OJ L 130/25.5.94 Bull. 5-94/1.2.101	
	Draft Agreement on bananas (Article XXVIII of GATT)	Bull. 10-93/1.2.138							

Fisheries

External resources

653	Fisheries Agreement with Argentina*		Bull. 11-92/1.3.222 26th GR/576	Bull. 5-92/1.2.115	OJ C 64/6.3.92 COM(93) 12 Bull. 1/2-93/1.2.198 27th GR/576		OJ C 194/19.7.93 Bull. 6-93/1.2.212	Reg. (EEC) No 3447/93 OJ L 318/20.12.93 Bull. 9-93/1.2.135	
654	Draft Agreement with Angola on the provisional application of the Protocol to the Fisheries Agreement				OJ C 184/6.7.94 COM(94) 211 Bull. 6-94/1.2.162			Dec. 94/646/EC OJ L 251/27.9.94 Bull. 9-94/1.2.154	
654	Protocol to the Fisheries Agreement with Angola (1994-96)				OJ C 184/6.7.94 COM(94) 211 Bull. 6-94/1.2.162		OJ C 323/21.11.94 Bull. 10-94/1.2.95	Reg. (EC) No 3020/94 OJ L 324/16.12.94 Bull. 12-94	
654	Draft Fisheries Protocol with the Ivory Coast (1994-97)				COM(94) 385 Bull. 9-94/1.2.157				
654	Draft Fisheries Agreement with the Ivory Coast on the provisional application of the Protocol and financial compensation (1994-97)				COM(94) 385 Bull. 9-94/1.2.157				
654	Protocol to the Fisheries Agreement with Guinea-Bissau (1993-95)*				OJ C 198/22.7.93 COM(93) 292 Bull. 7-8-93/1.2.183 27th GR/577		OJ C 20/24.1.94 Bull. 12-93/1.2.246*	Reg. (EC) No 40/94 OJ L 60/3.3.94 Bull. 1/2-94/1.2.148	

	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ COR opinion ^o	EP opinion*/ EP assent**	Council Regulation (or Decision) Conclusion	Comments
654	Agreement with Guinea on the provisional application of the Protocol to the Fisheries Agreement				COM(94) 138 Bull. 4-94/1.2.134			Dec. 94/456/EC OJ L 188/22.7.94 Bull. 6-94/1.2.164	
654	Draft Fisheries Protocol with Equatorial Guinea (1994-97)				COM(94) 387 Bull. 9-94/1.2.160				
654	Agreement with Mauritius on the provisional application of the Protocol to the Fisheries Agreement				COM(94) 32 Bull. 1/2-94/1.2.149			Dec. 94/289/EC OJ L 124/18.5.94 Bull. 5-94/1.2.117	
654	Protocol to the Fisheries Agreement with Mauritius (1993-96)*				COM(94) 32 Bull. 1/2-94/1.2.149		OJ C 205/25.7.94 Bull. 5-94/1.2.117*	Reg. (EC) No 1797/94 OJ L 187/22.7.94 Bull. 7/8-94/1.2.154	
654	Draft Agreement with Cape Verde on the provisional application of the Protocol and financial compensation (1994-97)				COM(94) 388 Bull. 9-94/1.2.155				
654	Draft Fisheries Protocol with Cape Verde (1994-97)				COM(94) 388 Bull. 9-94/1.2.155				
654	Draft Fisheries Protocol with the Comoros (1994-97)				COM(94) 390 Bull. 9-94/1.2.156				
654	Draft Agreement with the Comoros on the provisional application of the Fisheries Protocol and financial contribution (1994-97)				COM(94) 390 Bull. 9-94/1.2.156				
654	Protocol to the Agreement with Mauritania (1993-96)				COM(93) 370 Bull. 7/8-93/1.2.184		OJ C 128/9.5.94 Bull. 4-94/1.2.135	Reg. (EC) No 1348/94 OJ L 149/15.6.94 Bull. 6-94/1.2.165	
654	Protocol to the Fisheries Agreement with the Gambia (1990-96)				COM(93) 338 Bull. 7/8-93/1.2.182 27th GR/577		OJ C 61/28.2.94 Bull. 1/2-94/1.2.147	Reg. (EC) No 634/94 OJ L 79/23.3.94 Bull. 3-94/1.2.141	

