

COUNCIL OF THE EUROPEAN COMMUNITIES

PRESS RELEASES

PRESIDENCY: PORTUGAL

JANUARY-JUNE 1992

Meetings and press releases May 1992

<b>Meeting number</b>	<b>Subject</b>	<b>Date</b>
1571 <sup>st</sup>	Development	4 May 1992
1572 <sup>nd</sup>	Development/Environment	5 May 1992
1573 <sup>rd</sup>	General Affairs	11 May 1992
1574 <sup>th</sup>	Internal Market	14 May 1992
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1576 <sup>th</sup>	Culture	18 May 1992
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1578 <sup>th</sup>	Justice	18 May 1992
1579 <sup>th</sup>	Agriculture	18-21 May 1992
1580 <sup>th</sup>	Energy	21 May 1992
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1582 <sup>nd</sup>	No record of a meeting	



COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT



PRESS RELEASE

5948/92 (Presse 62)

1571st Council meeting

DEVELOPMENT

Brussels, 4 May 1992

President: Mr José Manuel DURÃO BARROSO  
State Secretary for Foreign Affairs  
and Co-operation of the  
Portuguese Republic



4.V.92

ill/PT/bzb

Luxembourg:

Mr Georges WOHLFART

State Secretary for Co-operation

Netherlands:

Mr Jan PRONK

Minister for Development Co-operation

Portugal:

Mr José Manuel DURÃO BARROSO

State Secretary for Foreign Affairs  
and Co-operation

United Kingdom:

Mrs Lynda CHALKER

Minister for Overseas Development

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Commission:

Mr Manuel MARIN

Vice-President

4.V.92

ill/PT/bzb

UNTYING AT COMMUNITY LEVEL OF MEMBER STATES' AID

The Council held a wide-ranging discussion on the basis of a Commission document relating in particular to the advantages and difficulties which would result from the introduction of any instrument for untying Member States' bilateral development aid at Community level.

In order to continue its discussion, the Council asked the Commission to submit a new document for its next meeting, taking into account all the comments made in the Council.

DEVELOPMENT CO-OPERATION POLICY:

PERSPECTIVES FOR THE YEAR 2000

The Council noted with interest the Commission's intention of submitting to it in the very near future, as well as to the European Parliament, a communication on the perspectives of co-operation policy for the year 2000.

That communication will make it possible to hold a substantive discussion which takes into account in particular the new requirements devolving from the changes on the international scene and also covers the future role of the Community in the field of development aid.

HUMAN RIGHTS, DEMOCRACY AND DEVELOPMENT

The Council discussed the implementation of its Resolution of November 1991.

The Council welcomed the positive reception given to that important Resolution, which places the Community in the forefront of the promotion of human rights and democracy.

During the discussion the Council placed particular emphasis on the need, while taking appropriate flexibility into account, to ensure that the Resolution is implemented coherently and in a co-ordinated fashion with regard to all partners.

The Council noted the information supplied by the Commission on the measures adopted in the context of implementing the Resolution.

The Council will return to the issue at its next meeting, in November 1992, on the basis of a report to be submitted by the Commission.

SPECIAL EMERGENCY AID PROGRAMME

The Council examined the special food aid programme for 1992 proposed by the Commission in response to the current famine in southern Africa and in the Horn of Africa and to exceptional needs in other regions.

At the end of its discussion, and without prejudice to the necessary budget decisions regarding the financing arrangements, which are currently under examination by the budget authority and should be adopted in the very near future, the Council agreed on:

- the urgent need to help the populations at risk;
- the quantities proposed by the Commission (800 000 tonnes of cereal equivalent);
- the unit prices of the products and the transport costs calculated by the Commission, giving a total cost estimate for the operation of ECU 220 million;
- the beneficiaries proposed by the Commission.

The programme will be implemented as a matter of urgency by the Commission in close co-ordination with the Member States, the other donors, the UN agencies and NGOs. In that connection, the Council was informed of the decisions taken or envisaged by several Member States concerning bilateral food aid operations.

The Council also gave a reminder of the importance of continuing long-term action to ensure food security, especially in Africa.

INVOLVEMENT OF THE COMMUNITY IN THE STRUCTURAL ADJUSTMENT PROCESS

The Council adopted a Resolution on structural adjustment in the ACP States, the text of which is set out in Annex I.

The Council pointed out that the Community's support for the ACP States' structural adjustment process was one of the most remarkable innovations introduced into relations between the Community and the ACP under the fourth Lomé Convention.

The Resolution sets out the broad lines which the Community intends to follow in the matter over the coming years. It supplements the Resolutions previously adopted by the Council on strengthening co-ordination in support of structural adjustment in the ACP States and on counterpart funds.

ANGOLA

The Council noted:

- a report on the mission of the "Development Troïka" to Angola on 2 and 3 February 1992;
- the progress made in implementing the Community Platform to support Angola's social and economic reconstruction.

The Council confirmed that the Community and its Member States were willing to lend their support to the process of peace, national reconciliation, social and economic reconstruction and democratization under way in Angola.

#### LOME IV PROGRAMMING

The Council discussed the report on the Community's aid programming under Lomé IV. It approved the conclusions set out in Annex II.

The Council emphasized the very positive nature, both in qualitative and quantitative terms, of the programming exercise and recorded with satisfaction that the indicative programmes signed by the Commission with the ACP States followed on from the previous Conventions while reflecting the priorities of the fourth Lomé Convention.

#### EVALUATION OF COMMUNITY DEVELOPMENT AID

The Council adopted the conclusions set out in Annex III.

In so doing, the Council reiterated the great importance it attaches to improving the aid evaluation process.

The conclusions adopted are mainly directed towards taking greater account of evaluation reports in new financing decisions. The measures envisaged in the conclusions will certainly increase the efficiency of future aid from the Community and its Member States.

MARKETING OF BREAST MILK SUBSTITUTES IN DEVELOPING COUNTRIES

The Council noted the need stated by some delegations to strengthen the guarantees in the Commission proposals to protect certain groups of vulnerable populations in the developing countries.

The Commission took note of that concern, which will also be passed on to the Internal Market Council, which is responsible for examining the issue.

PROCEDURES FOR THE IMPLEMENTATION OF FINANCIAL AND TECHNICAL CO-OPERATION WITH THE ACP STATES

The Council noted the progress made with the joint study initiated at the ACP-EEC Council meeting in Fiji to identify and eliminate the causes of delays in implementing financial and technical co-operation under the Lomé Conventions. It stressed the importance it attaches to that study for improving the impact and efficiency of Community aid to the ACP States. It hoped that it would be possible, at the forthcoming ACP-EEC Council meeting in Jamaica, to draw preliminary conclusions from the study and that common operational recommendations could be adopted at the earliest opportunity.

MISCELLANEOUS DECISIONS

Relations between the EC and the Andean Pact countries

The Council authorized the Commission to open negotiations with the Andean Pact and its member countries with a view to the conclusion of a new Co-operation Agreement and adopted negotiating directives to that end.

Appointments

The Council replaced:

- a member of the Advisory Committee on Social Security for Workers;
  - a member of the Advisory Committee on Freedom of Movement for Workers.
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COUNCIL RESOLUTION

ON

STRUCTURAL ADJUSTMENT

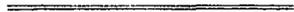
After examining the progress report submitted by the Commission on the Community's involvement in the structural adjustment process in the ACP States,

THE COUNCIL:

1. reaffirms its attachment to the concept of structural adjustment, the implementation of which should contribute to restoring balance in crucial areas and to creating an economic environment conducive to accelerated growth while ensuring an improvement in the social well-being of the population;
2. welcomes the fact, in this connection, that an increasing number of ACP States have already begun, or have stated their willingness to begin, such a process, and confirms that the Community is willing to support efforts under way to enhance that process within the framework of the pragmatic, differentiated and humane view of adjustment defined in the Lomé Convention;
3. emphasizes that there can be only one programme of reforms in any given country and therefore points out the absolute need, so as to ensure the coherence of each party's actions, to implement close co-ordination between recipient and donor countries, in particular international financial institutions, which play an outstanding role in this area. Within the framework of that indispensable co-ordination the Commission will satisfy itself that the programme does indeed incorporate the essential elements of the approach provided for in the Convention;
4. in this connection, welcomes the measures taken to that effect by the Commission in conjunction with the Member States and the international financial institutions;
5. recognizes the demanding nature of implementation of the adjustment processes and the importance of the challenge facing the ACP States;

6. as regards Community support, endorses the broad lines of thinking set out by the Commission in its document and, in that connection, calls upon the Commission:
- (a) to focus its attention and studies, in addition to the overall evaluation of the processes under way, on the essential elements with regard to the provisions of the Convention, in particular:
    - the role played by structural adjustment in relation to long-term development objectives;
    - the social dimension of adjustment;
    - adaptation of the tempo and details of reforms to the specific capacities and constraints of each country;
    - consideration of the regional dimension of adjustment.
  - (b) to ensure the greatest possible coherence between adjustment-support instruments and those (notably Stabex) which act similarly on the balance of payments, and to ensure the necessary dovetailing and balance between a macro-economic approach, sectoral policies and project aid.
  - (c) to negotiate with its ACP partners general, specific and administrative and financial conditions for implementing Community support; those conditions should reconcile the need for the Community to retain its own independent judgment with the framework of support for processes under way which was agreed with all donors concerned, without leading to cross-linked conditions.
7. the COUNCIL emphasizes that the counterpart funds generated by the various Community instruments fit in with a macro-economic context and the financial and monetary balance of the countries concerned and should therefore be used and monitored within a single budget framework covering current expenditure and investment expenditure;
8. recalls, in that connection, its Resolution of 27 May 1991 on counterpart funds and in particular the priority to be given, in the use of counterpart funds, to the social dimension of adjustment, while ensuring adequate cover for the health and education sectors, and the special attention to be paid to environmental protection;

9. notes that such development presupposes that the Commission, in the context of its constant dialogue with those ACP States pursuing structural adjustment efforts, will participate in consultations on the macro-economic framework, in particular its budget component relating to public expenditure and public investment expenditure, and will be involved in any review of public expenditure;
10. welcomes, in this connection, the Commission's approach of taking an increasing interest in the field of the public finances of the countries concerned in order to help them improve the efficiency, transparency and equity of their budget process, but also to safeguard the Community's financial operations;
11. the COUNCIL emphasizes the importance it attaches to respect for human rights and the processes of democratization under way in numerous ACP States and welcomes the positive developments recorded. It notes, in common with the Commission, that such processes may, in certain instances, lead to a number of adjustments of economic reform programmes, especially as regards the tempo and social impact of such reforms. Those adjustments may induce the countries concerned to deviate temporarily from the adjustment framework originally envisaged. The Council, anxious to support both political and economic reform processes, and insofar as such deviation does not call into question the economic viability of the adjustment programme, considers that the Community and its Member States should, at the most appropriate time, take the co-ordination measures necessary, in particular with the Bretton Woods institutions, to safeguard the continuity and coherence of the support framework on the part of the donors concerned. The Community and its Member States should play a major role in such consultations.
12. the COUNCIL expresses its appreciation to the Commission for the quality and scope of the action undertaken and measures adopted to ensure the efficient and harmonious involvement of the Community in the support for the structural adjustment process of the ACP States;
13. the COUNCIL agreed to amplify and supplement the text of these conclusions at a later date, if necessary and in the light of experience.



ANNEX II

COUNCIL CONCLUSIONS

ON THE PROGRAMMING REPORT

1. On the basis of a Commission staff working paper and an introductory statement by Vice-President Marin the Council assessed the Community aid-programming process for the five years during which the first Financial Protocol to the Fourth ACP-EEC Convention was to be applied.

It noted with satisfaction that to date 61 national indicative programmes had been signed and that the regional programming process, which was necessarily slower, should be completed in the following few months. It therefore appears that the provisions of the Convention, which require the programming ideally to be completed before the Convention enters into force, have been respected overall.

In financial terms around ECU 5,5 thousand million have been the subject of programming between the Community and its ACP partners at national and regional level.

2. In quality terms the Council considers that the results of the programming are consistent with the provisions and objectives set out in the new Convention in this respect. It endorses the Commission's view that the programming as it took place is likely to provide a real boost to the economic and social effectiveness of co-operation with the ACP States. The Council focused its attention on the following points:

- (a) Programming under LOME IV follows on from the previous Conventions while reflecting the priorities of the new Convention. The achievements of LOME III are confirmed by the consolidation of the concept of support for sectoral policies through dialogue and the focusing of aid on certain priority sectors. In this connection rural development, socio-economic infrastructures and human resources remain the special areas of application of Community aid. In addition to the areas of co-operation already covered under LOME III the indicative programmes incorporate the new spheres of co-operation on which the LOME IV Convention has placed special emphasis and in particular environmental protection, decentralized co-operation, aid for and the promotion of the private sector and the enhancement of the role of women.

The Council referred above all to the importance it attaches to the provisions now contained in the indicative programmes concerning human rights. It pointed out that respect for and the promotion of human rights are a priority concern of the Community in its development policy and constitute an approach which inevitably has to be followed for the sake of sustainable development.

The Council also welcomes the fact that the new emphasis placed in the Convention on the concept of regional economic integration is reflected in the regional indicative programmes already concluded and in the preparatory work undertaken in other regions.

- (b) The involvement of the Community in the structural adjustment process is another major innovation of programming under the new Convention. The Council endorsed the Commission's view that structural adjustment cannot be perceived in isolation from the programming process insofar in particular as these two components form part of the long-term development objective underlying ACP-EEC co-operation.

It will be recalled that the main lines of Community policy for future years as regards support for structural adjustment are covered in a separate Resolution.

- (c) The quality of the dialogue between the Commission and the ACP States in connection with programming was underlined. In fact the dialogue concerning policies is now an established part of co-operation with the ACP States and there have been no instances where the achievement of consensus on the framework of mutual commitments constituted by the indicative programmes might have been a problem.
  - (d) Effective co-ordination with the other donors has taken place throughout the programming process both in the area of support for sectoral policies and in that of macro-economic reforms, the aim being to maximize the consistency of co-operation projects and to improve their complementarity. There has been systematic co-ordination between the Commission and the Member States. In addition, co-ordination with the Bretton Woods institutions, and in particular the World Bank, and with the other main providers of funds in the countries concerned, has been considerably strengthened.
3. The Council pointed out that the implementation of indicative programmes should now be made as efficient and effective as possible. It is necessary in particular to ensure that development projects are viable by a consistent linking-up of Community resources and the measures to be taken by the countries concerned on a macro-economic (structural adjustment) and sectoral (areas on which indicative programmes focus) level.

The Council acknowledges that an approach of this kind, based on the implementation of reforms on a macro-economic and sectoral level, might as a result of its more demanding nature not tie in completely with the need to use the available resources at a satisfactory rate and hence affect the efficient disbursement of Community aid.

The purpose of the indicative programmes is to reconcile these two requirements by concentrating aid on a small number of sectors and not, as was often done in the past, on a single sector in respect of which operations were due to extend well beyond the period of application of the Financial Protocol. This strengthening of the operational nature of the indicative programmes should permit, by avoiding resources being left unproductive for no good reason, a better use of Community aid and better commitment and payment results.

The identification in the indicative programmes of a series of measures designed to speed up implementation of aid also serves the same purpose.

The Council would point out, however, that the quest for a better performance in the implementation of Community aid must not be at the expense of the effectiveness and quality of the aid.

The Council would finally refer to the sense of major innovation, initiated under LOME III and confirmed under LOME IV, which now characterizes financial and technical co-operation between the Community and the ACP States. Based originally on the exclusive financing of individual projects, co-operation policy developed under LOME III into an approach based on support for sectoral policies and was extended under LOME IV to support for structural adjustment processes. The Council considers that this trend is such as to give Community aid the desired efficiency and impact.



ANNEX III

COUNCIL CONCLUSIONS  
CONCERNING THE EVALUATION OF COMMUNITY  
DEVELOPMENT AID

1. Referring back to its Resolutions of November 1987, May 1989 and May 1990 on development co-operation evaluation and co-operation between the Commission and the Member States on the subject, the Council has examined progress achieved in this sphere.
2. It notes with satisfaction the adoption by the Commission of a new "integrated approach to the management of the projects/programmes cycle which, as regards financing proposals, systematically takes into account and puts into practice the lessons learned from previous studies and evaluations directly or indirectly linked with the project/programme. The Council invites the Commission to supply the list of these evaluation reports to the delegations concerned.
3. Since it is for the Council, on a proposal from the Commission, to define the broad outline of the Community's co-operation policy by setting general guidelines and objectives for its action, it reiterates the importance it attaches to mutual exchange of information on evaluation results and methods.

The Council invites the Commission to send the Member States at regular and frequent intervals, and at least once a year, a list of completed evaluation reports including a brief description of their contents. These reports will be made available to interested delegations on request.

4. The Commission and its Member States are asked to conduct general discussions on sectoral, thematic and geographic development co-operation strategies on the basis of the material contained in the evaluations. For that purpose, they will hold exchanges of views once or twice a year in the EDF Committee, the ALA Committee and the Mediterranean Committee on particularly significant reports.
5. In this context, the Member States and the Commission will jointly consider new topics and subjects of common interest which might be the subject of individual and/or joint evaluations by the agencies concerned, and will hold exchanges of views on subsequent results.
6. The Council asks the Commission to give a brief account in its annual report of how the principles mentioned above have been implemented. The report will also contain an analysis of the measures adopted as a follow-up to the conclusions of the evaluation reports.

PRESS RELEASE

6165/92 (Presse 66)

1572nd Council meeting  
- DEVELOPMENT/ENVIRONMENT -  
Brussels, 5 May 1992

President: Mr Carlos BORREGO,  
Minister for the Environment  
and Natural Resources of the  
Portuguese Republic

and

Mr José Manuel DURÃO BARROSO  
State Secretary for Foreign  
Affairs and Co-operation



Italy:

Mr Ivo BUTINI

State Secretary for Foreign  
Affairs

Luxembourg:

Mr Alex BODRY

Minister for the  
Environment

Netherlands:

Mr J.G.M. ALDERS

Minister for Housing,  
Planning and the  
Environment

Mr Jan PRONK

Minister for Development  
Co-operation

Portugal:

Mr Carlos BORREGO

Minister for the  
Environment and Natural  
Resources

Mrs José Manuel DURÃO BARROSO

State Secretary for the  
Environment

Mrs Teresa GOUVEIA

State Secretary for Foreign  
Affairs and Co-operation

United Kingdom:

Mrs Lynda CHALKER

Minister for Overseas  
Development

Mr Michael HOWARD

Secretary of State for the  
Environment

Mr Davie MACLEAN

Minister for the  
Environment and Countryside

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Commission:

Mr Manuel MARIN  
Mr Carlo RIPA DI MEANA

Vice-President  
Member

PREPARATION OF THE UNITED NATIONS CONFERENCE  
ON ENVIRONMENT AND DEVELOPMENT  
(UNCED/RIO DE JANEIRO, 3-14 JUNE 1992)

The Council and the Representatives of the Governments of the Member States meeting within the Council adopted the following conclusions:

"GENERAL CONSIDERATIONS

1. The Joint Development/Environment Council and the Representatives of the Governments of the Member States within the Council welcome the progress achieved during the IVth session of the UNCED Preparatory Committee (New York, 2nd March - 3rd April 1992), in particular on the Rio Declaration on Environment and Development and on the "Agenda 21" action programme. Some of the main elements for an agreement at UNCED to promote sustainable development on a global scale are now in place.
2. The European Community and its Member States reaffirm their full commitment to contribute to a successful outcome of the Rio Conference, as well as to play a leading role to this end. Ministers welcome the decision taken by the UN General Assembly to accord the European Community full participant status at the UNCED. This decision will enable the Community to play an enhanced role at the Conference itself, and as appropriate to subscribe to its outputs and to implement them.

The European Community and its Member States also reaffirm their strong support for the conclusion of effective Conventions on Climate Change and on Biological Diversity to be signed in Rio and continue to believe that a positive and constructive outcome is essential for safeguarding the quality of life for future generations of mankind.

3. To this end, the European Community and its Member States consider it is necessary to adapt and strengthen, in the light of the results of the IVth session of the PrepCom, specific elements of the Community's strategy as agreed at the December 1991 Environment Council, particularly as regards some of the outstanding issues to be examined at Rio.

#### RIO DECLARATION AND AGENDA 21

4. The European Community and its Member States welcome and support the draft Rio Declaration on Environment and Development resulting from the IVth PrepCom in New York. This Declaration which is of great political importance will serve as a basis for the establishment of a new and equitable global partnership through the creation of new levels of cooperation among States, key sectors of societies and peoples.

They consider that the draft text as such, which integrates the various interests and concerns of developing and industrialised countries, constitutes a broadly satisfactory outcome which should not be jeopardised.

5. The European Community and its Member States regard the Agenda 21 action programme as one of the key outputs of the Rio Conference. Agenda 21 should reflect a global consensus, backed by the highest political commitment, on the changes needed at the local, national, regional and international levels to ensure sustainable development into the next century. It should be a dynamic, rolling programme involving UN Agencies, Governments, regional organisations, and also the full participation of citizens and representatives of major groups in society, including non-governmental organisations, industry, trade unions, women and youth.

In the outcome of the United Nations Conference on

Environment and Development there should be provision for effective review and monitoring of Agenda 21 including its financing.

#### FINANCIAL RESOURCES

6. The outcome of the IVth session of the PrepCom shows in clear terms that this is one of the areas on which the discussions will have to focus at Rio. A real effort is needed to reach a consensus on this issue which is crucial not only for success at UNCED but also for the finalisation of the negotiations on Climate Change and Biodiversity.
7. In its conclusions of 12 December 1991 on the UNCED, the Environment Council recognised that industrialised and developing countries have a common but differentiated responsibility with respect to the protection of the environment and the promotion of sustainable development in general. The European Community and its Member States accordingly believe that increased external funding is needed to help developing countries implement Agenda 21 and the new global conventions to be agreed upon at Rio. Such funding should be provided by developed countries and other countries in a position to do so through a variety of sources and channels.
8. The European Community and its Member States are ready to participate in the following commitments as part of a balanced package of resource-related decisions underwritten by all countries at Rio.

New and additional funding is an essential requirement for sustainable development in all countries of the world and for an evolving partnership among them, in particular between both developed and developing countries, towards this goal.

Funding should be provided by developed countries and other countries in a position to do so through a variety of sources and channels.

Additional external funding for sustainable development

9. The Community and its Member States are continuing to examine in depth the question of ODA.
10. Funding for Agenda 21 and other outcomes of the United Nations Conference on Environment and Development should be provided in a way which maximizes the availability of additional funding, and which makes use in the most effective manner of all available funding sources and mechanisms, which include, among others :
  - (a) The multilateral development banks and funds :
    - (i) considerable resources are provided through the International Development Association (IDA) to finance sustainable development, including in the areas of poverty reduction, health, education, water, land degradation, forests and human settlements. The European Community and its Member States recognise the need to reach agreement by the end of 1992 on a Tenth Replenishment of IDA, preferably at a level substantially above that of IDA-9. Consideration should be given to a special "Earth Increment" to the Tenth Replenishment of the International Development Association (IDA-10).
    - (ii) the now existing regional development banks and funds should initiate work plans in order to ensure, through replenishment, where appropriate, an increased and more effective role by the provision of financial resources on various degrees of concessionality for the implementation of Agenda 21.
  - (b) Relevant specialised agencies and other United Nations bodies.
  - (c) Multilateral institutions for capacity-building and technical cooperation.

The financial and other assistance to developing countries in the field of technology transfer and cooperation and national capacity-building should be substantially increased. Necessary financial resources should be provided to UNDP to use its network of field offices and its broad mandate and experience in the field of technical cooperation for facilitating capacity-building at the country level, making full use of the expertise of

specialised agencies, other United Nations bodies, within their respective competences, in particular UNEP, as well as the World Bank, and regional development banks.

(d) Bilateral assistance programmes which should be strengthened in order to promote sustainable development.

(e) Debt relief :

all creditors in the Paris Club should promptly choose the concessional options within the agreement of December 1991 to provide debt relief for the poorest, heavily indebted countries that are pursuing structural adjustment; the European Community and its Member States support the continued examination by the Paris Club creditors of the special situation of some lower middle income countries on a case-by-case basis.

11. Innovative ways and means of generating additional new public and private financial resources and other incentives to promote sustainable development should be explored, in particular :

(a) Various forms of debt relief, apart from official or Paris Club debt, including greater use of debt swaps.

(b) The use of economic and fiscal incentives and mechanisms, particularly in developed countries, such as taxes or charges.

(c) The feasibility of tradeable permits.

(d) New schemes for fund raising and voluntary contributions through private channels including non-governmental organisations. In this respect, the setting-up of a mechanism funded by voluntary contributions from the private sector, and from Governments to supplement them, should be actively considered. Such an instrument would allow close coordination and joint funding, through the participation of firms and non-governmental organisations, in the planning, the financing and the realisation of environmental actions and operations linked to national or local development projects.

(e) Reallocating resources at present committed to military purposes.

(f) Private funding :

mobilisation of higher levels of private funding in support of sustainable development, inter alia, by foreign direct investment and technology transfers through joint ventures and other modalities.

12. A supportive international economic climate conducive to sustained economic growth and development is important, particularly for developing countries, in order to achieve sustainability.
13. As part of an evolving partnership, external funding should effectively complement the recipient countries' efforts to make additional domestic financial resources available for sustainable development. With more appropriate policies, incentives and regulations in place, including a reassessment of public expenditure priorities and of the domestic tax-raising capacity, there is reason to be confident that additional domestic financial resources for sustainable development can be mobilised.

New and additional funding for action to combat global environmental problems

14. New and additional financial resources are needed to assist developing countries to deal with global environmental externalities and in particular to respect the obligations undertaken by their participation in international conventions. The discussions in New York have fully confirmed that this should be a basic element of a fair and constructive partnership for the protection of the global environment.
15. The Representatives of the Governments of the Member States of the European Communities fully subscribe to the results of the April 1992 GEF Participants meeting, as contained in the communique and revised paper entitled "The GEF : beyond the pilot phase". More in particular they agree that :
  - (a) The GEF should serve as the appropriate multilateral mechanism to provide new and additional financial resources on grant or concessional terms to cover the agreed incremental costs for achieving agreed global environmental benefits.

- (b) The GEF should finance activities which benefit the global environment. It should continue to support its current four focal areas. Land degradation issues, primarily desertification and deforestation, as they relate to the focal areas of the Facility, would be eligible for financing. The GEF would also be available to function as the funding mechanism for agreed global environmental conventions, should the Parties to those conventions so desire.
- (c) The GEF should fund programmes and projects which are country driven and consistent with national priorities designed to support sustainable development.
- (d) The GEF must be transparent and accountable to contributors and beneficiaries alike. It should provide access and disbursement in particular to developing countries, under agreed criteria.
- (e) The GEF should have universal membership and a decision making process which would guarantee both a fair representation of the interests of developing countries, as well as give due weight to the funding efforts of donor countries.
- (f) The GEF should operate as a single fund and raise resources through a single replenishment process.
- (g) Direct links should be established between the Conferences of the Parties to these Conventions and the adjusted governing structure of the GEF on the basis of mutually agreed division of responsibilities. Also the minimum level of funds for activities under the Conventions should be determined through negotiations between the signatories to the Convention and the GEF.
- (h) Predictability in the flow of funds should be ensured by contributions from developed countries and other countries in a position to do so, taking into account the importance of equitable burden sharing.
- (i) The GEF should have sufficient flexibility to introduce modifications as the need arises.

The Representatives of the Governments of the Member States of the European Communities which are members of the GEF are therefore committed to providing developing countries with such new and additional financial resources within the framework of the commitments defined within the Conventions under negotiation. They urge other industrialised countries, and other countries in a position to do so, to do likewise.

TECHNOLOGY COOPERATION

16. The European Community and its Member States welcome the progress achieved so far which represents an important step forward in the discussion on technology cooperation and transfer and is, in general, satisfactory. Efforts towards a successful outcome at Rio, taking into account the specific needs of developing countries and of other interested partners, should be intensified.
17. The European Community and its Member States are furthermore committed to cooperate, in particular with developing countries, to develop environmentally sound technologies and to promote, facilitate, and finance as appropriate, the access to and the transfer of environmentally sound technologies and corresponding know-how, in particular to developing countries, on favourable terms, including on concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights as well as the special needs of developing countries for the implementation of Agenda 21.

In this respect, they are already developing practical measures, for example for the purchase of patents and licences on commercial terms for their transfer to developing countries as part of aid packages. In the light of the outcome of the Earth Summit and Global Forum events, the European Community and its Member States will cooperate closely with industry and non-governmental organisations to facilitate the transfer of technology and know-how to developing countries.

18. When addressing these issues, the UNCED should build on some elements which have been recently agreed in the UNCTAD framework. In particular, the Rio Conference should recognise that national technology development policies should be introduced and/or enhanced in the context of an appropriate

policy framework which would promote entrepreneurship, develop endogenous scientific and technological capabilities and encourage technology transfer. It is also essential to stimulate technology flows to developing countries through, inter alia, cooperative schemes and inter-enterprise collaboration arrangements. High priority should be given to promoting technology transfer not only from industrialised to developing countries, but also among developing countries themselves.

### INSTITUTIONS

19. The Community and its Member States welcome the consensus reached on the institutional arrangements for the follow-up and implementation of Agenda 21. Such consensus represents a balanced compromise which takes into account both the need to avoid the proliferation of new institutions in the field of environment and the need for coordination between existing institutions and their adaptation to ensure that the actions agreed at Rio de Janeiro are effectively delivered. In this context, the need to further strengthen UNEP and its system of Regional Centres in order to better fulfil the tasks which will be entrusted to it by UNCED is particularly stressed.
  
20. The same criteria should be applied when addressing the few remaining outstanding issues at Rio. Any new institutional arrangements would support revitalization, clear division of responsibilities and the avoidance of duplication in the UN system and depend to the maximum extent possible upon existing resources. In this context, UNCED should take position on the choice to be made between a Commission on Sustainable Development and the full use of a revitalised ECOSOC.

The Community supports the idea that Governments should report periodically on their work.

21. The Community and its Member States expect that the Conference

will also address in an appropriate way some related legal questions, such as monitoring of and compliance with existing agreements and prevention and settlement of environmental disputes. To this end, as stated in the December 1991 Environment Council conclusions, the enhanced use of existing judicial institutions, and mechanisms as well as the establishment of conciliation or arbitration commissions, should be considered.

#### ATMOSPHERE

22. The Community and its Member States take note of the on-going negotiations on a climate Convention in New York. These negotiations should provide a basis for the conclusion of a Convention in Rio, which could be seen as a step in an on-going process of international commitments to combat climate change.

They reconfirm the conclusions of the Council in Luxembourg on 29 October 1990 and in Brussels on 13 December 1991, and express their full commitment to their implementation by the Community and its Member States. In this context, they note the intention of the Commission of the European Communities to submit in May 1992 proposals for Council decision, including any necessary proposal for Community wide taxation. They feel that the EC position on climate change should be reflected during the Rio Conference. They welcome initiatives leading towards a common position of all countries or regional groupings ready to express themselves.

A satisfactory solution of the issue of climate change should be seen as the first step towards the resolution of the other issues, still pending for decision in Rio, in particular on the Convention on Biodiversity, a future forest Convention and the issue of financial resources.

23. Noting that action to tackle climate change will primarily be dealt with in the framework Convention on climate change being

negotiated by the INC, the European Community and its Member States believe that the Agenda 21 chapter on the Protection of the Atmosphere should illustrate areas where countries could take steps to limit greenhouse gas emissions from all sectors.

24. In this context, technology cooperation between developed and developing countries also needs to be strengthened to achieve the transition to sustainable energy development.

The Community intends to launch a special initiative in the field of energy technology cooperation, in close cooperation with existing organisations such as the IEA, OECD and the UN system. To this end, the Commission will present to the Council before the next meeting of the Environment Council on 26 May a communication containing a proposal for the promotion of clean and efficient energy for development, aiming at reinforcing existing Community activities with a view to improving the energy management capacity of developing countries.

#### FORESTS

25. The European Community and its Member States note the progress made towards an agreement on the draft statement of principles for a global consensus on the management, conservation and sustainable development of all types of forests and believe that it is vital to resolve the outstanding issues. The Community is committed to work actively with its international partners to complete this statement, so that it can be agreed upon at Rio by the Heads of State and Government. The European Community and its Member States attach great importance to these principles which should be a basis for a future global legally binding instrument.

### DESERTIFICATION

26. The European Community and its Member States recognise the widespread problem of desertification and the consequent need to take action at the global level to combat this threat to sustainable development. They stress the need for improved coordination and a strengthening of cooperation, and consider that the most effective basis for this would be the agreement of a set of action principles at Rio. The Community would also consider in a positive spirit and in the light of these principles the negotiation of a framework convention on desertification.

### BIODIVERSITY

27. The European Community and its Member States welcome the progress made on the chapter on biodiversity in Agenda 21, which forms a useful complement to the future convention. It also attaches particular importance to finding a satisfactory solution to some outstanding issues, notably on access to genetic resources and sharing the benefits of biodiversity.

### BIOTECHNOLOGY

28. The European Community and its Member States welcome the balanced approach towards the environmentally sound management of biotechnology reflected in the relevant draft chapter of Agenda 21. It reaffirms its commitment to the development of internationally agreed principles for safety procedures and risk assessment, as a basis for a legally binding international convention."

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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

6326/92 (Presse 71)

1573rd Council meeting

- GENERAL AFFAIRS -

- POLITICAL CO-OPERATION -

Brussels, 11 May 1992

President: Mr J. PINHEIRO

Minister for Foreign Affairs  
of the Portuguese Republic

11.V.92

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Willy CLAES Deputy Prime Minister,  
Minister for Foreign Affairs

Denmark:

Mr Uffe ELLEMANN-JENSEN Minister for Foreign Affairs

Mr Jorgen ØRSTRØM MØLLER State Secretary for Foreign Affairs

Germany:

Mr Hans-Dietrich GENSCHER Federal Minister for Foreign Affairs

Mrs Ursula SEILER-ALBRING Minister of State, Foreign Affairs

Greece

Mr Constantin MITSOTAKIS Prime Minister,  
Minister for Foreign Affairs

Mr Georges PAPASTAMKOS State Secretary for Foreign Affairs

Spain:

Mr Francisco FERNANDEZ ORDOÑEZ Minister for Foreign Affairs

Mr Carlos WESTENDORP State Secretary for Relations with the  
European Communities

France:

Mrs Elisabeth GUIGOU Minister for European Affairs

11.V.92

Ireland:

Mr David ANDREWS

Minister for Foreign Affairs

Mr Tom KITT

Minister of State for European Affairs

Italy:

Mr Gianni DE MICHELIS

Minister for Foreign Affairs

Mr Vito LATTANZIO

Minister for Foreign Trade

Luxembourg:

Mr Jacques F. POOS

Minister for Foreign Affairs

Netherlands:

Mr Hans VAN DEN BROEK

Minister for Foreign Affairs

Mr Piet DANKERT

State Secretary for Foreign Affairs

Portugal:

Mr João PINHEIRO

Minister for Foreign Affairs

Mr Vitor MARTINS

State Secretary for European Integration

United Kingdom:

Mr Douglas HURD

Secretary of State for Foreign and  
Commonwealth Affairs

Mr Tristan GAREL-JONES

Minister of State, Foreign and Commonwealth  
Office

o  
o o

Commission:

Mr Jacques DELORS

President

Mr F.H.J.J. ANDRIESEN

Vice-President

Mr Abel MATUTES

Member

Mr Peter SCHMIDHUBER

Member

dey/PB/fc

11.V.92

DELORS II PACKAGE

Working on the basis of various Presidency reports drawn up in the light of detailed study and analysis already carried out in the Permanent Representatives Committee, the Council held a further in-depth examination of the Commission communication, focussing in the main on the issue of expenditure.