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654	Draft Agreement amending the Fisheries Agreement between the European Community, the government of Denmark and the local government of Greenland				OJ C 282/8 10.94 COM(94) 392 Bull. 9-94/1.2.158				
654	Draft Third Protocol to the Fisheries Agreement between the European Community, the government of Denmark and the local government of Greenland				OJ C 287/15 10.94 COM(94) 393 Bull. 9-94/1.2.159				
654	Draft Amendment to the 1985 Fisheries Agreement with the local government of Greenland	Bull. 6-94/1.2.163							
654	Draft Fisheries Agreement with Morocco ^o	Bull. 10-94/1.2.96							
654	Draft Agreement on the provisional application of the Fisheries Protocol with Senegal (1994-96)				COM(94) 514				
654	Draft Fisheries Protocol with Senegal (1994-96)				COM(94) 514				
658	Prop. for a Dec. on accession to the Agreement setting up the Indian Ocean Tuna Commission				COM(94) 386 Bull. 9-94/1.2.162				
658	Planned accession to the Agreement to promote compliance with international measures by fishing vessels on the high seas				OJ C 229/18.8.94 COM(94) 331 Bull. 7/8-94/1.2.156		Bull. 12-94		

Role of the European Union in the world

European Economic Area, EFTA countries

Relations with the EFTA countries

784	Draft Agreement with Switzerland on the free movement of persons	Bull. 12-93/1.2.32 27th GR/101	Bull. 10-94/1.3.17							
784	Draft Agreement with Switzerland on the free movement of persons, research, agriculture, conformity evaluation and government procurement		Bull. 10-94/1.3.17							

Central and Eastern Europe and Independent States of the former Soviet Union

Central and Eastern Europe

786	Draft Europe Association Agreement with the Czech Republic**	Bull. 1/2-93/1.3.2	Bull. 4-93/1.3.16	Bull. 6-93/1.3.17	Bull. 10-93/1.3.14	COM(93) 386 Bull. 7/8-93/1.3.13		OJ C 315/22.11.93 Bull. 10-93/1.3.14**	Dec. Bull. 12-94	ECSC Consultative Committee Bull. 9-93/1.3.10; Council Dec. on the signature: Bull. 10-93/1.3.14
786	Draft Europe Association Agreement with the Slovak Republic**	Bull. 1/2-93/1.3.2	Bull. 4-93/1.3.16	Bull. 6-93/1.3.17	Bull. 10-93/1.3.14	COM(93) 386 Bull. 7/8-93/1.3.13		OJ C 315/22.11.93 Bull. 10-93/1.3.14**	Dec. Bull. 12-94	ECSC Consultative Committee Bull. 9-93/1.3.10; Council Dec. on the signature: Bull. 10-93/1.3.14

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786	Draft Europe Association Agreement with Bulgaria**	Bull. 5-92/1.2.12 26th GR/746	Bull. 11-92/1.4.11 26th GR/746	Bull. 3-93/1.3.8	COM(93) 45 Bull. 1-2-93/1.3.7		OJ C 315/22.11.93 Bull. 10-93/1.3.12**	Dec. Bull. 12-94	Council Dec. on the signature Bull. 3-93/1.3.8
786	Draft Europe Association Agreement with Romania**	Bull. 5-92/1.2.12 26th GR/746	Bull. 11-92/1.4.12 26th GR/746	Bull. 1-2-93/1.3.9	COM(92) 511 Bull. 12-92/1.4.14 26th GR/746		OJ C 315/22.11.93 Bull. 10-93/1.3.16**	Dec. Bull. 12-94	Council Dec. on the signature Bull. 1-2-93/1.3.9
787	Draft Free Trade Agreement with Estonia	Bull. 1-2-94/1.3.13 Bull. 1-2-94/1.3.39	Bull. 7-8-94/1.3.33	Bull. 7-8-94/1.3.33	COM(94) 330 Bull. 7-8-94/1.3.33		OJ C 341/5.12.94 Bull. 11-94/1.3.26*	Dec. Bull. 12-94	ECSC Consultative Committee Bull. 10-94/1.3.23
787	Draft Free Trade Agreement with Latvia	Bull. 12-93/1.3.13 Bull. 1-2-94/1.3.39 26th GR/650	Bull. 6-94/1.3.24	Bull. 7-8-94/1.3.34	COM(94) 326 Bull. 7-8-94/1.3.34		OJ C 341/5.12.94 Bull. 11-94/1.3.27*	Dec. Bull. 12-94	ECSC Consultative Committee Bull. 10-94/1.3.24
787	Draft Free Trade Agreement with Lithuania	Bull. 12-93/1.3.13 Bull. 1-2-94/1.3.39	Bull. 6-94/1.3.25	Bull. 7-8-94/1.3.35	COM(94) 327 Bull. 7-8-94/1.3.35		OJ C 341/5.12.94 Bull. 11-94/1.3.28*	Dec. Bull. 12-94	ECSC Consultative Committee Bull. 10-94/1.3.25
787	Draft Free Trade Agreements with the Baltic States	Bull. 10-94/1.3.22							
786	Draft additional Protocols to the Europe Association Agreements on the opening of Community Programmes	Bull. 5-94/1.3.28							