The President concluded that technical examination of the various aspects of the Commission communication would continue, but that the Council's discussions meant the purely exploratory study phase was now over, and negotiation could begin.

In this connection, the Council worked out a number of guidelines and identified questions worth further scrutiny in line with the Presidency's plans that the European Council in Lisbon should reach political agreement on the issue.

The Council instructed the Permanent Representatives Committee to continue its discussions in the light of the Council's proceedings, and to report back for its June meeting.

11.V.92

### TREATY ON EUROPEAN UNION

The Council examined the practical consequences that the Treaty on European Union would have for the running of the Council, how the work of the various committees provided for in the Treaties would fit together, and the organization of the General Secretariat, on the basis of a report from the Personal Representatives, to which it gave its approval.

The Council will return to this issue at its next meeting to hear the outcome of talks between the Chairman of the Group of Personal Representatives and the Chairman of the Monetary Committee in order to work out practical suggestions as to how the work of the Monetary Committee and the Permanent Representatives Committee is to fit together, subject to the provisions of the Treaty on European Union.

### IMMIGRATION POLICY

Working on the basis of an oral statement by President DELORS, and previous communications from the Commission, the Council discussed the state of play on questions relating to immigration and the right of asylum in the light of discussions being held by the Immigration Ministers in the run-up to completion of the Internal Market, especially regarding free movement of persons.

The Council agreed to keep a regular watch on the issue. It will take stock of the situation when preparing for the Lisbon European Council, once the Immigration Ministers have discussed the matter at their meeting in Lisbon on 11 and 12 June 1992.

11.V.92

### URUGUAY ROUND

The Council noted information provided by the Presidency and the Commission on the state of play of negotiations on the Uruguay Round in the light of talks with President BUSH at the Transatlantic Summit on 22 April 1992 and intervening developments.

The Council reiterated its political will to achieve suitable agreement in the near future and expressed the hope that the major partners in the negotiations shared this will.

### RELATIONS WITH THE FORMER USSR

#### (a) Lisbon Conference

The Council took stock of preparations for the Lisbon Conference and found that they were progressing well, both within the Community and with the various partners.

#### (b) Agreement establishing an International Science and Technology Centre

The Council agreed on the draft agreement establishing an International Science and Technology Centre, on the understanding that, in addition to Russian and English, the agreement was to be drafted in all the other official languages of the Communities, all being equally authentic.

Subject to this reservation, the Council decided to sign the Agreement.

11.V.92

ASSOCIATION AGREEMENTS WITH ROMANIA AND BULGARIA

The Council authorized the Commission to open negotiations with Bulgaria and Romania with a view to concluding European Association Agreements and adopted negotiating directives to that end.

COUNCIL STATEMENT ON RESPECT FOR DEMOCRATIC PRINCIPLES, HUMAN RIGHTS AND THE PRINCIPLES OF THE MARKET ECONOMY

The Council adopted the following statement:

"The Council stresses that respect for democratic principles and human rights, as defined in the Helsinki Final Act and the Charter of Paris for a New Europe, and the principles of the market economy are essential components of co-operation or association agreements between the Community and its CSCE partners.

The Commission is requested to act accordingly to ensure that agreements to be concluded by the Community contain an appropriate mechanism which is operational in emergencies, including provisions relating to non-fulfilment of obligations.

In the context of a political dialogue with the five countries of Eastern and Central Europe, the Community and its Member States will inform their partners of the importance they attach to the principles referred to above."

dey/PB/hmcg

11.V.92

#### RELATIONS WITH THE MAGHREB

At their ministerial meeting in Lisbon on 17 February, the Twelve judged it necessary to consider the Community's future relations with Morocco, and also with the Maghreb in general.

The Council received a communication from the Commission in that connection.

The Council instructed the Permanent Representatives Committee to study the communication and report back at its June meeting, with a view to preparation for the European Council in Lisbon.

#### EEC-ISRAEL RELATIONS

The Council established the Community's position in preparation for the 10th meeting of the EEC-Israel Co-operation Council, which was held the same day.

#### RELATIONS WITH THE GULF STATES

The Council prepared for the ministerial meeting and for the 3rd EEC-GCC Joint Council, which is to be held in Kuwait on 16 May 1992.

11.V.92

PREPARATION FOR THE MINISTERIAL MEETING WITH THE RIO GROUP  
(SANTIAGO, CHILE, 28 AND 29 MAY 1992)

The Council took note of a communication from the Presidency on the progress of preparations for the 2nd ministerial meeting between the Community and the Rio Group under the institutionalized dialogue procedure, to be held in Santiago, Chile, on 28 and 29 May 1992 and was briefed, in this connection, on the Finance Ministers' latest guidelines for EIB action outside the Community.

PREPARATION FOR THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT  
(RIO DE JANEIRO, 1 TO 14 JUNE)

The Council confirmed that it was important to make a success of the United Nations Conference on Environment and Development to be held in Rio de Janeiro from 1 to 14 June 1992.

The Council confirmed that it was important to make a success of the United Nations Conference on Environment and Development to be held in Rio de Janeiro from 1 to 14 June 1992.

The Council also heard an oral statement from the Commission on the recommendation it had recently submitted for Community participation in the GEF (Global Environmental Facility). The Council instructed the Permanent Representatives Committee to give speedy attention to the recommendation.

dey/PB/hmcg

11.V.92

RELATIONS WITH ALBANIA

The Council agreed in principle to finance an import programme for Albania.

It requested the Permanent Representatives Committee to seek agreement on the detailed procedures for financing the programme as a matter of urgency.

BOSNIA-HERZEGOVINA

The Twelve adopted the statement in Annex I.

SOUTH AFRICA

The Twelve adopted a statement on the eleventh synthesis report on the code of conduct for Community companies with subsidiaries in South Africa, which is given in Annex II.

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11.V.92

## MISCELLANEOUS DECISIONS

### Special food aid programme: financial arrangements

The Council agreed on the financial arrangements for implementation of the 1992 special food aid programme in order to respond to the threat of serious famine in the Horn of Africa and certain countries in Southern Africa and to special needs in other regions of the world, amounting to ECU 220 million.

Accordingly, it took a decision on the financial perspective annexed to the Interinstitutional Agreement of 29 June 1988 and drew up draft supplementary and amending budget No 2/92, which will be forwarded to the Parliament once the latter has agreed to the Decision on the financial perspective.

### Signing Co-operation Agreements with Albania and the Baltic States

The Council decided, subject to conclusion, to sign trade and economic and commercial co-operation agreements between the European Economic Community and Albania, Estonia, Latvia and Lithuania respectively. The agreements were signed the same day (see press release 6166/92 (Presse 67)).

### Generalized preferences scheme

The Council adopted a Regulation applying additional generalized tariff preferences to certain products originating in countries benefiting from generalized preferences and sold during the Berlin "Partners in Progress" fair.

11.V.92

### Telecommunications

Following the co-operation procedure with the European Parliament, the Council formally adopted

- a Directive on the adoption of standards for satellite broadcasting of television signals (High-definition television);
- a Decision on the introduction of a standard international telephone access code in the Community.

The texts adopted are broadly the same as those of the common positions adopted by the Council on 10 February 1992 and 19 December 1991 respectively (see press release 10391/91 (Presse 247)).

### Appointments

The Council

- appointed Mr BRIESCH, member of the Economic and Social Committee, on the proposal of the French Government, to replace Mr François STAEDLIN, for the remainder of his term of office, which runs until 20 September 1994;
- replaced an alternate member of the Advisory Committee on Freedom of Movement for Workers.



# EUROPEAN POLITICAL COOPERATION

## PRESS RELEASE

P.57/92

Brussels, 11 May 1992

### DECLARATION ON THE ELEVENTH SYNTHESIS REPORT ON THE CODE OF CONDUCT FOR COMMUNITY COMPANIES WITH SUBSIDIARIES IN SOUTH AFRICA

The Community and its member States approved the eleventh synthesis report on the application of the Code of Conduct for companies from the EC with subsidiaries, branches or representation in South Africa. They decided to forward the report to the European Parliament and to the Economic and Social Committee of the European Community.

The report covers the period from 1 July 1989 to 30 June 1990 and analyses reports on the activities of 241 companies with about 80.000 black employees. It also takes into account the annual report by Heads of Mission in Pretoria on the implementation of the Code.

The Community and its member States have noted with satisfaction that:

I. A very large majority of European companies have resolutely adopted a policy of allowing their workforces to choose freely their representatives;

II. Objective non-racial criteria are employed by all companies in determining wages and filling vacancies;

III. The majority of companies have achieved total desegregation;

IV. In line with the objective of encouraging black businesses, an increasing number of companies are members of, or support, local organisations established to promote black entrepreneurs.

The Community and its member States are convinced that the measures taken by the European companies to abolish segregation at the working place have contributed substantially to furthering their policy aimed at achieving the elimination of apartheid by peaceful means.

P. 57/92

Bruxelles, le 11 Mai 1992

**DECLARATION SUR LE ONZIEME RAPPORT DE SYNTHESE SUR LE CODE DE  
CONDUITE DES ENTREPRISES COMMUNAUTAIRES AYANT DES FILIALES EN  
AFRIQUE DU SUD**

La Communauté et ses Etats membres ont approuvé le Onzième Rapport de Synthèse sur l'application du Code de Conduite des entreprises communautaires ayant des filiales, des succursales ou une représentation en Afrique du Sud. Ils ont décidé de le transmettre au Parlement Européen et au Comité Economique et Social de la Communauté Européenne.

Le rapport couvre la période allant du 1er juillet 1989 au 30 juin 1990 et analyse les rapports sur l'activité de 241 entreprises employant environ 80.000 salariés noirs. Il tient également compte du rapport annuel des Chefs de Mission à Pretoria sur la mise en oeuvre du Code.

La Communauté et ses Etats membres ont noté avec satisfaction que:

I. Une très large majorité des entreprises européennes ont résolument adopté une politique permettant à leurs travailleurs de choisir librement leurs représentants;

II. Toutes les entreprises appliquent des critères objectifs, sans considération de race, pour fixer les salaires et attribuer les postes vacants;

III. La majorité des entreprises ont aboli la ségrégation;

IV. Conformément à l'objectif d'encouragement des entreprises noires, un nombre de plus en plus important d'entreprises sont membres ou soutiennent des organisations locales créées pour encourager les entrepreneurs noirs.

La Communauté et ses Etats membres sont convaincus que les mesures prises par les entreprises européennes pour abolir la ségrégation sur le lieu de travail ont contribué, de manière substantielle, à favoriser leur politique visant à supprimer l'apartheid par des moyens pacifiques.

The Community and its member States also request from the authorities in Belgrade to commit themselves to:

- respect for the integrity of all borders of all republics;
- respect for the rights of minorities and national or ethnic groups, including Kosovo and Vojvodina, in accordance with the Carrington Draft Convention;
- promote the conclusion of an agreement on a special status for Krajina ensuring respect of the territorial integrity of Croatia;
- fully cooperate with all parties at the Conference for settling the question of state succession.

The Community and its member States furthermore decided to:

- recall their Ambassadors in Belgrade for consultations;
- demand the suspension of the delegation of Yugoslavia at the CSCE from taking part in the proceedings for the present; the situation will be reviewed on 29 June;
- further pursue, should the situation remain unchanged, the increasing isolation of the Yugoslav delegation in international fora, bearing in mind, in particular, the impending OECD ministerial meeting;
- ask the Commission to study the modalities of possible economic sanctions.

The Community and its member States call upon the government of Bosnia and Hercegovina to cooperate fully in the orderly withdrawal of the JNA. Together with that withdrawal a phased demobilisation of territorial defence forces must take place. They urge the government of Croatia to do all in their power to prevent an incursion into Bosnia and Hercegovina of military and para-military forces as well as the smuggling of weapons.

The Community and its member States will keep the situation under review, in particular as far as the demands to the authorities in Belgrade are concerned. Failure to comply with the above will be taken into account when considering the question of recognition of the new federal entity on which Lord Carrington and the Arbitration Commission have been asked for advice.

P. 56/92

Brussels, 11 May 1992

## DECLARATION ON BOSNIA AND HERCEGOVINA

The Community and its member States, following with great concern the situation in Bosnia and Hercegovina, restate that a political solution can only be based on the principles established in the constitutional talks between Serbs, Croats and Muslims sponsored by the Peace Conference.

The consistent deterioration of the security situation, however, renders progress in those talks increasingly uncertain and casts doubts on the viability of any agreement to be reached in them.

Although all parties have contributed, in their own way, to the present state of affairs, by far the greatest share of the blame falls on the JNA and the authorities in Belgrade which are in control of the army, both directly and indirectly by supporting Serbian irregulars. The killings and expulsion of populations in Bijeljina, Zvornik, Foca and other towns and villages, the siege and systematic shelling of Sarajevo, the holding of Sarajevo airport preventing even the safe passage of humanitarian relief from the ICRC are actions deserving universal condemnation.

The Community and its member States demand:

- the complete withdrawal of the JNA and its armaments from Bosnia and Hercegovina or the disbandment of its forces and the placing of its armaments under effective international monitoring.
- the reopening of Sarajevo airport under conditions of safety, allowing for the urgently needed humanitarian aid to be distributed.

- respecter l'intégrité de toutes les frontières de toutes les républiques;
- respecter les droits des minorités et des groupes nationaux ou ethniques, y compris le Kosovo et la Voïvodine, en conformité avec le projet de Convention de Lord Carrington;
- promouvoir la conclusion d'un accord sur un statut spécial pour la Krajina, assurant le respect de l'intégrité territoriale de la Croatie;
- coopérer pleinement avec toutes les parties à la Conférence afin de résoudre la question de la succession d'Etat.

La Communauté et ses Etats membres ont par ailleurs décidé de:

- rappeler en consultation leurs Ambassadeurs à Belgrade;
- solliciter la suspension de la délégation de la Yougoslavie à la CSCE dans les affaires actuelles; la situation sera revue le 29 juin;
- poursuivre davantage, au cas où la situation demeurerait inchangée, l'isolation de la délégation yougoslave dans les enceintes internationales, gardant à l'esprit, en particulier, la toute proche réunion ministérielle OCDE;
- demander à la Commission d'examiner les modalités de possibles sanctions économiques.

La Communauté et ses Etats membres demandent au gouvernement de la Bosnie-Herzégovine de coopérer pleinement au retrait ordonné de l'armée nationale (JNA). Ce retrait devra s'accompagner d'une démobilisation progressive des forces de défense territoriales. Ils demandent instamment au gouvernement de la Croatie de faire tout ce qui est dans son pouvoir pour éviter, dans le territoire de la Bosnie-Herzégovine, une incursion des forces militaires et paramilitaires ainsi que le trafic d'armements.

La Communauté et ses Etats membres suivront la situation de près, en particulier en ce qui concerne les exigences formulées à l'égard des autorités à Belgrade. Le non-respect de ce qui précède sera pris en considération dans l'évaluation de la question de la reconnaissance de la nouvelle entité fédérale sur laquelle les avis de Lord Carrington et de la Commission d'Arbitrage ont été demandés.

## COMMUNICATION A LA PRESSE

P. 56/92

Bruxelles, le 11 mai 1992

## DECLARATION SUR LA BOSNIE-HERZEGOVINE

La Communauté et ses Etats membres, suivant avec une grande préoccupation la situation en Bosnie-Herzégovine, réitèrent qu'une solution politique ne pourra être fondée que sur les principes établis lors des pourparlers constitutionnels entre les Serbes, les Croates et les Musulmans, sous l'égide de la Conférence de Paix.

Toutefois, la détérioration persistante de la sécurité rend de plus en plus incertaine la possibilité de progrès dans ces pourparlers et jette un doute sur la viabilité de tout accord susceptible d'être atteint dans ceux-ci.

Bien que toutes les parties aient contribué, chacune à sa manière, à la situation actuelle, la plus grande partie du blâme retombe, de loin, à la fois directement, et indirectement par leur soutien aux forces irrégulières serbes, sur l'Armée nationale (JNA) et les autorités à Belgrade qui exercent le contrôle sur l'armée. Les meurtres et l'expulsion des populations à Bijeljina, Zvornik, Foca et dans d'autres villes et villages, le siège et le bombardement systématique de Sarajévo, l'occupation de l'aéroport de Sarajévo empêchant même le passage en sécurité de l'assistance humanitaire du CICR, sont des actions appelant à une condamnation universelle.

La Communauté et ses Etats membres exigent:

- le retrait complet de l'armée nationale (JNA) et de ses armements du territoire de la Bosnie-Herzégovine ou la dissolution de ces forces et la mise sous surveillance internationale effective de ses armements;
- la réouverture de l'aéroport de Sarajévo dans des conditions de sécurité, permettant la distribution de l'aide humanitaire requise d'urgence.

La Communauté et ses Etats membres demandent également aux autorités à Belgrade de s'engager à:

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

6423/92 (Presse 76)

1574th Council meeting

- INTERNAL MARKET -

Brussels, 14 May 1992

President: Mr Vitor MARTINS

State Secretary  
for European Integration  
of the Portuguese Republic



14.V.1992  
dre/AH/cmc

Luxembourg:

Mr Jim CLOOS

Deputy Permanent Representative

Netherlands:

Mr Piet DANKERT

State Secretary for Foreign Affairs

Portugal:

Mr Vitor MARTINS

State Secretary for European  
Integration

United Kingdom:

Mr Richard NEEDHAM

Minister for Trade and Industry

o

o

o

Commission:

Mr Martin BANGEMANN

Vice-President

Sir Leon BRITTAN

Vice-President

Mrs Christiane SCRIVENER

Member

14.V.1992  
dre/AH/cmc

ABOLITION OF INTERNAL BORDER CONTROLS

The Council adopted the following conclusions:

"THE COUNCIL

Reaffirms its commitment to adopt the necessary measures to meet the objective of completing the Internal Market by 31 December 1992;

Takes note of the Commission's Communication of 8 May 1992 on this subject;

Takes note that, in relation to goods, certain areas have been identified where the abolition of controls at the internal frontiers raises particularly difficult problems and is likely to create distortions in the functioning of the Internal Market;

Considers that such difficulties arise mainly in connection with certain veterinary and phytosanitary controls; with controls linked to the Common Agricultural Policy; drug precursors; dangerous waste; dual-use goods and other controls related to public security;

Considers that measures need to be agreed at Community level to meet the concerns expressed by some Member States as regards protection of public morality and the health of consumers in relation to the lack of safety of certain products imported from third countries; such measures should ensure the uniform application, at the external frontiers of the Community, of procedures which prevent such imports from being put into free circulation;

14.V.92  
dre/AH/cmc

Is confident that such difficulties will be overcome as a result of an integrated approach bringing together Community legislation, adaptation of national legislation and procedures of co-operation between Member States, the Member States and the Commission and, where appropriate, the economic agents;

Takes note with great interest of developments relating to the removal of border controls on persons resulting from the conclusions of the European Councils and encourages further progress in this field;

Agrees to give the highest priority to the approval of the required Community legislation, including those points set out indicatively in the annex;

Calls on Member States:

- to give the highest priority to the approval of the required national legislation as well as to the signing and ratification of the Conventions concluded at intergovernmental level;
- to carry out the correct implementation of Community measures within the specified deadlines;
- to conduct a comprehensive survey of their informatics and telecommunications networks, identifying needs in relation to the completion of the Internal Market which have to be met in order to make possible the interconnection with the telematic systems being developed within the Community;

Invites the Commission:

- to present all proposals deemed necessary to attain the defined goals regarding the abolition of border controls;
- to submit a report on the progress made in relation to the telematic projects necessary for the completion of the Internal Market, notably in removing frontier controls, assessing their prospects for becoming operational at the latest by 1 January 1993 and proposing the solutions required;

14.V.92  
dre/AH/cmc

- to proceed in collaboration with each Member State to scrutinize its national implementation measures in order to ensure a balanced and uniform application of the common rules;
- to keep the Internal Market Council informed as to the progress of all initiatives related to the abolition of controls at the internal borders of the Community;
- to establish a framework for permanent collaboration between the Commission and the Member States, in order to ensure the management of the area without internal frontiers and enable Member States to monitor the functioning of the Internal Market.

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14.V.92  
dre/AH/cmc

ANNEX

- VAT - accompanying measures:
  - . gold
  - . passenger transport
  - . second-hand goods
- "Catch-all" Directive
- pet animals
- production and marketing of milk products
- milk and milk products
- abolition of compensatory amounts
- adjustment of the common organization of the markets in cereals, milk and sugar
- adjustment of the controls linked to the Act of Accession
- control of the production and marketing of drug precursors
- medical devices
- organization of the market in bananas
- control of means of transport registered in third countries
- controls on the export of strategic goods
- control and marketing of explosives and mutual recognition of authorizations for explosives
- radioactive nuclear materials
- shipment of waste
- harmonization of the precious metals sector
- restitution of national treasures and export controls".

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14.V.92

dre/AH/cmc

### THIRD DIRECTIVE ON DIRECT LIFE ASSURANCE

Pending the Opinion of the European Parliament the Council was favourably inclined to the adoption shortly of a common position on the third Directive on the co-ordination of laws, regulations and administrative provisions relating to direct life insurance and amending Directives 79/267/EEC and 90/619/EEC.

It should be noted that the proposal is designed to supplement the two Directives already adopted on life assurance and, in parallel with the draft third non-life insurance Directive, to bring in:

- co-ordination of basic rules for prudential and financial supervision;
- mutual recognition of authorization for assurance undertakings and of prudential supervision systems in the various Member States;
- granting of a single authorization valid throughout the Community and the supervision of an undertaking's entire business by the home Member State.

### FORMATION OF PUBLIC LIMITED LIABILITY COMPANIES AND THE MAINTENANCE AND ALTERATION OF THEIR CAPITAL

The Council gave its unanimous agreement in principle on the common position relating to amendment of the Second Directive on Company Law (77/91/EEC), harmonizing the safeguards required by Member States regarding the formation of public limited liability companies and the maintenance and alteration of their capital.

14.V.92  
dre/AH/cmc

This proposal is intended more particularly to close a loophole in the Second Directive, which provides no mechanism to prevent a company from using a subsidiary to acquire company shares. The lack of any such mechanism allows companies, in the States where no legislation to that effect exists, to circumvent the provisions of the Second Directive. Such circumventions may jeopardize the maintenance of capital, lead to self-supervision by companies and form barriers to takeover.

The common position will be formally adopted after legal and linguistic finalization of the texts at a forthcoming Council meeting.

#### COMMUNITY CUSTOMS CODE

The Council adopted its common position on the Regulation establishing a Community Customs Code, a matter of particular importance in the course of completion of the internal market.

The 253 Articles of the Code sets out to assemble in a single and coherent text the general rules and all the arrangements and procedures applicable to goods traded between the Community and third countries. As a means of consolidating Community customs legislation and making it transparent, it is designed to replace and supplement the thirty or so pieces of legislation adopted between 1968 and 1990 currently in force. It will come into effect from 1 January 1994?

It shall be emphasized that the Code will also form a model of legislation for codification of Community law.

14.V.92

dre/AH/cmc

PROFESSION OF CUSTOMS AGENTS/OFFICERS

After taking note of a Commission communication concerning the back-up measures to be contemplated to adapt the profession of customs agents/officers to the internal market, the Council agreed that more work was needed in this area.

COPYRIGHT AND NEIGHBOURING RIGHTS

The Council unanimously adopted a Resolution on increased protection for copyright and neighbouring rights, in which it notes that the Member States undertake, insofar as they have not already done so, to become by 1 January 1995, parties to the Paris Act of the Berne Convention (copyright) and the Rome Convention (neighbouring rights), and invites the Commission to pay particular attention, when negotiating agreements between the Community and third countries, to third countries' observance of these two Conventions.

The Council furthermore noted with satisfaction the progress of discussions on the amended proposal for a Council Directive on rental right, lending right and certain rights related to copyright in the field of intellectual property; it asked the Permanent Representatives Committee to look more closely into the few questions still to be resolved, with a view to adopting a common position at its meeting on 18 and 19 June 1992.

14.V.92

dre/AH/cmc

#### PSYCHOTROPIC SUBSTANCES

The Council took note of a Commission statement on the proposal for a Directive on the manufacture and the placing on the market of certain substances used in the illicit manufacture of narcotic drugs and psychotropic substances.

The Commission considers it essential to the proper functioning of the internal market that the Directive should be adopted by the end of 1992.

Pending the Commission's formal submission of an amended proposal, the Council announced its intention of re-opening discussions on this matter as soon as possible.

#### PUBLIC PROCUREMENT - EXCLUDED SECTORS

Pending the Opinion of the European Parliament, the Council took note of the progress of discussions on the proposal for a Directive amending Directive 90/531/EEC on the procurement procedures of entities operating in the water, energy, transport and telecommunications sectors (excluded sectors).

It will be recalled that the aim of this proposal is to extend the procedural arrangements of Directive 90/531/EEC, regulating public works contracts and public supply contracts in the excluded sectors, to public service contracts. It constitutes the final section of the legislative programme on public procurement as defined in the White Paper on completing the internal market, of which the public procurement programme is a key element.

14.V.92

dre/AH/cmc

#### EXPORT CONTROLS ON DUAL-USE GOODS AND TECHNOLOGIES

The Council took note of a Commission statement on export controls on dual-use goods and technologies, and of the importance attached by the Commission to the achievement of tangible progress within the required time, with an eye to the abolition of internal frontiers.

The Council instructed the high-level ad hoc Working Party to press ahead with its discussions pending possible Commission proposals in this field.

#### PRECIOUS METALS

The Council invited delegations' reactions after hearing a Commission statement on trade in precious metals within the Community in the course of completion of the internal market.

It should be noted that trade in these commodities is still subject to national controls, and that the problem of their circulation within the Community after 1 January 1993 has already been raised by a number of delegations at previous Council meetings.

At the end of the discussion, the Presidency noted that here, most Member States wanted Community-wide harmonization.

The Commission said it was prepared to give fresh consideration to this issue in the light of the discussions within the Council.

14.V.92

dre/AH/cmc

FURTHER DECISION IN THE SPHERE OF THE INTERNAL MARKET

Action plan for the exchange of national officials engaged in the implementation of Community legislation required to build the Single Market

The Council adopted the common position on the Decision concerning the adoption of an action plan for the exchange of national officials between Member States administrations who are engaged in the implementation of Community legislation required to build the Single Market.

It should be noted that the action plan is modelled on the MATTHAEUS programme, extending it to the whole of the internal market sphere. The objective of the exchange is to enable a more homogeneous approach to be taken to the implementation of Community legislation, in particular by making national civil servants more aware of the European dimension of their work and by fostering mutual trust between the administrations of the various Member States. The length of an official's stay on an exchange visit in the administration of another Member State is normally to be set at a minimum of two months.

The action plan covers a period of five years. The estimated amount of Community financial backing required to implement it is MECU 17,3 for an overall number of 1 900 participants. The financing of the programme will be shared between the Community and its Member States.

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

6427/92 (Press 80)

1575th Council meeting

- HEALTH -

Brussels, 15 May 1992

President: M. Arlindo DE CARVALHO,  
Minister for Health of the  
Portuguese Republic



Italy :

Mr Rocco CANGELOSI Deputy Permanent Representative

Luxembourg :

Mr Johnny LAHURE Minister for Health

Netherlands :

Mr H.J. SIMONS State Secretary for Welfare,  
Health and Cultural Affairs

Portugal :

Mr Arlindo DE CARVALHO Minister for Health

United Kingdom :

Ms Virginia BOTTOMLEY Secretary of State for Health

o

o

o

Commission :

Mme Vasso PAPANDEOU Member

LABELLING OF TOBACCO PRODUCTS

Following the completion of the co-operation procedure with the European Parliament, the Council finally adopted the Directive on the approximation of the laws, regulations and administrative provisions of the Member States concerning the labelling of tobacco products and the prohibition of the marketing of certain types of tobacco products for oral use.

This Directive amends Directive 89/622/EEC which mainly concerned cigarettes. It does so both by extending the obligation to print specific health warnings on the unit of packaging to tobacco products other than cigarettes and by imposing a ban on the marketing of certain types of tobacco for oral use.

The system of specific warnings, which must cover at least 1% of the total surface area of the unit of packaging, is as follows:

- in the case of smoking tobacco products other than cigarettes: genuine alternation between the four warnings "Smoking causes cancer", "Smoking causes fatal diseases", "Smoking damages the health of those around you", "Smoking causes heart disease";
- the arrangements applicable to rolling tobacco are the same as those laid down in Directive 89/622/EEC with regard to cigarettes;
- in the case of tobacco products which are not intended for smoking, the single warning "Causes cancer" must appear.

As far as tobacco products intended for oral use are concerned, the Directive aims to ban the marketing of new products which pose particular risks. In specific terms this means: tobacco products for oral use in the form of powder, fine particles or any

combination of these forms - particularly those presented in sachet portions or porous sachets - or in a form reminiscent of an edible product. Such products hold a particular attraction for young people and have already been banned altogether in certain Member States.

The Member States must bring the provision concerning the marketing ban on certain types of tobacco for oral use into force by 1 July 1992 and the other provisions of the Directive by 31 December 1993. Products existing on that date which do not comply with the Directive may continue to be marketed until 31 December 1994.

#### TOBACCO ADVERTISING

The Council held an exchange of views on the amended proposal for a Directive on the approximation of the laws, regulations and administrative provisions of the Member States relating to the advertising of tobacco products. Following the Opinion of the European Parliament, the Commission added an amendment to the proposal.

The proposal aims to impose a total ban on direct advertising of tobacco products except inside sales outlets.

The debate ended with the Council instructing the Permanent Representatives Committee to actively continue proceedings so that the Council could discuss the matter at its next meeting.

TOXICOLOGY FOR HEALTH PROTECTION

The Council and the Ministers adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN COMMUNITIES AND THE MINISTERS FOR HEALTH OF THE MEMBER STATES, MEETING WITHIN THE COUNCIL,

HAVING EXAMINED the Commission communication on the Community programme of action in the field of toxicology for health protection,

TAKE NOTE of the results achieved, which to a large extent meet the objectives set by the Council and the Representatives of the Governments of the Member States, meeting within the Council, in 1986 <sup>(1)</sup> and 1988,

CALL ON the Commission to disseminate those results widely and to complete work in progress,

CONSIDER that the experience acquired in this field in the Member States and at Community level should also be able to contribute to the prevention of disease,

CALL ON the Commission accordingly to identify, if appropriate, action regarding toxicology which might be implemented in the context of future Community health policies."

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(1) Resolution of the Council and the Representatives of the Governments of the Member States, meeting within the Council, on a programme of action of the European Communities on toxicology for health protection (OJ No C 184, 23.7.1986, p. 1).

NUTRITION AND HEALTH

The Council and the Ministers adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN COMMUNITIES AND THE MINISTERS FOR HEALTH OF THE MEMBER STATES, MEETING WITHIN THE COUNCIL,

CONSIDERING the importance of diet for people's health and well-being and the role of a proper diet in the prevention of various diseases and risk factors;

REFERRING to their Resolution of 3 December 1990 concerning an action programme on nutrition and health <sup>(2)</sup> which provides in particular for a European Nutrition Year;

REAFFIRM the importance of such action which, in the context of future Community policies on health, will make a substantial additional contribution to action already being undertaken by the Member States in this field;

NOTE that the Commission is in the process of conducting a general examination of health issues and that it intends to take the necessary initiatives as soon as that examination has been concluded;

CONSIDER that there should be continued discussion of questions relating to nutrition in the context of future Community policies in the sphere of health;

CALL ON the Commission to continue its studies in close co-operation with the Senior Officials designated for this purpose by the Member States."

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(2) Resolution of the Council and of the Representatives of the Governments of the Member States, meeting within the Council (OJ No C 329, 31.12.1990, p. 1).

HEREDITARY ILLNESSES

The Council and the Ministers adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN COMMUNITIES AND THE MINISTERS FOR HEALTH OF THE MEMBER STATES, MEETING WITHIN THE COUNCIL,

CONSIDERING the importance of hereditary and genetic illnesses in the general context of health problems;

CONSIDERING the repercussions which such illnesses have, particularly on the economic and social levels, and the effects which they may have on future generations;

WHEREAS, in addition to research actions, the Community is already adopting in other spheres measures which contribute to the prevention of those illnesses, insofar as they are aimed at eliminating attendant risk factors;

WHEREAS co-operation with the international organizations active in this area and among the various national bodies may contribute to the increased effectiveness of resources and knowledge concerning all the problems connected with the prevention of those illnesses;

HAVING REGARD not only to the health aspects but also to the particular ethical, legal, economic and social aspects of those problems;

NOTE with interest the memorandum submitted by the Portuguese delegation concerning hereditary and genetic illnesses;

BELIEVE that it is important to enhance the role of epidemiological research on genetic illnesses in the framework of Community and international research programmes in the fields of biomedicine and health;

EMPHASIZE that the pooling of data and results from the various national and Community actions connected with the elimination of risk factors may facilitate the fight against hereditary illnesses;

CONSIDER that matters connected with the fight against such illnesses, notably the need for co-operation among the Member States, should be the subject of discussions in the context of future Community policies on health."

EUROPEAN DRUG PREVENTION WEEK

With preparations for European Drug Prevention Week under way, the Council and the Ministers adopted the following declaration:

"THE COUNCIL OF THE EUROPEAN COMMUNITIES AND THE MINISTERS FOR HEALTH OF THE MEMBER STATES, MEETING WITHIN THE COUNCIL,

WHEREAS drug abuse gives rise to health problems and social problems worldwide and efforts to resolve such problems therefore require international co-operation, and particularly a special effort on the part of the Community;

REFERRING to the conclusions of the Heads of State and of Government on the importance of systematically and continually stepping up action by the Community and its Member States to combat drugs;

HAVING regard to the objectives and lines of action set out in the European plan to combat drugs, approved by the European Council in Rome on 14 and 15 December 1990, and in particular those aimed at reducing demand for drugs;

CONSIDERING the conclusions of the European Council meeting in Maastricht, which supported the organization of a European Week to promote the prevention of drug use in the context of the widest possible information on drug problems;

AFFIRM their shared resolve to increase efforts in the fight, at all levels, to reduce demand for drugs in Europe;

CONSIDER that such efforts should concentrate primarily on prevention and more particularly on information and health education for young people;

CONSIDER that the European Drug Prevention Week, to be held from 16 to 22 November 1992, should usher in closer, ongoing co-operation in order to increase awareness among the general public and above all young people;

APPEAL for the participation of the general public, particularly all those people and bodies more directly involved in the organization and promotion of that European Week, in order for such action to make a significant contribution to the prevention of drug addiction in Europe."