Independent States of the former Soviet Union

807	Partnership and Cooperation Agreement with Russia	Bull. 7-8-92/1.4.3 26th GR/784 Bull. 3-93/1.3.19 27th GR/672	Bull. 10-92/1.4.19 Bull. 4-93/1.3.18	Bull. 6-94/1.3.30	COM(94) 257 Bull. 6-94/1.3.30			Dec. Bull. 6-94/1.3.30	Council Conclusions Bull. 4-94/1.3.27
807	Partnership and Cooperation Agreement with Ukraine	Bull. 7-8-92/1.4.3 26th GR/784 Bull. 1-2-94/1.3.52	Bull. 10-92/1.4.19 Bull. 3-94/1.3.51	Bull. 6-94/1.3.34	COM(94) 226 Bull. 6-94/1.3.34			Dec. Bull. 6-94/1.3.34	

	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ COR opinion ^o	EP opinion [*] / EP assent ^{**}	Council Regulation (or Decision) Conclusion	Comments
807	Partnership and Cooperation Agreement with Moldova			Bull. 11-94/1.3.35	COM(94) 477				ECSC Consultative Committee Bull. 12-94
807	Partnership and Cooperation Agreement with Kazakhstan	Bull. 7/8-92/1.4.3 26th GR/784 Bull. 3-93/1.3.19 27th GR 672	Bull. 5-94/1.3.35	Bull. 10-92/1.4.19 Bull. 4-93/1.3.18	OJ C 319/16.11.94 COM(94) 411 Bull. 10-94/1.3.32				Council Dec. on the signature Bull. 12-94
807	Partnership and Cooperation Agreement with Kyrgyzstan	Bull. 7/8-92/1.4.3 26th GR/784 Bull. 3-93/1.3.19 27th GR 672	Bull. 5-94/1.3.36	Bull. 10-92/1.4.19	OJ C 326/24.11.94 COM(94) 412 Bull. 10-94/1.3.33				Council Dec. on the signature Bull. 12-94
807	Draft Partnership and Cooperation Agreement with Belarus	Bull. 7/8-92/1.4.3; Bull. 10-94/1.3.31	Bull. 12-94	Bull. 10-92/1.4.19; Bull. 11-94/1.3.33					
807	Draft Interim Agreement with Belarus			Bull. 11-94/1.3.34					
808	Draft Interim Agreement with Ukraine on trade and support measures	Bull. 6-94/1.3.35		Bull. 6-94/1.3.35	COM(94) 341 Bull. 7/8-94/1.3.46				ECSC Consultative Committee Bull. 12-94
808	Draft Interim Agreement with Russia on trade and trade-related matters	Bull. 7/8-94/1.3.45	Bull. 12-94	Bull. 7/8-94/1.3.45					
808	Draft Interim Agreement with Moldova on trade and support measures	Bull. 7/8-94/1.3.44		Bull. 7/8-94/1.3.44					
808	Draft Interim Agreement with Kazakhstan on trade and support measures	Bull. 7/8-94/1.3.41	Bull. 12-94	Bull. 7/8-94/1.3.41					
808	Draft Interim Agreement with Kyrgyzstan on trade and support measures	Bull. 7/8-94/1.3.42		Bull. 7/8-94/1.3.42					

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Other industrialized countries

843	Cooperation Agreement with South Africa			Bull. 10-94/1.3.44	OJ C 282/8.10.94 COM(94) 402 Bull. 9-94/1.3.16		OJ C 362/19.12.94 Bull. 11-94/1.3.52	Dec. 94/822/EC OJ L 341/30.12.94 Bull. 12-94	
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Relations with Mediterranean and Middle East countries

Mediterranean countries

847	Draft Fourth Financial Protocol with Cyprus	Bull. 3-94/1.3.55							
847	Draft Fourth Financial Protocol with Malta	Bull. 3-94/1.3.56							
852	Agreement on trade and economic cooperation with Slovenia*	Bull. 6-92/1.4.14	Bull. 11-92/1.4.31	Bull. 4-93/1.3.22	COM(92) 487 Bull. 11-92/1.4.31		OJ C 194/19.7.93 Bull. 6-93/1.3.27*	Dec. 93/407/EEC OJ L 189/29.7.93 Bull. 7/8-93/1.3.25	
852	Draft Europe Association Agreement with Slovenia	Bull. 4-94/1.3.33							
	Draft New Agreement with Tunisia**	Bull. 11-93/1.3.26							
	Draft New Agreement with Morocco**	Bull. 12-92/1.4.20 Bull. 6-93/1.3.25	Bull. 5-91/1.3.39	Bull. 6-91/1.3.33 Bull. 7/8-91/1.3.29	OJ C 162/21.6.91 COM(91) 203 Bull. 5-91/1.3.39		OJ C 39/17.2.92 Bull. 1/2-92/1.4.32 OJ C 305/24.11.92 Bull. 10-92/1.4.31 OJ C 115/26.4.93 Bull. 3-93/1.3.26 OJ C 20/24.1.94 Bull. 12-93/1.3.36** 27th GR/749	Dec. 94/67/EC OJ L 32/5.2.94 Bull. 1/2-94/1.3.61	
865	Draft Fourth Financial Protocol with Syria**								

	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ COR opinion ^o	EP opinion*/ EP assent**	Council Regulation (or Decision) Conclusion	Comments
866	Draft Agreement with Egypt**	Bull. 11-94/1.3.44							
	Draft Association Agreement with Israel**	Bull. 12-94 Bull. 12-93/1.3.31							Council Agreement in principle Bull. 10-93/1.3.27

Middle East countries

784	Draft Agreement amending the Cooperation Agreement with Yemen*	Bull. 5-92/1.2.26 Bull. 6-92/1.4.21 26th GR/859			OJ C 310/16.11.93 COM(93) 504 Bull. 10-93/1.3.31		OJ C 128/9.5.94 Bull. 4-94/1.3.35*		
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Relations with the countries of Asia

South Asia

876	Draft Cooperation Agreement with Sri Lanka*	Bull. 1-2-93/1.3.37	Bull. 12-93/1.3.53	Bull. 7/8-94/1.3.57	OJ C 86/23.3.94 COM(94) 15 Bull. 1-2-94/1.3.74		Bull. 12-94		Dec. concerning the signature Bull. 7/8-94/1.3.57
877	Cooperation Agreement with India*	Bull. 9-92/1.3.33	Bull. 12-92/1.4.37	Bull. 12-93/1.3.52	OJ C 103/14.4.93 COM(93) 82 Bull. 3-93/1.3.35		OJ C 128/9.5.94 Bull. 4-94/1.3.41	Dec. 94/578/EC OJ L 223/27.8.94 Bull. 7/8-94/1.3.56	Dec. concerning the signature Bull. 6-93/1.3.39
879	Draft Framework Agreement with Nepal*	Bull. 10-94/1.3.48							

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Relations with the African, Caribbean and Pacific countries and the overseas countries and territories

Fourth Lomé Convention

916	Draft Protocol to the Fourth ACP-EC Convention: adjustments following accessions	Bull. 12-94							
917	Fourth Lomé Convention: half-way stage of partial revision	Bull. 9-93/1.3.44 Bull. 1-2-94/1.3.80							