EUROPEAN DRUGS MONITORING CENTRE (EDMC) AND A EUROPEAN INFORMATION NETWORK ON DRUGS AND DRUG ADDICTION (REITOX)

The Council was informed of progress on the proposal for a Regulation setting up a European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and a European Information Network on Drugs and Drug Addiction (REITOX).

The purpose of the proposal, which follows up the conclusions of the European Councils of 28 and 29 June and 9 and 10 December 1991, is to set up before 30 June 1992 a European Drugs Monitoring Centre, whose task would be to provide the Community and Member States with objective, reliable and comparable information on aspects of drugs and drug addiction.

The Permanent Representatives Committee was instructed to continue work in the light of the outcome of the discussion and of the Opinion which the European Parliament has just delivered with a view to a decision by the General Affairs Council by 30 June.

ADEQUATE BLOOD PRODUCTS AVAILABILITY IN THE COMMUNITY

The Council adopted the following conclusions:

"Without prejudice to the development of future prospects for Community co-operation concerning blood, the Ministers for Health, meeting within the Council,

took note of the Commission working paper on this problem:

stressed the importance of achieving blood self-sufficiency in the Member States and in the Community;

in this context, reaffirmed the principle of voluntary unpaid blood donation, which they are endeavouring to stimulate;

considered that the risk of infection must be reduced as much as possible, protecting the health of the donor and ensuring maximum protection for the recipient through measures geared to the high quality and safety of blood and blood products, and agreed on the need to promote exchanges of information and experience between Member States in order to examine the problems connected with the implementation of these principles;

asked the Commission to pursue and intensify its work with a view to submitting to the Council as soon as possible its report on this issue, including the means of achieving self-sufficiency on a voluntary basis and with maximum safety, accompanied where appropriate by suitable proposals on the matter."

#### OTHER BUSINESS

The Council and the Ministers took note of the report, recently forwarded to them by the Commission, on the 1991 "Europe against Cancer" programme and of the Commission's intention of forwarding a report on the implementation of the Resolution on banning smoking in places open to the public by the end of the year.

The Council and the Ministers also heard an oral statement by the Commission on the Aids campaign and took note of the information

provided by the Commission on the implementation of the code of conduct to combat the use of drugs in sport.

The Council and the Ministers finally addressed the following points:

- an information note from the Presidency on areas covered by other Community policies which have an impact on health;
- the prices of medicinal products, at the request of the Danish delegation, and the future system for the free movement of medicinal products, at the request of the Spanish delegation;
- the conditions of treatment of drug addicts, at the request of the Portuguese delegation;
- humanitarian measures and measures by Ministers for Health, at the request of the French delegation.

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Relations with Albania

Further to the approach worked out at the meeting of 11 May (see Press Release 6326/92 Presse 71), and without prejudice to possible new initiatives which might be warranted by developments in Albania, the Council decided to implement an aid operation for that country in the form of a grant in order to allow the financing of an import programme for raw materials, semi-manufactured goods and spare parts for Albanian industry.

The maximum amount of this Community aid operation is set at ECU 20 million. The Commission will implement the operation.

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PRESS RELEASE

6540/92 (Presse 86)

1576th meeting of the Council

CULTURAL AFFAIRS

Brussels, 18 May 1992

President: Mr Pedro Miguel SANTANA LOPES  
State Secretary for Culture  
of the Portuguese Republic

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The governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Hugo WECKX	Minister for Culture and Brussels Affairs (Flemish Community)
Mr Bernd GENTGES	Minister for Education and Training, Culture, Youth and Scientific Research (German-speaking Community)
Mr Bernard ANSELME	Chairman of the Executive of the French-speaking Community and Minister with responsibility for Culture, the Budget, the Public Service, Communications, Sport and Tourism

Denmark:

Mrs Grethe ROSTBØLL	Minister for Culture
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Germany:

Mr Hans ZEHETMAIR	Free State of Bavaria: Minister for Education, the Sciences and the Arts
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Greece:

Mrs Anna PSAROUDA-BENAKI	Minister for Culture
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Spain:

Mr Jordi SOLE TURA	Minister for Culture
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France:

Mr Jean CADET	Deputy Permanent Representative
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Ireland:

Mr Tom KITT

Minister of State of the Department  
of the Taoiseach with special  
responsibility for Arts and Culture,  
Women's Affairs and European Affairs

Italy:

Mr Rocco Antonio CANGELOSI

Deputy Permanent Representative

Luxembourg:

Mr René STEICHEN

Minister with responsibility for  
Cultural Affairs

Netherlands:

Mrs Hedy D'ANCONA

Minister for Social Security, Health  
and Culture

Portugal:

Mr Pedro Miguel SANTANA LOPES

State Secretary for Culture

Mrs Maria José NOGUEIRA PINTO

Deputy State Secretary to the State  
Secretary for Culture

United Kingdom:

Mr David MELLOR

Minister for the National Heritage

Commission:

Mr Filippo Maria PANDOLFI

Vice-President

Mr Jean DONDELINGER

Member

ACTION PLAN FOR THE INTRODUCTION OF ADVANCED TELEVISION SERVICES IN EUROPE

Following introductory statements by Mr PANDOLFI and Mr DONDELINGER on the proposal for an action plan for the introduction of advanced television services in Europe which the Commission has just submitted, the Council held a discussion on the proposal.

It should be noted that the purpose of the action plan is to ensure the accelerated development of the market for advanced television services by satellite and cable based on the D2-MAC standard, particularly in its 16/9 format, and the HD-MAC standard. The plan is proposed for the period ending on 31 December 1996.

At the close of the discussion, the Council:

- noted that this proposal was being examined by the Working Party on Telecommunications which, in view of the importance of its cultural aspects, had been enlarged to include the Counsellors responsible for Culture;
- agreed to resume its examination of the cultural aspects of the proposal at a forthcoming meeting.

CULTURAL OBJECTS

The Council held an exchange of views on the basis of two texts prepared by the Presidency relating to the proposals for a Regulation and a Directive under examination.

The discussion made it possible to close the gap considerably between delegations' positions on certain issues still unresolved.

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At the close of the discussion, the Council instructed COREPER to continue examining the two proposals and to report back to it at its next meeting.

#### EUROPEAN CITIES OF CULTURE AFTER 1996 - EUROPEAN CULTURAL MONTH

After adopting the conclusions set out in the Annex, the Ministers for Culture signified their agreement to the designation of Thessaloniki as European City for Culture for 1997.

As regards the European Cities of Culture for the following years and the European Cultural Month, the Ministers decided to examine applications at their next meeting.

#### NEW PROSPECTS FOR COMMUNITY CULTURAL ACTION

The Council and the Ministers held an initial exchange of views on the Commission communication concerning new prospects for Community cultural action. The purpose of the communication is to stimulate discussion, on the basis of the "acquis" and with the frontier-free area in view. It is aimed at the adoption of a general reference framework on the basis on which the Commission can subsequently submit specific proposals and programmes.

At the close of the discussion, the Council and the Ministers noted that the Commission communication formed a good basis for discussion to enable them to define the future broad lines of and priorities for Community cultural action.

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With this in mind, they instructed the Committee on Cultural Affairs to examine the Commission communication, particularly with a view to a colloquy of Ministers announced by the United Kingdom delegation for 7 September 1992 in Birmingham.

#### CAMPAIGN FOR RAISING PUBLIC AWARENESS OF BOOKS AND READING

The Council and the Ministers took note of the progress report which the Committee on Cultural Affairs had submitted to them on the campaign for raising public awareness of books and reading, which had been cited as one of the actions to be developed in their Resolution of 18 May 1989 concerning the promotion of books and reading.

The Council and the Ministers thanked the Danish delegation for its offer to inaugurate the campaign in 1993 and welcomed the intention to hold a meeting of national officials and representatives of the book sector in the second half of 1992 for making concrete arrangements for this campaign.

#### CONSERVATION OF ACID PAPER

The Council and the Ministers took note of the report submitted to them by the Committee on Cultural Affairs on the conservation of acid paper and the use of permanent paper.

It should be noted that pursuant to Action 6 of the Resolution on books and reading of 18 May 1989, a meeting of experts organized by the Netherlands Presidency and the Commission had been held on the subject at The Hague from 17 to 19 December 1991.

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The Council and the Ministers instructed the Committee on Cultural Affairs to continue to follow this matter and noted with interest that a second meeting of experts would be held in the near future.

#### CONFERENCE ON CULTURAL PATRONAGE IN THE COMMUNITY

The Council and the Ministers took note of the Presidency's report on the Conference on business sponsorship of the arts in Europe which was held in Lisbon on 2 and 3 April 1992 under the aegis of the Presidency and of the Commission.

It should be noted that the Council and the Ministers had chosen cultural patronage as one of the priority cultural actions in their conclusions of 27 May 1988.

The Council and the Ministers noted that the guidelines prepared at the Conference would be carried forward under the United Kingdom Presidency.

#### COPYRIGHT AND NEIGHBOURING RIGHTS

The Council heard a progress report from the Presidency concerning copyright and neighbouring rights in order to include the cultural aspects in the process of the harmonization of copyright and neighbouring rights which is continuing in the context of completion of the internal market.

The Council agreed to follow the development of this matter closely, particularly its cultural aspects.

ANNEX

DRAFT CONCLUSIONS  
OF THE MINISTERS FOR CULTURE MEETING WITHIN THE COUNCIL  
CONCERNING THE CHOICE OF EUROPEAN CITIES OF CULTURE  
AFTER 1996  
AND THE EUROPEAN CULTURAL MONTH

The European City of Culture operation is now well established. The European Cultural Month will take place for the first time this year (Europe in Cracow 1992).

The conclusions of 18 May 1990 noted that a first cycle of designations of Cities of Culture among the European Community Member States would be completed in 1996. It was decided that after 1996 not only Member States of the European Community but other democratic European States should be eligible to designate a city as European City of Culture. It was stated that the first designations for the period after 1996 could take place from 1992 onwards.

In making these first designations the Ministers considered it appropriate, given that the field of choice of European City of Culture will be much wider after 1996, to set out some criteria for their own guidance and that of interested European States.

Without making hard and fast rules, they propose to alternate between current Member States (which will have had a City already) and other European States. Flexibility could be allowed between one category and the other for States which are expected to become Community members in the short term.

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It will be advisable to avoid having cities from the same geographic area two years running, and sometimes a capital city will be chosen, at other times a provincial city. Specific anniversaries might be taken into account.

There may well be several candidatures at any one time, and this could give rise to frustration if cities have been chosen for many years ahead. It is therefore of great interest to continue with the European Cultural Month. A year or two of experience will be needed before its success can be judged. It should receive full support as a major European cultural event and should be thought of in the long term as a worthwhile alternative to the European City of Culture, which could be placed just as well in a Community Member State as in a non-Community country. It would be useful to review the situation after "Europe in Graz 1993".

Occasionally there might be twin Cities of Culture in a particular year, when two cities having affinities might want to harmonize their activities. Similarly, two cities might exceptionally want to share a year, each taking a different time period.

Decisions taken now about European Cities of Culture after 1996 should not prejudice any decisions which might need to be taken later about a second operation in the year concerned.

PRESS RELEASE

6542/92 (Presse 88)

1577th Council meeting  
- ECONOMIC AND FINANCIAL QUESTIONS -

Brussels, 19 May 1992

President: Mr Jorge BRAGA DE MACEDO

Minister for Finance  
of the Portuguese Republic





EXTENSION OF EIB ACTIVITIES OUTSIDE THE COMMUNITY- Council conclusions

"Following earlier discussions on the extension of EIB activities outside the Community, the Council agrees to give practical substance to the agreement reached in principle on this issue last year and adopts the following guidelines, proposed by the Commission, for the implementation of a limited extension of EIB activity:

- EIB loans can be granted, in countries with which the Community has concluded co-operation agreements and for projects of mutual interest;
- loans may be granted, for projects that meet the Bank's usual criteria, on a case-by-case basis by the Board of Directors;
- an overall limit of ECU 250 million per year shall be set for a 3-year period; this arrangement shall be reviewed at the end of the period.

In addition, the Council agrees that these loans should benefit from Community budget guarantees. Furthermore, these guarantees should be treated in accordance with what will be agreed on the future general treatment of Community guarantees."

Convergence Programme of the  
Federal Republic of Germany

Council conclusions

The Council welcomed the decision by Germany to submit a Convergence Programme for examination by the Council. Given the anchor role of the DM in the ERM, this examination is of particular importance.

German unification has resulted in an enormous shock to public finances, yielding a forecast general Government deficit of 4,1% of GDP for 1992. However, given the efforts to consolidate public finances based on expenditure restraint undertaken during the 1980s, Germany was in a strong position to deal with a shock of this magnitude. Indeed, a temporary deterioration in public finances and the current account balance can be viewed as appropriate under the circumstances. As unequivocally stated in the Convergence Programme itself, it is essential that imbalances be redressed over the medium-term.

In its overall assessment, the Council acknowledged the ambitious nature of the targets, and fully endorsed the basic strategy of the Programme, i.e. maintaining a tight monetary policy while undertaking fiscal consolidation principally through restraints on expenditure rather than increasing the tax burden. It noted that, on the basis of targets provided, Germany expects to fulfil all the Maastricht criteria well before the move to Stage Three. It also noted that Germany would take additional measures if necessary to meet these criteria.

The Federal Government has given an undertaking to restrict nominal increases in expenditure to no more than 2,5% annually until 1996. General Government expenditure is projected to rise by a maximum of 3% in nominal terms over the same period; this in effect amounts to a freezing of public expenditure in real terms. The General Government deficit is forecast to decline from 4,1% of GDP in 1992 to 2,5% in 1994 and 1,9% in 1995. The Council stressed the important responsibilities of the Länder and municipalities in achieving fiscal consolidation by restraining expenditure, including subsidies.

The Convergence Programme states that economic reconstruction will continue in eastern Germany. This would be fostered by increasing the weight of investment expenditure compared with consumption-related expenditure in the transfers to eastern Germany. The Council underlined the paramount importance of wage moderation throughout unified Germany, so that it does not fuel inflation thus leading to an overburdening of monetary policy, or undermine competitiveness in the eastern Länder. Therefore the Council called upon Germany to take account of the discussions in Oporto on 9 May, and redouble efforts to remove structural rigidities in markets for labour, capital and non-traded goods.

Multilateral surveillance - Italy  
Council conclusions

The Council conducted a review of the progress made in implementing the Italian Programme of Economic Convergence (1992-1994) that had first been examined by the Council on 11 November 1991.

On that occasion the Council had endorsed the objectives of the programme and particularly welcomed the explicit commitment of the Italian authorities to respect the annual budget deficit targets in nominal terms whatever the underlying economic developments by taking the necessary corrective measures.

Six months after the presentation of the programme, the evolution of the key variables for nominal convergence is falling short of the stated targets. The budgetary situation and outlook, in particular, give cause for serious concern.

The disappointing outcome for the State Sector Borrowing Requirement in 1991 and other developments since the presentation of the programme imply that meeting the deficit target for 1992 now calls for a substantial additional adjustment package. Such a package must amount to well above LIT 30 000 billions in the second half of the year. The size of the adjustment required calls for exceptional measures going beyond the normal framework of fiscal policy as conducted so far.

In its first examination the Council noted the need for decisive action in several structural and institutional areas, particularly as far as the national health system, the pension expenditure mechanism, state aids and reforms of the budgetary procedures are concerned. Urgent initiatives are needed in these areas, for example applying the ceiling for pay increases in the public sector not to per-capita wages but to the total wage bill.

Strong measures cannot be further postponed as the size of the emerging slippage is such as to undermine the credibility of Italian economic policy. Sustained fiscal adjustment must continue in order to put the Italian budget back on the track spelled out in the Convergence Programme.

In the light of the gravity of the situation, the Council emphasized that unless immediate and effective corrective measures are undertaken to meet the nominal targets to which the Government committed itself in the Convergence Programme, Italy would in all likelihood fail to meet the Maastricht criteria. Given the size of the Italian economy, such an outcome would have significant adverse repercussions throughout the Community.

DELORS II PACKAGE

The Council held a general exchange of views on the Delors II Package, concentrating on the broad lines of the Commission proposals.

The Council decided to resume examination of this dossier in early June with a view to discussing it in depth before the European Council meeting on 26 and 27 June 1992.

ABOLITION OF FISCAL FRONTIERS

The Council examined the problems outstanding concerning structures and excise duty rates, VAT rates and the special VAT arrangements for second-hand goods (7th VAT Directive).

This examination enabled a number of problems to be solved and progress to be achieved, subject to an overall agreement, notably on structures of excise duties on manufactured tobacco and on mineral oils.

Regarding the other problems outstanding, the Council agreed to continue its discussions at its next meeting with a view to reaching agreement on all the directives in question before the end of June.

With the Presidency having stated its intention to refer an overall compromise to delegations in due course, the Council instructed the Permanent Representatives Committee to expedite a detailed examination of the difficulties involved so that the above objective could be attained.