Sugar Protocol

926	Draft Agreements on guaranteed prices for cane sugar (1993-94)	Bull. 7/8-93/1.3.54			COM(94) 426 Bull. 10-94/1.3.60			Bull. 11-94/1.3.66	
926	Draft Agreements on guaranteed prices for cane sugar (1994-95)	Bull. 11-94/1.3.66							

Development policy

Commodities and world agreements

954	Draft International Coffee Agreement (1994)				COM(94) 255 Bull. 6-94/1.3.92			Dec. 94/570/EC OJ L 22/26.8.94 Bull. 7/8-94/1.3.113	
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	Commission recommendation	Council Decision/ Negotiating Directives	Initials	Signature	Commission proposal/ Conclusion	ESC opinion/ COR opinion ^o	EP opinion*/ EP assent**	Council Regulation (or Decision) Conclusion	Comments
955 International Cocoa Agreement					COM(93) 513 Bull. 10-93/1.3.61 27th GR/819; COM(94) 8 Bull. 1/2-94/1.3.143				Dec. 94/109/EC concerning the signature and the provisional application of the agreement OJ L 52/23.2.94 Bull. 1/2-94/1.3.143
956 Draft Third International Agreement on natural rubber (INRA)	Bull. 1/2-94/1.3.145	Bull. 3-94/1.3.108							

Commercial policy

Individual sectors

1037 Protocol maintaining in force the Multifibre Arrangement									
1040 Draft Protocols to the Textile Agree- ments and Bilateral Arrangements in order to take accessions into account	Bull. 9-94/1.3.55	Bull. 10-94/1.3.94			COM(94) 101 Bull. 3-94/1.3.103			OJ L 124/18.5.94 Bull. 5-94/1.3.84	
1041 Draft Agreement with the People's Republic of China on trade in textile products other than those covered by the existing Agreement	Bull. 4-94/1.3.84	Bull. 4-94/1.3.84							
1042 Draft Agreement with Turkey on clothing products	Bull. 11-94/1.3.95								
1044 Draft Agreement with the United Arab Emirates on clothing products	Bull. 4-94/1.3.86								

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International organizations and conferences

United Nations and UN specialized agencies

1056 Draft Agreement relating to the application of part XI of the Convention on the Law of the Sea					COM(94) 305 Bull. 7/8-1994/1.3.73				Dec. 94/562/EC on the signature OJ L 215/20.8.94 Bull. 7/8-94/1.3.73
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Human rights and fundamental freedoms

Inside the Union

1093 Planned accession to the European Convention on the Safeguarding of Human Rights									Council Dec. to request an Opinion from the Court of Justice Bull. 4-94/1.1.4
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Annex IV

Annex to Chapter VIII

Activities of the Court of Justice

TABLE 1
Cases analysed by subject matter
1994

	ECSC	Euratom	EC											Privileges and immunities Article 220 Conventions	Staff cases	Total		
			Free movement of goods	Customs	Agriculture	Fisheries	Right of establishment and freedom to supply services	Free movement of workers and social security	Transport	Competition	State aid	Taxation	Commercial policy and trade protection				Environment	Other
Actions brought (appeals)	1	—	69	17	59	6 (2)	47	44	11	14 (1)	6	25 (1)	6	11 (2)	23 (2)	3	5 (5)	347 (13)
Cases not resulting in a judgment (appeals)	—	—	23	1	12	1	3	8	2	3	1	4	2	2	1	2	—	65 (—)
Cases decided (appeals)	1 (1)	1	25	13	38	1	16	36	7	17 (6)	12	4 (1)	3	9	11	8	13 (12)	215 (20)

TABLE 2
Cases analysed by type (EC Treaty)¹
1994

	Proceedings brought under												Total			
	Art. 93(2)	Art. 169	Art. 173				Art. 175	Art. 177	Art. 178 and 215	Art. 181	Art. 185 and 186	Art. 228(6)		Art. 220 Conven- tions	Appeals	
				By govern- ments	By Com- munity institu- tions	By individ- uals										Total
Actions brought	1	90 ¹	25	4	3	32	—	200	—	2	3	3	2	13	346	
Cases not resulting in a judgment	—	34	3	—	—	3	—	26	—	1	—	—	1	—	65	
Cases decided	—	30	17	3	4	24	—	128	1	—	4	1	6	19	213	
In favour of applicant	—	29	7	1	3	11	—	—	—	—	—	—	—	4	44	
Dismissed on the merits	—	—	10	2	—	12	—	—	—	1	4	—	—	15	32	
Rejected as inadmissible	—	1	—	—	1	1	—	—	—	—	—	—	—	—	2	

1. Of which one case introduced under Art. 225 of the EC Treaty.

¹ Of which one case introduced under Art. 225 of the EC Treaty.