AMENDED PROPOSAL FOR A DIRECTIVE ON CAPITAL ADEQUACY OF INVESTMENT FIRMS AND CREDIT INSTITUTIONS

Further to the policy debate held at the March meeting on certain key points of this proposal for a Directive (see Press Release 5027/92 Presse 34), the Council examined the dossier in depth on the basis of the work carried out in accordance with the guidelines agreed on at that meeting and of an overall compromise put forward by the Presidency covering the following eight points it had identified as particularly important in speeding up finalization of the Directive:

- definition of the trading book,
- definition of qualifying items,
- supervision on a consolidated basis,
- duration method,
- exchange risk: the treatment of currencies in close correlation,
- definition of own funds,
- treatment of large exposures,
- review clause.

At the close of this examination, the Council accepted the structure of the overall compromise put forward by the Presidency as a basis for future discussions and acknowledged the desirability of maintaining its comprehensive and well-balanced nature. The Council instructed the Permanent Representatives Committee to continue examination of the dossier, studying certain features of the Presidency's compromise in greater detail, with a view to reaching political agreement in June when the Council would also be discussing a related matter, namely the proposal for a Directive on investment services.

COMMUNITY STRATEGY TO LIMIT CO2 EMISSIONS AND TO IMPROVE ENERGY EFFICIENCY  
CUSTOMS AGENTS

The Council was briefed by Mrs SCRIVENER on recent initiatives taken by the Commission regarding:

- a comprehensive programme aimed at the stabilization of CO2 emissions at their 1990 level, by the year 2000, drawing the Ministers' particular attention to the fiscal aspect of the programme, which includes a proposal for the creation, under certain conditions, of a tax on energy and CO2;
- the programme of measures to back up the adaptation of the profession of customs agents to the single market and to the consequences of the abolition of fiscal frontiers on 1 January 1993.

**COUNCIL OF THE EUROPEAN COMMUNITIES**

1578th meeting of the Council

- Ministers for Justice meeting within the Council-

Funchal, 18 May 1992

The official press release was unavailable. The agenda for the meeting has been reproduced from the Bulletin of the European Communities, No. 5-1992.

## 1578th meeting

1.5.9. Ministers for Justice meeting within the Council (Funchal, 18 May).

- Previous meeting: Bull. EC 11-1991, point 1.7.9

*President:* Mr Laborinho Lucio, Portuguese Minister for Justice.

### *Main item*

Convention on the Accession of the Kingdom of Spain and the Portuguese Republic to the Convention on the Law Applicable to Contractual Obligations, opened for signature in Rome on 19 June 1980: signed.

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

6539/92 (Presse 85)

1579th Council meeting

- AGRICULTURE -

Brussels, 18, 19, 20 and 21 May 1992

President: Mr Arlindo CUNHA,

Minister for Agriculture of  
the Portuguese Republic



Italy:

Mr Giovanni GORIA Minister for Agriculture

Luxembourg:

Mr René STEICHEN Minister for Agriculture and  
Viticulture

Netherlands:

Mr Piet BUKMAN Minister for Agriculture,  
Nature Conservation and  
Fisheries

Portugal:

Mr Arlindo CUNHA Minister for Agriculture

Mr Alvaro AMARO State Secretary, Ministry of Agriculture

United Kingdom:

Mr John GUMMER Minister of Agriculture, Fisheries and Food

Mr David CURRY Parliamentary Secretary, Agriculture

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Commission:

Mr Ray MAC SHARRY Member

DEVELOPMENT AND FUTURE OF THE COMMON AGRICULTURAL POLICY

Following lengthy and difficult negotiations the Council reached political agreement, by a qualified majority, on the reform of the CAP. An overall solution was reached on the basis of a compromise put forward by the Presidency and approved by the Commission.

The main features of the compromise, which amends the Commission's original proposal, are set out below:

I. ARABLE CROPS

- The co-responsibility levies for the 1992/1993, 1993/1994, 1994/1995 and 1995/1996 marketing years are abolished, as are the two alternative aid systems for small producers, linked to the levy.

(a) Prices and aids

The target price for cereals is set at 130, 120 and 110 ecus/t for the 1993/1994, 1994/1995 and 1995/1996 marketing years respectively.

The intervention price is fixed for the same years at 117, 108 and 100 ecus/t.

The basic amount for the compensatory payment is fixed at ECU 25, 35 and 45 respectively for the aforementioned marketing years.

(b) Compensation for set-aside

The limit per farm on the area for which set-aside compensation is paid is abolished.

Compensation for set-aside will take account of the aid arrangements laid down in Regulation (EEC) No 3653/90.

(c) Rotational set-aside will be set at 15%. Non-rotational set-aside will be permitted but at a higher rate than the 15% decided for rotational set-aside. The rate will be proposed to the Council by the Commission on the basis of a scientific study on the comparative effectiveness in terms of production reduction of rotational and non-rotational set-aside so as to ensure no discrimination between the two systems. If the study proves this to be necessary, the differential between the 15% rate and the non-rotational rate may vary in different regions of the Community. The Council will decide on the basis of this proposal before 31 July 1993.

(d) Where national environmental rules have the implication that a producer who set aside some of his arable land would thereby be forced to reduce his animal production, such a producer may arrange to transfer his set-aside obligation to another producer. His right to compensation would depend on the full performance of that obligation by the farmer to whom it had been transferred. If the transfer is to a different yield area, the amount of set-aside to be performed would be adjusted accordingly. Such transferred obligations would be subject to the general rules on non-rotational set-aside unless they provided for rotation on the holding on which the responsibility had been undertaken.

(e) Community preference

The difference between the threshold price and the target price will be ECU 45.

(f) Base area

1. Member States which are in a position to apply the individual base area system as proposed by the Commission may opt to do so.

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2. For the Member States which do not apply a system of individual base areas, a regional base area equal to the average of the cultivated areas given over to cereals, oilseeds and protein products in 1989, 1990 and 1991 will be defined for each region within the Member States. Areas left fallow in accordance with a public aid scheme will, where appropriate, be added to the cultivated areas.
3. Region should be understood to mean a Member State or a region within the Member State, at the option of the Member State concerned. Member States may establish yield regions within the base area regions but may not establish yield regions which cross the boundaries of the base area regions.
4. In order to be entitled to compensatory payment, each producer should submit annually an application setting out:
  - (a) surfaces sown with arable crops;
  - (b) surfaces left in set-aside (normal and, where appropriate, special).
5. The area left in set-aside must be equal to at least 15% of the total of (a) + (b) above, or to another percentage in the event of the Council deciding to change the rate of normal set-aside.
6. When the sum of the individual areas for which aid is claimed under the arable producers scheme (including the set-aside provided under that scheme) and under the five-year set-aside scheme is in excess of the regional base area, the following measure will be applied in the region in question:
  - during the same marketing year, the eligible area per producer will be reduced proportionately for the various kinds of aid requested by the producer (normal set-aside, oilseeds and other arable crops);
  - the percentage by which the regional base area is exceeded will be covered, without compensation, by special set-aside measures in the following marketing year.

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7. Article 9 of the Commission proposal will be replaced by a provision prohibiting application for aid for land used before 31 December 1991 for permanent pasture, forests, permanent crops or non-agricultural purposes.

(g) Cereals grown for silage will be treated like other cereals.

(h) Member States may, in their regionalization plans, apply a different yield figure for maize compared with other cereals provided that they do not thereby increase their total average yield and that they establish a separate base area for maize and require that producers who benefit from this higher yield reduce their maize area through set-aside by the same percentage as they reduce the rest of their area sown to arable crops.

(i) The requirement that certified seed be used to grow durum wheat which is eligible for aid is dropped.

(j) Regionalization plans

In drawing up regionalization plans, the Member States may also take into consideration the distinction between irrigated and non-irrigated areas.

In its appreciation of the regionalization scheme submitted by Portugal, the Commission will take into account in particular the data available from the application of Regulation (EEC) No 3653/90.

(k) Standard quality

The determination of standard quality for cereals will remain a matter for the Council. The Council asks the Commission to submit proposals based on Article 43 of the Treaty to replace Regulation (EEC) No 2735/75.

(l) Oilseeds

- The principles underlying future arrangements for oilseeds, as proposed in the context of the arrangements for arable crops, are accepted, but the Council asks the SCA to draw up necessary technical

amendments taking account of the arrangements in force for 1992/1993.

- Until the end of the 1994/1995 marketing year, the aid paid to non-professional producers of sunflower seeds in Spain and Portugal will be fixed in such a way as to avoid any distortion which might arise from transitional arrangements for sunflower-seed producers in these countries.

(m) Protein crops

The aid per hectare of protein crops (peas, beans and sweet lupins) is ECU 65 multiplied by the regional yield for other cereals (excluding maize yields in Member States in which there is a separate regionalization for maize).

(n) Other protein crops

The aid regime for lentils, chick peas and vetches will be extended to 1995/1996.

(o) Dried fodder

The Council invites the Commission to submit proposals to continue the annual reduction in aids in this sector, taking due account of the specific situation in the sun-drying sector. For 1994/1995 and future years, support for producers of these products should be either on the basis of a continuation of the specific aid or by inclusion of these products in the general framework of arable-crop aids.

(p) Durum wheat

- Add 1991/1992 as a reference year for determining the marketing year to be taken into account.
- The Council requests the Commission to ensure that the reform in the wheat sector does not prejudice the semolina industry in non-producing Member States. It requests that the Commission take all appropriate measures to ensure a better transparency of this market.

## II. TOBACCO

### 1. Maximum guaranteed quantities:

1992 : status quo  
1993 : 370 000 tonnes  
1994-1997 : 350 000 tonnes.

2. Member States which possess the necessary data which will allow them to do so on the basis of past performance may allocate quotas to producers rather than to processors.
3. The allocation of the quotas by Member State and by variety group - based on production prior to 24 October 1991, the date of the Commission's proposal - will be established in accordance with the table in Annex I.

The entry into force of the reform in 1993 therefore implies that 1992 production will not be taken into account at the time the decision is taken on the quotas and their allocation between groups and Member States.

4. Conversion programme for dark air-cured tobacco in Italy: there will be a conversion programme for hybrids of Geudertheimer and Forchheimer Havana on the same conditions as the programme proposed by the Commission for Mavra and Tsebelia in Greece.
5. The Commission will closely follow market developments and if necessary will take appropriate measures, for example by granting export refunds.
6. Premiums for northern varieties:

During the period laid down by the new regime, producers of northern varieties will receive compensation, financed by the EAGGF, the level of which will be 50% of the difference between present premiums and those applicable under the new regime.

7. Inter-branch organizations and agreements:

(a) Declaration of non-precedent

"The Council declares that decisions on this proposal are without prejudice to the positions Member States may adopt in respect of any future proposals for inter-branch agreements in other sectors."

(b) Criteria for extension of disciplines

Article 8(1) should be extended to make clear that, for an agreement to be considered sufficiently representative for the purpose of extending the rules to be applied, at least 2/3rds of the production or trade must be covered.

(c) Criteria for recognition

Article 3 should be extended to make clear that in order to be recognized an agreement must cover a significant proportion of production or trade. (The term "significant proportion" could be defined in more detail under the Management Committee procedure).

(d) Technical clarifications

(a) Article 2(3)(h) and Article 8(2)(e) - certificates of seeds - replace the draft text by "use of certified seed and monitoring of product quality".

(b) Article 7(3) (quota management). Replace the current text by "-entail the fixing of prices or quotas, without prejudice to measures taken by inter-branch organizations in the framework of the application of specific provisions of Community rules."

### III. MILK

#### (a) Quotas

- The Commission will submit reports to the Council before the beginning of the 1993/1994 and 1994/1995 quota periods on the market situation, accompanied, as appropriate, with proposals, so as to allow the Council to review the decisions taken.
- The Council is invited to take a decision of principle that if it receives satisfactory proof that the quota system has been effectively applied in 1992/1993 in Spain and Greece and that production has therefore been reduced, some adaptation in the global guaranteed quantities of these Member States will be agreed for 1993/1994 onwards (see table in Annex II).

#### (b) For the 1992/1993 marketing year there will be no reduction in quotas.

- The 2,5% reduction in the price of butter is limited to the 1993/1994 and 1994/1995 marketing years.
- The prices for skimmed-milk powder remain unchanged. These decisions will be reviewed annually in the light of market developments.
- The proposed dairy-cow premium is dropped.
- The final date for quota leasing will be 31 December.

#### (c) Consolidation and simplification

The regime to be applied from 1993/1994 will be decided upon by the Council before the end of 1992 on the basis of the Commission's proposals.

- Milk quotas on land affected by environmental constraints:

The Council requests the Commission to propose, in the context of the consolidation and simplification of the milk quota system, a provision which will provide that in the case of the transfer of land where that transfer is designed to improve the environmental situation or the

structure of milk production at the level of the individual farm enterprise or of the region concerned, Member States may provide that all or part of the reference quantity corresponding to the holding or to the part of the holding transferred shall be placed at the disposal of the departing producer if he intends to continue milk production.

#### IV. BEEF

##### 1. Premium arrangements

###### 1.1. General

- The density factor will be fixed at a flat rate of 2 livestock units per hectare, applicable from 1996.
- During the transitional period, the density factor will be introduced as follows:
  - 1993 - 3,5 units/ha
  - 1994 - 3 units/ha
  - 1995 - 2,5 units/ha
- In calculating the density factor, account will be taken of all the animals per farm for which premiums are requested (male bovine animals, suckler cows and sheep) and the number of dairy cattle needed to produce the milk reference quantity attributed to that holding.
- The exclusion criterion will not apply.
- Clause for small holdings for the two types of premium:  
15 livestock units.
- Fodder area, as proposed by the Commission. Areas which are subject to a mixed usage (permanent crops and/or trees as well as pasture) will be dealt with in the implementation rules (Commission procedure).

1.2. Male bovine animals

A Regional Reference Herd, equal to the number of premiums paid in the reference year, will be established for each region within the Member States.

- Member States may choose as the reference year 1990, 1991 or 1992.
- A region will be understood to be a Member State or region within a Member State at the option of the Member State concerned.
- If, in a given region, the number of premium requests exceeds the Regional Reference Herd level, the number of eligible animals per producer will be reduced proportionately.
- In calculating the number of premium requests, only claims for the premium payable at 12 months will be taken into account, but any reduction arising from the Regional Reference herd being exceeded should apply also to the second premium.
- Member States which wish to do so may establish individual reference quantities for their producers within the limits of the Regional Reference Herd.
- A premium for young bovine animals will be fixed at ECU 90 paid at most twice in the life of an animal: once it has reached 10 months and again after it has reached 22 months.
- Where in a Member State the percentage of male bovine animals slaughtered in the period September to November exceeds 40% of total annual slaughterings of that category, an additional premium of ECU 60 per head is payable upon slaughter of such animals during the period 1 January to 30 April only, in the interest of reducing the excessive seasonalization of supplies. The Commission should make a report to the Council, accompanied if appropriate by proposals, on the effect of this system.

1.3. Suckler cows

- The rights to the suckler-cow premium will be limited for each producer to the number of premiums paid in 1990, 1991 or 1992.
- National reserves and transfer of the premium right: same principles as for sheep.
- Suckler-cow premium: ECU 120.
- The ceiling of 90 head is abolished.

1.4. Calf conversion premiums

- Member States, in the light of their production structures, will apply:
  - . either the calf conversion premium;
  - . or the intervention arrangements for lightweight animals (see point 2 below).

1.5. Extensification premium

Premiums payable to male bovine animals and suckler cows are increased by ECU 30 per head on holdings where producers can prove that their stocking density throughout the year is less than 1,4 LU per forage hectare.

2. Intervention arrangements

- In accordance with details to be determined and for a transitional period of three years, carcasses with a weight between 150 kg and 200 kg may be accepted for intervention.
- The following ceilings on intervention purchases will be fixed:
  - 1993 - 750 000 tonnes
  - 1994 - 650 000 tonnes
  - 1995 - 550 000 tonnes
  - 1996 - 400 000 tonnes
  - 1997 - 350 000 tonnes.

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- Safety net:

Single system; applicable in the Member State in which, during a reference period, the market price is less than 60% of the intervention price.

Purchases taken under the safety net are not included in the quantities specified above.

- O Category young bulls to be excluded from 1993.

In Member States in which this category currently accounts for more than 60% of total slaughtering of male cattle, this exclusion is not applied immediately. Instead, intervention for this category in such Member States is phased out in the period 1993-1997 by placing a progressively reducing ceiling on the maximum quantity which may be taken into intervention in each tender.

- The Council notes the Commission statement that in its decisions on the acceptance of offers of beef for intervention it will take special account of the need to maintain market prices in surplus production regions with a heavy dependence on beef production with the object also of avoiding recourse to the "safety net" especially in such regions.

V. SHEEP

- Individual producers' headage limits are amended as follows:
  - = less-favoured regions : 1.000 head
  - = other regions : 500 head.

50% premiums are payable beyond these limits.

- An additional reserve will be created equal to 1% of the sum of individual producers' headage limits in the less-favoured regions of each Member State; this reserve will be allocated exclusively to these same regions in accordance with criteria to be defined by Member States.

- Member States may choose either 1989, 1990 or 1991 as the reference year for the premiums.

Transfer of premium rights:

1. The right to premium attaches to the producers who were in production during the reference period and who continue to produce.
2. When a producer sells or otherwise transfers his holding he may transfer all his premium rights to his successor. He may also transfer his rights to other producers without transferring the holding but in the case of such transfers a proportion of his rights will be surrendered without payment to the national reserve. This proportion will not exceed 15%. Rights acquired by the national reserve without payment will be allocated free to new entrants or other priority producers.

Member States may allow transfers of premium rights other than transfers with the holding to take place

- a) directly between producers or
  - b) through the intermediary of the national reserve.
3. The provisions laid down in paragraph 2 will be subject to the condition that Member States take the necessary measures to avoid premium rights being moved away from sensitive zones or localities where sheep production is especially important for the local economy.
  4. Member States may provide for the leasing of premium rights.
  5. Detailed rules of implementation, including any provision needed to enable Member States to deal with the specific problems which may arise in respect of transfer of premium rights by producers who do not own their land, to be decided in accordance with the Management Committee procedure.
- The premium for light animals is raised from 70% to 80%.

## VI. ACCOMPANYING MEASURES

The Commission's proposals on accompanying measures will be adapted to take account of the following amendments:

### (a) Environmental protection

- The Regulation will include the possibility of being applied through the establishment of a general national framework which will be defined and possibly completed at regional level.
- The aid arrangements will be used exclusively to compensate those measures having a positive effect on the environment and which also include:
  - = water protection;
  - = the reconversion of arable land into extensive pasture land;
  - = organic farming;
  - = extensification by an increase in area devoted to the present herd;
  - = preservation of environmentally friendly production practices;
  - = courses, training periods and demonstration programmes in the forestry sector and the purchase of material necessary for projects.
- In the context of the aids referred to in agri-environmental measures, Member States will be able to insist that a farmer's obligations be part of an overall plan applicable to the whole farm. In this case the amount of the aids may be calculated as an overall figure taking account of individual amounts laid down.
- The aid arrangements may also be used to compensate measures to encourage the management of land for public access and recreation.

(b) Afforestation of agricultural land

- The Regulation will include the possibility of being applied through the establishment of a general national framework which will be defined and possibly completed at regional level.
- Eligibility of farmers either individually or in association for the premium of ECU 600/ha/year.
- The maximum eligible amount for planting coniferous trees is raised to ECU 3 000/ha.
- Aid for fast-growing varieties giving short-term returns will be limited to the cost of planting and to those whose main livelihood is farming.
- Aids concerning afforestation and maintenance may be grouped together. In this case, payments will be made over a period of five years and the maintenance of new plantations must be ensured.
- Afforestation aids will not be available for Christmas trees.

(c) Early retirement

- The prepension scheme is to be optional at the level of Member States.
- Professional capacity of the incomer instead of the condition laying down two years of work on the agricultural holding.
- Possibility of organizing the handover of land using the services which exist at present.

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The level of EAGGF financing will be 75% in Objective 1 regions and 50% elsewhere.

VII. VARIOUS STATEMENTS

- The Council notes that there are certain specific problems in introducing the reform of the CAP in various sectors in the new Länder whilst agriculture there is having to adapt to a wholly different policy, and that the means of resolving these problems will need to be specified.
- The Commission will follow the evolution of extensive livestock production in Portugal as a consequence of the redistribution of land which was formally collectivized and of adjustments in the production of arable crops and will, if necessary, make appropriate proposals.
- Statement by the Council and the Commission on the administrability of the reform of the common agricultural policy

"The rules for putting into effect the reform decided by the Council must be kept as simple as possible in order to gain acceptance of the measures by the parties concerned. They also have to take account of the principles of proportionality and subsidiarity and have regard for the particular characteristics of the Member States' administrative structures."

- Statement by the Council

"The Council requests the Commission to take into consideration the practical problems resulting for farmers from the implementation of the reform of the CAP.

The Council invites the Commission to present a report on this subject accompanied, if necessary, by appropriate measures setting out an adequate administrative framework for farmers concerned by direct aid measures and by farm production control measures."

- Statement by the Council

"The Council agrees to take a decision on the proposed Council Regulation establishing an integrated administration and control system for certain Community aid schemes at the latest at the time of the adoption of the legal texts implementing the reform of the common agricultural policy."

- Agri-monetary arrangements

"The Commission takes the view that agri-monetary arrangements will be necessary after the implementation of the internal market on 1 January 1993 until the final completion of economic and monetary union. As part of these new arrangements, the Commission declares its intention of proposing compensatory measures for the negative effects on incomes of important monetary revaluations."

- National implementing rules  
Commission statement

"The correct application of Community law is in the first instance the responsibility of Member States, which are best able to judge, in the context of their own general law and administration practices, the extent to which Community regulations need to be translated into national implementing regulations. The Commission cannot therefore give a definitive clearance to national measures. It can only assess whether Community law has been applied correctly in practice. In any case, the Commission does not have the resources which would enable it to examine all the national measures which might be submitted to it.

On the other hand, the Commission recognizes that Member States may have doubts on individual points and it will make every effort to give guidance on such points within a reasonable time. And, as regards the national regionalization plans provided for in the arable producer scheme, it is prepared, for the first year of application, to operate in accordance with the exceptional procedure which was laid down for the first year of the oilseed regionalization programme."

- Measures for the new German Länder

"1. Agriculture in the territories of the former GDR is still in an unusual situation compared to the rest of the Community. It is subject to an ongoing and deep process of restructuring by which the size and management of many holdings will change as well as their

productive structure. These particular circumstances should be taken into consideration by providing for specific rules for the beef, ewe and suckler-cow premium schemes that make certain aspects of the reform more flexible.

II. The following specific rules are considered to be necessary:

1. Total references for quotas:

- (a) 1 000 000 ewes
- (b) 180 000 suckler cows
- (c) 780 000 young male bovine animals

Possibility of transfers of up to 15% between the last two categories.

2. These reference quantities will be distributed in accordance with national rules, including any regional allocation.

3. Base area: 3 140 000 ha

Application in the new Länder of the yield applicable in pre-unification FRG.

III. Before the end of the third year of application of the abovementioned specific rules, the Commission will submit a report to the Council accompanied by proposals on the application in the new Länder of the rules which apply in the rest of the Community.

The Council will decide on these proposals before the end of the fourth period of application of the specific rules."

- Environmental protection

"The Council confirms its commitment to pursuing the requirements of environmental protection as an integral part of the CAP and calls on the Commission to make early proposals take full account of these requirements."

- Transitional national compensation for farmers in Germany

The proposal for a Decision is approved (1).

Commission statement:

"The Commission declares its intention of examining the desirability of extending the transitional national compensation scheme for German farmers decided upon by the Council in 1992. Any extension of the scheme would involve degressive and temporary aid at a reduced level."

- Scheme for raspberries

The proposal for a Regulation is approved (1).

- Food quality

The Council invites the Special Committee on Agriculture to complete its proceedings on food quality before the Council's next meeting, taking into account the position already agreed upon.

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(1) Without prejudice to examination of the European Parliament's Opinion.

1993

	Flue-cured	Light air-cured	Dark air-cured	Fire-cured	Sun-cured	O T H E R			Total tonnes
						Basmas	Katerini	K.Koulak	
ITALY	47 600	51 600	21 800	9 100	15 000				145 100
GREECE	30 000	12 400			20 650	27 500	23 400	20 000	133 950
SPAIN	28 300	4 970	9 000	30					42 300
PORTUGAL	5 500	1 200							6 700
FRANCE	8 000	7 050	13 000						28 050
GERMANY	2 500	6 000	3 500						12 000
BELGIUM			1 900						1 900
	121 900	83 220	49 200	9 130	35 650	27 500	23 400	20 000	370 000

1994

	Flue-cured	Light air-cured	Dark air-cured	Fire-cured	Sun-cured	O T H E R			Total tonnes
						Basmas	Katerini	K.Koulak	
ITALY	47 600	45 000	17 200	9 100	14 000				132 800
GREECE	29 000	12 300			16 400	26 500	22 500	20 000	126 700
SPAIN	28 300	4 970	9 000	30					42 300
PORTUGAL	5 500	1 200							6 700
FRANCE	8 700	7 900	11 000						27 600
GERMANY	2 500	6 000	3 500						12 000
BELGIUM			1 900						1 900
	121 600	77 370	42 600	9 030	30 400	26 500	22 500	20 000	350 000

ANNEX II

	SPAIN tonnes
Present quota	
- deliveries	4 550 000
- direct sales	527 000
Present estimated production	6 000 000
Difference between quota/production	1 450 000
National buy-up already decided	600 000
<u>SOLUTION</u>	
Revised quota	500 000
Direct sales transfer	150 000
Buy-up financed by the Community	200 000

GREECE: The quota is increased by 100 000 tonnes

PRICES FOR AGRICULTURAL PRODUCTS AND RELATED MEASURES (1992/1993)

The Council reached political agreement, by a qualified majority, on the 1992/1993 price package, on the basis of a Presidency compromise.

The compromise, which met with the Commission's approval, involved amendments to the original Commission proposal. The basic features are set out below:

CEREALS

(a) Durum wheat

Intervention B will be available on the same terms as last year.

(b) Moisture content and specific weight of barley

The Commission confirms the assurances it has already given that it will maintain the existing rules as long as the stabilizer is applied.

(c) Portuguese price alignment

The Portuguese price for soft wheat is reduced to the common price and the aid provided under Regulation (EEC) No 3653/90 is increased accordingly.

SUGAR

The Council notes that the Commission will submit proposals before the end of this year dealing with price alignment in Spain.

OLIVE OIL

By comparison with the Commission's proposals, the common level of the production

aid is increased by 1,5 ECU/100 kg with an equivalent reduction in the intervention and representative market prices. The common level of the production aid for small producers is increased by 4,5 ECU/100 kg by comparison with the Commission's proposals. The level of these prices and aids in Spain and Portugal will be derived from the common levels in accordance with the Treaty rules on transition.

Amendment of Article 12(1) of Regulation 136/66/EEC in order to permit producer groupings, recognized by this Regulation, to put olive oil into intervention.

#### COTTON

To give greater certainty to producers, the price reduction which can be immediately applied in respect of estimated production exceeding the guaranteed quantity in any one year is limited to 15%. This limit does not, however, apply to price reductions needed to correct errors in the estimate of production used the previous year, or to any excess over the 15% limit carried forward from the previous year.

#### WINE

##### (a) Storage contracts for wine

Possibility for the 1991/1992 marketing year of a partial release of the quantity under contract before the end of the nine-month storage period. Some wines stored under this regime may be delivered for distillation provided that this takes place before 1 July.

##### (b) Extension of the derogations granted under Articles 90 and 127 of the Act of Accession from Community rules on mixing red and white wine and on acidity content

The Commission undertakes to consider the need for adaptations of these rules in the context of the forthcoming review of the wine regime.

##### (c) Interspecific varieties of wines

The Commission confirms its intention to study, in the context of reform of the wine regime, the possibility of including interspecific varieties in the list of varieties declared suitable for the production of quality wine p.s.r.

FRUIT AND VEGETABLES

The Council invites the Commission to submit a proposal to continue the special aid granted to Greece in view of the exceptional difficulties created for the normal transport of these products from Greece to other Member States by the situation in the former Yugoslavia.

PROCESSED FRUIT AND VEGETABLES

(a) Processed tomatoes

The Council agrees that the quota system should be reinstated in 1993/1994 and calls upon the Commission to submit a formal proposal to this effect before the end of October 1992.

(b) Processed fruit

The Commission will keep the market for small citrus fruit under review and, if necessary, will propose appropriate measures.

MILK

- Skimmed-milk powder

The Commission will follow market developments in Spain following the application of the Treaty and, if necessary, will submit appropriate proposals.

BEEF

- Suckler-cow premium

ECU 50 per head, as in 1991.

AGRI-MONETARY

The Commission proposal stands for all Member States except Spain and Portugal.

For Spain, the monetary gap will be dismantled by 1/2 the difference between the present monetary gap and 2 points. For Portugal, the monetary gap will be

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modified in such a way that the effect on Portuguese prices will be equal to the effect on Spanish cereals and sugar prices.

The remaining gaps including any new gaps that might be created between the date of this Decision and 31 December 1992 will be dismantled on the entry into force of the agri-monetary arrangements associated with the internal market in such a way that applied monetary gaps are avoided and the existing different green rates between sectors are harmonized.

FOOD QUALITY

(refer to the text on the reform of the CAP, p. 22).

TRANSITIONAL NATIONAL COMPENSATION FOR FARMERS IN GERMANY

(refer to the text on the reform of the CAP, p. 22).

SPECIAL SCHEME FOR RASPBERRIES INTENDED FOR PROCESSING

(refer to the text on the reform of the CAP, p. 22).

IMPLEMENTATION OF COUNCIL DIRECTIVES ABOLISHING VETERINARY CHECKS AT INTERNAL BORDERS

Directives 89/662 and 90/425 provided for the introduction of new rules governing veterinary checks, viz. more stringent checks at origin (in order to ensure compliance with Community requirements concerning animals and products trade in which was subject to veterinary regulations at Community level or to ensure compliance with the requirements of the Member State of destination concerning other animals and products of animal origin, where the rules have not yet been harmonized). The deadline set for implementation of these rules, which are designed to result in the abolition of veterinary checks at borders between Member States, is 1 July 1992.

Concern was expressed at the short time available to complete the harmonization of veterinary rules for all animals and products of animal origin subject to veterinary checks, to transpose the relevant Community decisions into national law and to introduce the instruments necessary for conformity therewith and to monitor compliance at origin. The Council therefore held a detailed discussion on the solutions likely to be adopted to take into account any difficulties that might be encountered in abolishing all veterinary checks at borders without jeopardizing their health status, in particular checks concerning animals and products trade in which is not yet harmonized.

At the end of its discussion the Council:

- confirmed its political will to abolish all veterinary checks at internal borders by 31 December 1992 and to introduce as from 1 July 1992 checks

at origin and at destination, as envisaged;

- emphasized its determination to reach decisions regarded as priorities to that end;
- instructed the Permanent Representatives Committee to continue examining further specific difficulties that might arise with regard to certain animals and products and to seek appropriate transitional solutions.

COMMUNITY MEASURES FOR THE CONTROL OF AVIAN INFLUENZA

The Council unanimously adopted the Directive introducing Community measures for the control of avian influenza.

The purpose of the measures is to eradicate avian influenza and to prevent its propagation in the event of an outbreak of the disease, inter alia through systematic slaughtering, with possible recourse to vaccination and rigorous control of the movement of poultry.

In order to ensure that those measures are effective, the Directive lays down obligations for Member States, including:

- the destruction of the carcasses of infected birds;
- the introduction of a protection zone (3 km) and a surveillance zone (10 km) around infected holdings;
- the establishment of laboratories providing the technical aid necessary for monitoring the measures for the eradication and surveillance of the disease.



MISCELLANEOUS DECISIONS

OTHER DECISIONS IN THE AGRICULTURAL SPHERE

The Council adopted Regulations:

- introducing specific measures for table olives. The Regulation involves measures to develop the consumption of table olives and the granting of specific aid for the constitution of working capital aimed at stabilizing supply, in particular through the financing of storage required for the suitable release to the market of the product;
- on the system of minimum import prices for certain soft fruits originating in Hungary, Poland and Czechoslovakia. The purpose of the Regulation is to lay down general rules governing that system of minimum import prices, including the criteria for fixing the level of those prices, and provisions to be invoked in the event of non-compliance with the prices;
- fixing the guideline figure for the 1992/1993 milk year for the fat content of standardized whole milk imported into Ireland and the United Kingdom. That figure is fixed at:
  - = 3,50% for Ireland;
  - = 4% for the United Kingdom;
- amending Regulation (EEC) No 2390/89 laying down general rules for the import of wines, grape juice and grape must. It involves extending for six months, until 31 October 1992, the derogatory rules introducing a degree of flexibility regarding the certificates of origin and analysis reports to be provided by the United States, provided, however, that the United States offers specific guarantees which are accepted by the Community;

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- amending Regulation (EEC) No 1873/84 authorizing the offer or disposal for direct human consumption of certain imported wines which may have undergone oenological processes not provided for in Regulation (EEC) No 822/87. This amendment extends for six months, until 31 October 1992, the derogation granted to wines originating in the United States as regards the application of certain oenological processes permitted in the Community.

#### OTHER MISCELLANEOUS DECISIONS

##### ECSC

The Council gave its assent under the ECSC Treaty to the granting of:

- a loan to Distringaz, Belgium (BF 1 000 million, for the co-financing of a pipeline for the transportation of natural gas across Belgium);
- financial aid for steel research projects (ECU 38,7 million for 115 projects) and steel pilot/demonstration projects (ECU 16,7 million for 10 projects).

##### Anti-dumping

The Council adopted the Regulation amending Regulation (EEC) No 1768/89 imposing a definitive anti-dumping duty on imports of video cassettes originating in Hong Kong.

Under this new Regulation the Wai Shing company, which may be regarded as a newcomer to the Community market under the provisions of Regulation No 1768/89,

and the investigation of which revealed the existence of dumping, will be subject to the following anti-dumping duties:

- a duty equal to the difference between a floor price based on the normal value for each individual model and the net free-at-Community-frontier price, not cleared through customs, payable by the first importer, in respect of the models E-30, E-60, E-90, E-120, E-180, E-195 and E-240, whether normal grade, high grade or super high grade;
- a duty of 13,8% of their net, free-at-Community-frontier price, before duty, for all other video tapes in cassettes.

#### EC-Japan Centre for Industrial Co-operation

The Council adopted a Decision under which "the consolidation of the EC-Japan Centre for Industrial Co-operation and its establishment as a common venture between the Community and Japan are hereby confirmed on behalf of the European Economic Community".

The goal of the EC-Japan Centre for Industrial Co-operation, which is located in Tokyo, is to contribute to industrial co-operation between the Community and Japan, notably by organizing management training programmes for European business executives, providing information on the Japanese business environment and opportunities, and offering programmes for alternative-energy specialists.

The Centre, which was founded in 1986, is jointly financed by the Government of Japan, the Community and private sponsors.