Activities of the Court of First Instance

TABLE 1
Cases analysed by subject matter
1994

	ECSC	Euratom	EC												Privileges and immunities	Staff cases	Total	
			Free movement of goods	Customs	Agriculture	Fisheries	Right of establishment and freedom to supply services	Free movement of workers and social security	Transport	Competition	State aid	Taxation	Commercial policy and trade protection	Environment				Other
Actions brought	21	2	—	2	216	7	—	2	1	59	12	3	20	2	18	—	85	460 ¹
Cases not resulting in a judgment	4	—	—	1	298	—	—	—	—	1	1	—	—	—	—	—	19	324
Cases decided	1	—	—	—	40	5	2	2	—	21	1	2	—	2	7	—	67	150

1. Of which 14 were transferred from the Court of Justice to the Court of First Instance (Council Decision of 8 June 1993).

¹ Of which 14 were transferred from the Court of Justice to the Court of First Instance (Council Decision of 8 June 1993).

TABLE 2
Cases analysed by type (EC Treaty)¹
1994

	Proceedings brought under						Total
	Art. 173 (individuals)	Art. 175 (individuals)	Arts 178 and 215	Art. 179	Art. 181	Arts 185 and 186	
Actions brought	115	3	177	82	—	50	427
Cases not resulting in a judgment	4	2	297	16	—	1	320
Cases decided	30	2	1	59	—	57	149
In favour of applicant	5	—	—	14	—	8	27
Dismissed on the merits	12	—	1	28	—	49	90
Rejected as inadmissible	13	2	—	17	—	—	32

¹ ECSC: 21 actions brought; one case decided in favour of the applicant; four removed from the register.
Euratom: 2 actions brought.

Institutions and other bodies

European Parliament

Secretariat
Centre européen, Plateau du Kirchberg
L-2929 Luxembourg
Tel.: 43 001

Council of the European Union

General Secretariat
Rue de la Loi 170
B-1048 Brussels
Tel.: 234 61 11

European Commission

Rue de la Loi 200
B-1049 Brussels
Tel.: 299 11 11

Court of Justice of the European Communities

Boulevard Konrad Adenauer
L-2925 Luxembourg
Tel.: 43 031

Court of Auditors of the European Communities

12 rue Alcide de Gasperi
L-1615 Luxembourg
Tel.: 43 981

Economic and Social Committee

Rue Ravenstein 2
B-1000 Brussels
Tel.: 519 90 11

Committee of the Regions

Rue Ravenstein 2
B-1000 Brussels
Tel.: 546 22 11

ECSC Consultative Committee

Bâtiment Jean Monnet
Rue Alcide De Gasperi
L-2920 Luxembourg
Tel.: 430 11

European Investment Bank

100 boulevard Konrad Adenauer
L-2950 Luxembourg
Tel.: 43 791

European Monetary Institute

Postfach 10 20 31
D-60020 Frankfurt am Main
Tel.: 24 00 06 91

List of abbreviations

ABC	Clearing Bank Association
ACE	Community action programme for the environment
ACNAT	Action by the Community relating to nature conservation
ACP	African, Caribbean and Pacific countries party to the Lomé Convention
ACTS	Communications technology and services programme
ADAPT	Community initiative for the adaptation of the workforce to industrial change
Al-Invest	Framework industrial cooperation and investment promotion programme for the countries of Latin America
Altener	Specific actions for greater penetration for renewable energy sources
APEC	Asia-Pacific Economic Cooperation Forum
Aproma	Association of Market Production, European Community/Africa-Caribbean-Pacific
ASEAN	Association of South-East Asian Nations
ATA	Temporary admission — 'admission temporaire'
Atlantis	Pilot measure to promote economic development and the environment in the Community's Atlantic regions
BC-Net	Business Cooperation Network
BCC	Business Cooperation Centre
Bridge	Biotechnology research for innovation, development and growth in Europe
BRITE/EURAM	European research on advanced materials (specific research and technological development programme in the fields of industrial manufacturing technologies and advanced materials applications)