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Environment

Further to the agreement reached at the Environment Council meeting on 12 December 1991 (see press release 9914/91 Presse 229), the Council formally adopted:

- the Regulation establishing a financial instrument for the environment (LIFE);
- the Directive on the conservation of natural habitats and of wild fauna and flora (HABITATS).

The Council also decided on the signing by the Community, subject to conclusion, of:

- the Convention on the Protection of the Marine Environment of the Baltic Sea area (Helsinki Convention as revised in 1992);
- the Agreement on the Conservation of small Cetaceans of the Baltic and North Seas.

PRESS RELEASE

6543/92 (Presse 89)

1580th Meeting of the Council

- ENERGY -

Brussels, 21 May 1992

President: Mr Luis Fernando de MIRA AMARAL  
Minister for Industry and Energy  
of the Portuguese Republic



Luxembourg:

Mr Alex BODRY Minister for Energy

Netherlands:

Mr Koos ANDRIESSEN Minister for Energy

Portugal:

Mr Luis Fernando de MIRAL AMARAL Minister for Industry and Energy

Mr Luis Filipe PEREIRA State Secretary for Energy

United Kingdom:

Mr Timothy EGGAR Minister for Energy

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Commission:

Mr Antonio CARDOSO E CUNHA Member

INTERNAL MARKET IN ELECTRICITY AND NATURAL GAS

The Council held a policy debate on two proposals for Directives concerning common rules for the liberalization of the market in electricity and natural gas in the Community, in the context of completing the internal market in those sectors.

Following that debate, the Presidency drew the following conclusions:

"The Presidency:

1. considers it desirable that a gradual and progressive approach be adopted on this issue, with the smooth running of the Internal Market as a whole as a constant objective;
2. notes that, at the preliminary policy debate on the two proposals, a broad consensus was reached on:
  - the importance of security of energy supplies, which, at Member State level, must be guaranteed;
  - the important role of environmental protection in the implementation of the proposed Directives;
  - the advisability of giving a substantial role to the principle of subsidiarity and avoiding, as far as possible, further rules at Community level and in the Member States;
  - the need to take account of the different characteristics of natural gas and electricity when examining the two proposals;

3. also notes that some Member States are in favour of:

- opening up the energy production sector to competition and the abolition of exclusive rights concerning construction of electricity lines and natural gas pipelines;

- an increase in the transparency of this sector by means of a separation (unbundling) of vertical energy undertakings;

4. recalls that, in the context of the liberalization of the Energy Market, some delegations have misgivings as to the possible consequences of implementing the principle of Third Party Access (TPA);

5. also notes the fact that these misgivings concern, in particular: the challenge to the guarantees relating to the system of property ownership; protection of the interests of small consumers; non-discriminatory treatment in respect of tariffs; the introduction of a suitable infrastructure, and if necessary, of the related funding; definition of transparency of costs; application of the rules of competition in order to avoid price distortion; advisability of having an evaluation report from the Commission on the introduction and operation of the transit of electricity and natural gas as recommended by the Council directives of 1990 and 1991; an adequate transition period; an evaluation of progress at the end of the 2nd stage before beginning an examination of the 3rd stage;

6. hopes that the Council will give a significant stimulus to the effective resolution of these problems and that appropriate flanking measures, such as trans-European networks and suitable infrastructures, which are essential to the smooth running of the internal market, will be adopted at the same time."

The Council instructed the Permanent Representatives Committee to continue examining the proposals in particular in the light of the Opinions of the European Parliament and the ESC.

COMMUNITY STRATEGY TO LIMIT CO2 EMISSIONS

The Council heard a statement by Mr CARDOSO E CUNHA, Member of the Commission, followed by an exchange of views on the Commission proposals concerning a Community strategy to limit CO2 emissions and improve energy efficiency, including an energy chapter and an overall strategy.

In this context, Mr CARDOSO E CUNHA referred to:

- new proposals to improve energy efficiency in the building, transport and industrial sectors in the context of the SAVE programme;
- increased recourse to renewable sources of energy by means of the new ALTENER programme;
- the Commission's intentions in the context of preparation of a Community position of proposing a tax on CO2 and energy at the Rio de Janeiro Conference.

The Council instructed the Permanent Representatives Committee to study the formal proposals expected from the Commission.

The Council also adopted a statement reaffirming the importance it attached to the THERMIE programme as an essential element of energy policy and as a means to take account of the most recent

environmental concerns, hoping that the level of activity to be taken into consideration in its budget discussions would continue to enable that programme to make an appreciable contribution to solving technological problems in the energy sector.

TRANS-EUROPEAN NETWORKS - ENERGY ASPECTS

The Council heard the Commission's outline of the energy aspects of its communication on the setting up of trans-European networks.

The Council noted the Commission's intention of submitting to it next autumn guidelines in the sphere of trans-European networks, as provided for in Title XII of the Treaty on European Union.

OIL SUPPLIES - POSSIBLE COMMUNITY ACCESSION TO THE IEA

The Council noted the Commission's presentation of two proposals for Directives providing for appropriate measures in the event of difficulties in the supply of crude oil and petroleum products to the Community and a draft Decision containing a negotiating brief with a view to possible Community accession to the International Energy Agency (IEA).

It will be remembered that, at its meeting on 29 October 1991, the Council had asked the Commission to submit new proposals on this subject and to adapt the draft negotiating brief concerning Community accession to the IEA, taking account of the distribution of powers between the Community and the Member States in the fields covered by the IEA.

Following the preliminary discussion, the Council instructed the Permanent Representatives Committee to continue examining the proposals, in particular in the light of the Opinions awaited.

OIL MARKET AND THE REFINING INDUSTRY IN THE COMMUNITY

The Council was informed by Mr CARDOSO E CUNHA of the situation on the oil market and in the refining industry in the Community, on which the Commission submitted a communication to the Council.

CONDITIONS FOR GRANTING AND EXERCISING AUTHORIZATIONS TO PROSPECT, EXPLOIT AND EXTRACT HYDROCARBONS

The Council heard the Commission's presentation of a proposal for a Directive aiming at gradually establishing the internal market by calling upon Member States to ensure non-discriminatory access by entities to the prospecting and exploration for or extraction of hydrocarbons and non-discriminatory exercise of these activities.

Following a discussion, the Council instructed the Permanent Representatives Committee to continue examining the proposal, in particular in the light of the European Parliament's Opinion.

ENERGY POLICY OBJECTIVES

The Council held a discussion on updating the Community energy policy objectives for 1995 and convergence of Member States' policies.

OTHER DECISIONS IN THE ENERGY SECTOR

Energy planning at regional level

The Council adopted the following conclusions:

The Council notes the communication submitted by the Commission on 22 May 1991 on energy planning in the European Community at regional level.

The Council:

- expresses its interest in the regional energy planning measure introduced by the Commission;
- endorses the orientation and priorities indicated by the Commission for the measures in progress;
- emphasizes the need to strengthen co-ordination with existing programmes such as SAVE and THERMIE, with measures under the structural funds and, in line with the principle of subsidiarity, with the Member States' own measures;
- notes the Commission's intention of evaluating and following-up these measures and of informing it, together with the European Parliament and the Economic and Social Committee, of the outcome thereof by the end of 1993 at the latest. On this basis the Council will examine what arrangements could be made for continuing these measures, taking account also of links with other programmes."

Efficiency requirements for new boilers

Following the co-operation procedure with the European Parliament, the Council adopted the Directive on the efficiency requirements for new hot-water boilers fired with liquid or gaseous fuels.

That Directive, which is one of the measures sparked off by the SAVE programme, aims at creating the conditions for establishing the internal market by ensuring common energy efficiency standards for each type of apparatus that are accepted by all the Member States.

The Directive has a dual aim: energy savings as the domestic and tertiary sector absorbs a major and increasing proportion of the final consumption of energy in the Community, and the resultant protection of the environment.

The enacting terms, moreover, provide for the granting of the CE mark and the awarding of quality labels (stars) under specific conditions.

#### Labelling of household appliances

The Council adopted a common position on a Directive on the indication by labelling and standard product information of the consumption of energy and other resources of household appliances.

The Directive should enable consumers to choose more energy-efficient appliances.

#### Electricity and natural gas transmission infrastructures in the Community

The Council adopted the following conclusions:

"The Council:

- (1) notes with interest the analysis and the approach in the communication which the Commission has forwarded to the Council and the European Parliament on electricity and natural gas transmission infrastructures in the Community;

- (2) reaffirms that the development and establishment throughout the territory of the Community of trans-European networks in the energy sector is aimed at increasing security of supplies in the Community, permitting balanced operation of the internal market within a system of open, competitive markets and strengthening economic and social cohesion in accordance with Articles 129b, 129c and 129d of the Treaty on European Union;
- (3) considers that the action to be taken to attain that objective must as of now be in accordance with the provisions of the Treaty on Union and calls upon the Commission to continue its work of drawing up guidelines for electricity and natural gas transmission infrastructures in close conjunction with the Member States, with a view to submitting proposals for such guidelines to the Council;
- (4) considers in this context that Community action to realize in full the objectives set out in the Treaty on Union should start in 1993;
- (5) welcomes the Commission's intention of:
  - involving the various parties concerned as fully as possible in the drafting of these guidelines;
  - establishing priorities in order to ensure that all Community regions can benefit from the internal market;
  - ensuring a coherent approach between the Community Structural Funds and support given in the context of the trans-European networks;
- (6) calls upon the Commission to convene meetings of experts from the Member States to hold the necessary talks.

The Council also noted:

- the first Commission report to the Council on energy investment projects in the Community pursuant to Regulation No 1056/72 (situation as at 1 January 1990);
- the Commission mid-term report on the application of Decision No 2064/86/ECSC establishing Community rules for State aid to the coal industry during the period 1987-1990.

#### OTHER DECISIONS

##### EEC-Australia relations

The Council adopted the Decision authorizing the Commission to negotiate a scientific and technical co-operation agreement between the Community and Australia.

##### Appointments

The Council replaced:

- a member of the Advisory Committee on Safety, Hygiene and Health Protection at Work;
  - a member of the Advisory Committee on Social Security for Migrant Workers.
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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

6770/92 (Presse 95)

1581st Council meeting

- ENVIRONMENT -

Brussels, 26 and 27 May 1992

President: Mr Carlos BORREGO,

Minister for the Environment  
and Natural Resources of  
the Portuguese Republic



Ireland:

Mr Michael SMITH Minister for the Environment

Italy:

Mr Antonio CANGELOSI Deputy Permanent Representative

Luxembourg:

Mr Alex BODRY Minister for the Environment

Netherlands:

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

Portugal:

Mr Carlos BORREGO Minister for the Environment  
and Natural Resources

Mrs Teresa GOUVEIA State Secretary for Foreign Affairs  
and Co-operation

United Kingdom:

Mr Michael HOWARD Secretary of State for the Environment

Mr David MACLEAN Minister for the Environment  
and Countryside

o o

Commission:

Mr Carlo RIPA DI MEANA Member

SHIPMENTS OF WASTE

The Council held a detailed discussion on the Regulation on the supervision and control of shipments of waste within, into and out of the European Community.

The Regulation is directed inter alia at improving the control system currently in force within the Community and at transposing into Community legislation the provisions of the Basle Convention on Hazardous Waste, those of the fourth Lomé Convention and those of the recent OECD Decision on waste destined for recovery.

The discussion revealed that there was broad consensus on a large number of essential issues.

At the end of the discussion the Council instructed the Permanent Representatives Committee to continue examining the Regulation with a view to its adoption at the earliest opportunity.

AIR POLLUTION BY OZONE

The Council approved the Directive on air pollution by ozone.

The purpose of the Directive is initially to establish a harmonized procedure for monitoring, for the exchange of information and for informing and warning the public about air pollution by ozone.

It also stipulates that at the end of the first stage the Council will review the situation on the basis of a Commission proposal on the control of air pollution by ozone.

The Directive will be formally adopted at a forthcoming Council meeting, after the texts have been finalized.

5TH ENVIRONMENTAL ACTION PROGRAMME

The Council adopted the following conclusions:

- "1. The Council welcomes the presentation by the Commission of the new environmental action programme entitled "Towards sustainability". It undertakes to accord the highest priority to considering the programme so that, as soon as the European Parliament and the Economic and Social Committee have delivered their Opinions and taking into account the outcome of the UNCED, the programme can become operative by 1 January 1993, following the Council's adoption of the Resolution on its content under the conditions stipulated therein.
2. The new programme aims at achieving sustainable development in the Community over the coming years and into the next century. It is intended to shape the broad thrust of the Community's future internal policy, and of its contribution to the broader international effort, especially in the context of Agenda 21 to be decided by the UNCED in Rio.
3. The Council notes with satisfaction that the overall approach of the programme and the essential elements which underpin this approach are based on those set forth in the Dublin Declaration of the European Council of June 1990, which are similar to those developing from the UNCED process.
4. The programme stresses the importance of measures aiming at a high level of protection based on the principles of prevention and precaution. It calls for the development of measures based on the full integration of environmental considerations into sectoral policies to the benefit of the environment and also to the benefit of the sectors themselves. Industry, energy production and use, agriculture, transport and tourism are identified as sectors worthy of particular attention, given their impact on the Community's environment.

5. The Council notes that the programme also underlines the importance of defining priority issues where specific targets and timetables for action are needed. These include climate change, air pollution, nature conservation and biodiversity, water resources, urban environment, coastal regions, waste management and risk management.
6. The programme refers to the need for flexibility to take into account the specific characteristics of the different regions of the Community. In accordance with the subsidiarity principle, the programme recognizes that certain activities will be best carried out by the Community whilst others will best be implemented at national, regional and/or local level. It also underlines the need to identify and involve the relevant factors in the process and their joint responsibility in the implementation of specific environmental policies and measures.
7. The Council notes that the programme suggests that traditional legislative measures setting standards and rules need to be supplemented by a range of innovative means of action, including economic instruments.
8. The programme should be considered in the context of the determination of the Community and its Member States to overcome the serious environmental challenges which must be faced to achieve a sustainable development both within the European Community and worldwide. The Council further agrees that the implementation of the principles and measures to be adopted at the UNCED will require a reassessment of the Community's and its Member States' own policies, internal and external aspects of which will have to be duly integrated to build up a coherent and effective response to the complex problems on the UNCED agenda."

FRAMEWORK CONVENTION ON CLIMATE CHANGE

The Council decided that the Community will sign the Framework Convention on Global Climate Change, subject to verification of the final text.

The Council adopted the following conclusions on the matter:

- "1. The Community and its Member States acknowledge the outcome of the negotiations of a Framework Convention on Climate Change concluded by the Intergovernmental Negotiating Committee in New York on 9 May 1992; they see it as a significant first step in the process of elaborating a global response to the global problems of climate change and urge all countries to sign the Convention during the UNCED and thereafter to ratify it as swiftly as possible.
  
2. They support measures to enable the early and effective operation of the Convention; they confirm their readiness to contribute actively to the preparatory work on decisions, in particular on procedures and methodology to be agreed on by the parties at their first meeting, and on the list of undertakings by the developed countries, and to the preparation as soon as possible of the Protocols provided for in the Convention covering specific issues, in particular the limitation of CO<sub>2</sub> emissions. They are in favour of the INC continuing its preparatory work, and call for an INC meeting to be convened in Autumn 1992.

3. The Council confirms the objective of stabilizing CO<sub>2</sub> emissions by 2000 at the 1990 level in the Community as a whole, as referred to in the Council conclusions of 29 October 1990, 13 December 1991 and 5 May 1992.
4. The Council notes the decision by the Commission to propose a number of specific measures under a Community strategy to limit carbon dioxide emissions and to improve energy efficiency, as indicated by the Commission, including a proposal for a Community tax.
5. The Community and its Member States urge all countries to transpose the clear commitments laid down in the Convention into their national policies, and they urge the other industrialized countries to take steps similar to those adopted or envisaged by the Community and its Member States."

The Council also heard a statement by Commissioner RIPA DI MEANA, followed by a brief discussion, on the Commission's initiatives with regard to a Community strategy on limiting CO<sub>2</sub> emissions and improving energy efficiency.

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PREPARATION FOR THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT  
(UNCED)

The Council held a final discussion before the beginning of the UNCED in Rio de Janeiro on 3 June 1992.

The discussion centred on financial and institutional questions and on the international Conventions on Climate Change and Biodiversity, which are scheduled to be signed at the Conference.

WASTE FROM THE TITANIUM DIOXIDE INDUSTRY

The Council adopted a common position on the Directive on procedures for harmonizing the programmes for the reduction and eventual elimination of pollution caused by waste from the titanium dioxide industry.

The purpose of the Directive, which is based on Article 100a of the Treaty, is to fill the temporary legal void created by the judgment of the Court of Justice, delivered on 11 June 1991, under which Directive 89/428/EEC was annulled on the grounds of infringement of an essential procedural requirement, in particular the lack of an appropriate legal basis.

The Directive retains the technical provisions (prohibition of dumping and discharge, limit values) of the annulled Directive with the object of ensuring continuity in the achievement of the environmental protection objectives adopted by the Council in this field in 1989.

However, as the implementation calendar established by the annulled Directive 89/428/EEC has largely been overtaken, this proposal sets new target dates for the near future.

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MISCELLANEOUS DECISIONS

Customs union

The Council adopted the Regulation temporarily suspending the autonomous Common Customs Tariff duties on a number of agricultural products.

Agriculture

The Council adopted the Regulation amending Regulation No 1678/85 fixing the conversion rates to be applied in agriculture.

ECSC

The Council gave its assent to a Commission Decision concerning the granting of financial aid to 130 projects of technical coal research 1992.



There is no record of a 1582<sup>nd</sup> meeting.