CAP	Common agricultural policy
CARE	Community database on road accidents
CCAMLR	Commission for the Conservation of Antarctic Marine Living Resources
CCC	Consumers Consultative Council
Cedefop	European Centre for the Development of Vocational Training
CELEX	Interinstitutional system of computerized documentation on Community law
CERN	European Centre for Nuclear Research
CFSP	Common foreign and security policy
CIS	Commonwealth of Independent States
Coleacp	Europe-ACP Liaison Committee for the Promotion of Tropical Fruit, Out-of-Season Vegetables, Flowers, Pot Plants and Spices
Comett	Community action programme in education and training for technology (programme on cooperation between universities and enterprises regarding training in the field of technology)
Cordis	Community research and development information service
COST	European cooperation on scientific and technical research
CSCE	Conference on Security and Cooperation in Europe
CSF	Community support framework
CSO	Committee of Senior Officials (CSCE)
CTS	Conformance testing services
EAGGF	European Agricultural Guidance and Guarantee Fund
EBN	European business and innovation centre network
EBRD	European Bank for Reconstruction and Development
ECE	Economic Commission for Europe (UN)
ECHO	European Community Humanitarian Office

ECIP	EC International Investment Partners
ECOS	European city cooperation system
EDA	Engineering design activities
EDF	European Development Fund
EDI	Electronic data interchange
Edicom	Commerce electronic data interchange
Edifact	Electronic data interchange for administration, commerce and transport
EEA	European Economic Area
EFICS	European forestry information and communication system
EFTA	European Free Trade Association
Ehlass	Community system of information on home and leisure accidents
EIB	European Investment Bank
EIC	Euro-Info Centre
EIF	European Investment Fund
EMI	European Monetary Institute
EMS	European Monetary System
EMU	Economic and monetary union
EOTC	European Organization for Testing and Certification
Erasmus	European Community action scheme for the mobility of university students
ERDF	European Regional Development Fund
ESA	European system of integrated economic accounts
ESA	European Space Agency
ESF	European Social Fund
ESSI	European software and systems initiative
ETSI	European Telecommunications Standards Institute
Eurocontrol	European Organization for the Safety of Air Navigation

Eurolib	European library project
Eurostat	Statistical Office of the European Communities
Eurotecnet	Community action programme in the field of vocational training and technological change
FAO	Food and Agriculture Organization (UN)
FIFG	Financial instrument for fisheries guidance
FORCE	Community action programme for the development of continuing vocational training
GATT	General Agreement on Tariffs and Trade (UN)
GCC	Gulf Cooperation Council
GNP	Gross national product
GSP	Generalized system of preferences
Helios	Community action programme for disabled people (handicapped people in the European Community living independently in an open society)
IAEA	International Atomic Energy Agency (UN)
IBRD	International Bank for Reconstruction and Development (World Bank) (UN)
ICRC	International Committee of the Red Cross
IDA	Interchange of data between administrations
IEFR	International Emergency Food Reserve
IMF	International Monetary Fund (UN)
IMP	Integrated Mediterranean programme
Impact	Information market policy actions (plan of action for setting up an information services market)
Interreg	Community initiative concerning border areas
Intrastat	Statistical collection system
ISDN	Integrated services digital network
ITU	International Telecommunication Union
IWC	International Whaling Commission

JET	Joint European Torus
JICS	Joint Interpreting and Conference Service
Konver	Programme to assist areas affected by the rundown of production for military purposes and of military installations
LIFE	Financial instrument for the environment
Lingua	Programme to promote foreign language competence in the European Community
MED-Campus	Programme to support development cooperation schemes between the universities and higher educational establishments of Europe and the Mediterranean non-member countries (MNCs)
MED-Media	Programme to support cooperation between media institutions, organizations and companies in the Community and in the Mediterranean non-member countries (MNCs)
MED-Urbs	Programme to support cooperation between local authorities in the Community and those in Mediterranean non-member countries (MNCs)
MEDIA	Action programme to promote the development of the European audiovisual industry
Medspa	Strategy and plan of action for the protection of the environment in the Mediterranean
MFA	Multifibre Arrangement (arrangement regarding international trade in textiles)
MSA	Multilateral Steel Agreement
NAFO	Northwest Atlantic Fisheries Organization
NATO	North Atlantic Treaty Organization
NCI	New Community Instrument
NET	Next European Torus
NGO	Non-governmental organization
NIP	National indicative programme
NIS	New Independent States

Norspa	Action to protect the environment in the coastal areas and coastal waters of the Irish Sea, North Sea, Baltic Sea and North-East Atlantic Ocean
NPA	New partnership approach
NPT	Treaty on the non-proliferation of nuclear weapons
OAS	Organization of American States
OCTs	Overseas countries and territories
ODIHR	Office for Democratic Institutions and Human Rights
OECD	Organization for Economic Cooperation and Development
OICVP	Veterinary and Phytosanitary Inspections Office
ONP	Open network provision
OPET	Organization for the promotion of energy technologies
Ouverture	Cooperation network with East European regions
PACE	Community action programme for improving the efficiency of electricity use
PEDIP	Financial assistance for Portugal for a specific industrial development programme
PETRA	Action programme for the vocational training of young people and their preparation for adult and working life
PHARE	Poland and Hungary — Aid for economic restructuring
PINC	Community illustrative nuclear programme
Poseican	Programme of options specific to the remote and insular nature of the Canary Islands
Poseidom	Programme of options specific to the remote and insular nature of the overseas departments
Poseima	Programme of options specific to the remote and insular nature of Madeira and the Azores
PRO	Protracted refugee operation (UN)
R&TD	Research and technological development
RACE	Research and development in advanced communications technologies in Europe

Rechar	Community initiative concerning the economic conversion of coalmining areas
Recite	Regions and cities for Europe
REGIS	Community initiative concerning the most remote regions
RETEX	Community initiative for regions heavily dependent on the textiles and clothing sector
RITTS	Regional innovation and technology transfer strategies and infrastructure
SAARC	South Asia Association for Regional Cooperation
SADC	Southern African Development Community
SAF	Structural adjustment facility
SAVE	Specific actions for vigorous energy efficiency
SCAN	Subcontracting assistance network
SDC	Sustainable Development Commission (UN)
SDRs	Special drawing rights (IMF)
SOLAS	Safety of Life at Sea (Convention)
SPA	Special programme of assistance for sub-Saharan Africa
SPDs	Single programming documents
Sprint	Strategic programme for innovation and technology transfer
Stabex	System for the stabilization of ACP and OCT export earnings
Sysmin	System for the stabilization of export earnings from mining products
Systran	Computer translation system (system translation)
TAC	Total allowable catch
TACIS	Programme for technical assistance to the Commonwealth of Independent States
TAM	Trade assessment mechanism
TARIC	Integrated Community tariff

TEDIS	Communications network — Community programme on trade electronic data interchange systems
Tempus	Trans-European mobility scheme for university studies
TENs	Trans-European networks
Thermie	Projects for the promotion of energy technology
TIDE	Technology for the socioeconomic integration of the disabled and elderly people
TNA	Telematics networks between administrations
TSIs	Technical specifications for interoperability
UCLAF	Unit for the coordination of fraud prevention
UDEAC	Central African Customs and Economic Union
UMOA	West African Monetary Union
UN	United Nations
UNCED	United Nations Conference on Environment and Development
Unctad	United Nations Conference on Trade and Development
UNIDCP	United Nations International Drug Control Programme
UNIDO	United Nations Industrial Development Organization
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UPU	Universal Postal Union
URBAN	Initiative for urban areas
VALUE	Specific programme for the dissemination and utilization of research results (valorization and utilization for Europe)
WEU	Western European Union
WFP	World Food Programme (UN)
WHO	World Health Organization (UN)
WIPO	World Intellectual Property Organization (UN)
WTO	World Trade Organization

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